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REGIONAL DEVELOPMENT COOPERATION STRATEGY (RDCCS) 2022-2027

JUNE 30, 2022 – JUNE 30, 2027

Executive Summary

The 2022-2027 Regional Development Cooperation Strategy (RDCS) of USAID/El Salvador - Central America and Mexico (E-CAM) Regional Mission focuses on regional solutions to development challenges that drive irregular migration from Central America to the United States. Each year hundreds of thousands of Central Americans leave their communities in search of better lives elsewhere. Many are destined to the U.S., migrating north through Mexico. The journey is costly and dangerous, and many end up as returnees from Mexico or the United States, who often attempt the trip again, creating a continuous cycle of irregular migration. While migration trends vary significantly from one year to the next in response to both push and pull factors, the principal push factors from Central America include a lack of economic opportunities, violence, poor governance and provision of public services, and vulnerability to climate shocks. In addition, development challenges are amplified by the COVID-19 pandemic, and HIV/AIDS in the region continues to affect significant portions of certain vulnerable populations.

In response, **the goal of the RDCS is to reduce irregular migration from a Central America that is more prosperous, safe, and resilient. This will be achieved through regional programs that address regional challenges to economic prosperity, governance and security, and environment and health.** Towards the goal of improving economic prosperity, regional priorities will include trade, investment, and value chains. To advance democratic governance and security, USAID will focus on sharing security information and best practices, preventing and responding to human rights abuses, countering corruption, and addressing the needs of displaced and moving populations. Finally, to strengthen resilience to environmental and health threats, regional priorities will focus on climate change adaptation and mitigation, natural resource management, and the prevention, management, and treatment of transboundary diseases.

The goal of the RDCS will be achieved through the following three Regional Development Objectives (RDOs):

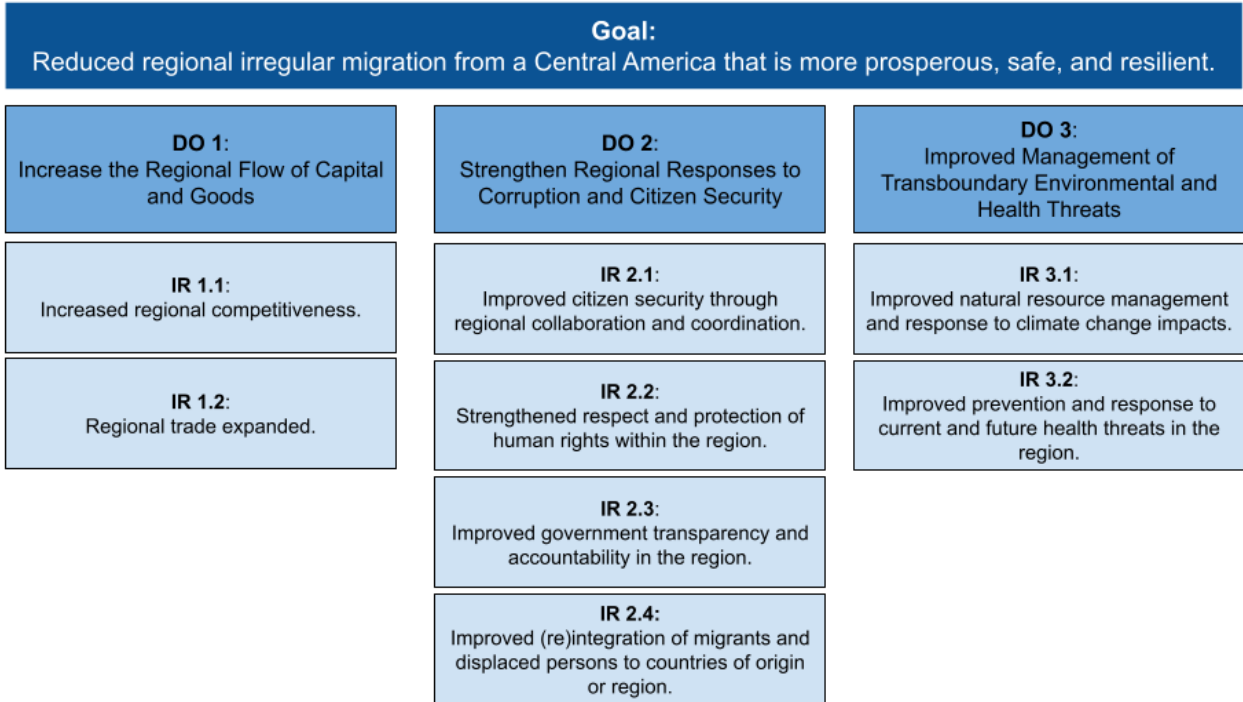
- RDO 1: Increase the Regional Flow of Capital and Goods
- RDO 2: Strengthen Regional Responses to Corruption and Citizen Security
- RDO 3: Improved Management of Transboundary Environmental and Health Threats

The RDOs directly support broader U.S. Government (USG) strategies including the National Security Strategy, the Strategy to Address the Root Causes of Migration in Central America (RCS), and the Collaborative Migration Management Strategy (CMMS), along with agency-specific strategies and administration priorities. The geographic scope will maintain a central focus on El Salvador, Guatemala, and Honduras, but will also strategically engage in Mexico, Nicaragua, and other countries in the region without a USAID mission, including Costa Rica, Belize, and Panama. However, the RDCS will focus on regional challenges and opportunities that drive irregular migration and require regional solutions and approaches. Specifically, the RDCS will focus on those development challenges and opportunities that meet one or more of the following criteria:

- They are transboundary and require action among multiple countries to achieve a common goal;
- They benefit from a similar development approach across multiple countries;
- A bilateral mission identifies a challenge or opportunity, and it determines that the best way to address it is through regional programming;
- There is a development need or opportunity that can be supported through regional programming in a non-presence country; or
- There is an opportunity to partner with a regional organization or private sector firm to leverage assistance or expertise to achieve a common objective in the region.

As with its development, the RDCS will be implemented through collaboration – from activity design through implementation. Bilateral missions in the region, USAID/Washington, other U.S. Government agencies, other donors, civil society, and the private sector, among others, will provide input on the scope and approach of regional activities under this RDCS.

Results Framework



Regional Development Context

According to latest estimates, over 400,000 residents of Central America leave their communities each year in search of better lives.¹ Most of these rely on irregular channels for migration and are destined to the U.S., often by migrating north through Mexico.² The journey is costly and dangerous, and many end up as returnees from Mexico or the United States, creating a continuous cycle of irregular migration and returnees. Since January 2016, the U.S. has returned over 400,000 Central Americans attempting to irregularly migrate, a monthly average of more than 6,000 individuals.³ Although most Central American irregular migrants originate from El Salvador, Guatemala, and Honduras, the flow of populations and drivers of migration concern all Central American countries as well as Mexico. Recently, there has been a surge of migrants from South America, particularly from Venezuela. This point was recently highlighted in the October 2021 launch of the Alliance for Development in Democracy by the governments of Panama, Costa Rica, Dominican Republic, and Ecuador to help address irregular migration in the region through sustainable, inclusive, and resilient development. In addition, the U.S. and Mexico partnered in 2017 to improve economic opportunity in El Salvador, Guatemala, and Honduras for likely migrants and in 2021, Vice President Harris oversaw a Memorandum of Understanding between USAID and the Mexican Agency for International Development Cooperation (known by its acronym in Spanish, AMEXCID) to address the root causes of migration. The regional nature of the migration challenge – and the required responses – was also highlighted by the Los Angeles Declaration on Migration and Protection adopted at the Ninth Summit of the Americas. While migration trends vary significantly from one year to the next in response to both push and pull factors, the principal push factors from Central America concern lack of economic opportunities, violence, poor governance and provision of public services, and vulnerability to climate shocks.

Economies in the region remain largely informal and highly unequal. The number of jobs in the formal economy with sufficient wages to allow people to stay rooted in their communities fall far short of the number of people looking for work. This challenge is particularly acute for youth, women, and members of marginalized groups. Economic growth is hindered by structural impediments to investment and poor governance. In addition, economic challenges are amplified by health and environmental threats that test the resilience of populations in the region, a phenomenon best exemplified by the COVID-19 pandemic (which resulted in negative growth in the region) and two tropical storms in November 2020 that devastated communities and created crisis-level food insecurity.

The two tropical storms also exemplify that the effects of climate change impact migration. Worsening droughts can devastate rural and agricultural communities economically to the point that residents choose to migrate to the U.S. for better opportunities. Beyond droughts, extreme weather events in general are increasingly common in the region and sea levels are rising, which can destroy livelihoods and act as powerful push factors for irregular migration.

Democratic backsliding and widespread corruption weaken governance and undercut progress on economic opportunity, protection of human rights, and citizen security. Private companies cite corruption as an impediment to investment, and corruption hinders governments' abilities to provide basic services, undermining their effectiveness in addressing social and economic development challenges. Further, weak

¹ “The Complex Motivations and Costs of Central American Migration.” Migration Policy Institute November 2021. https://www.migrationpolicy.org/sites/default/files/publications/mpi-wfp-mit_migration-motivations-costs_final.pdf. The study estimates 406,000 per year as an average from 2016-2020 with the U.S. and other countries as their ultimate destination. This is an estimate and includes migration through regular and irregular channels.

² “The Complex Motivations and Costs of Central American Migration.” Migration Policy Institute November 2021. https://www.migrationpolicy.org/sites/default/files/publications/mpi-wfp-mit_migration-motivations-costs_final.pdf.

³ Calculated from International Organization for Migration data. <https://mic.iom.int/webntmi/>

democratic institutions, coupled with rampant impunity, have lowered citizens' trust in their governments and the independence of judicial systems. Flawed elections, opaque government decision-making, widespread misinformation, and populist authoritarianism have contributed to violence in the region (e.g., the political unrest and violence in Nicaragua beginning in 2018), and citizens live under the constant threats of gangs, extortion, and transnational crime. Improving governance and increasing security within communities is key to generating hope for citizens in the region so they can access public services and move safely in their communities. Improvements in these areas are also critical to attracting private sector investment.

Marginalized populations, including women and girls, indigenous and Afrodescendant peoples, and lesbian, gay, bisexual, transgender, queer, and intersex (LGBTQI+) populations are particularly vulnerable to discrimination and hate crimes. Additionally, LGBTQI+ populations are at higher risk of contracting HIV/AIDS. Gender-based violence (GBV) – including, but not limited to, intimate partner violence, rape, gender-based murder of women and girls (femicide) – along with sex and labor trafficking significantly hinder the ability of women and girls to participate fully in society and contribute to their families and communities. Vulnerable populations subjected to violence or human trafficking often lack sufficient access to justice and protection services. The ability of law enforcement to address sexual, gender-based, and domestic violence remains a challenge, and GBV has been exacerbated by the COVID-19 pandemic. GBV is also a driver of migration, and a higher percentage of women in Guatemala, El Salvador, and Honduras cite violence as their primary reason for migrating compared to men.⁴

Similarly, youth are especially affected by development challenges. For example, roughly one fourth of the youth population (ages 15-24) in El Salvador, Guatemala, and Honduras is not employed or enrolled in school or training programs, a trend that disproportionately affects young women.⁵ Half the population in the region does not complete high school, a key indicator of an inability to gain sufficient employment and likelihood to irregularly migrate.⁶ Youth are often recruited to join gangs, and evidence suggests that most gang members join when they are younger than 18.⁷ Young men are the most common victims of crimes against life and property, and young women are the most common victims of sexual and physical violence.⁸ Youth are also most likely to migrate, with an estimated 68 percent of recent migrants from El Salvador, Guatemala, and Honduras being under the age of 34.⁹

Additionally, victims of violence at the hand of the state (e.g., arbitrary detention of opposition and lethal violence by security forces against peaceful protestors in Nicaragua) or criminal organizations suffer from systemic violations of their rights under the law (including redress, protection, and recognition), and moving populations (migrants, displaced persons, caravans, and returnees) are particularly at risk. Labor rights activists, human rights and environmental defenders, and independent journalists routinely face violence and intimidation. Authorities often do not hold perpetrators of these crimes accountable and labor law enforcement is weak.

⁴ Regional Gender and Inclusive Development Analysis. USAID. 2022.

⁵ International Labor Organization statistics. When only considering young women, data estimates range from 38 percent-45 percent of that population who are unemployed or enrolled in school or vocational training.

⁶ Figure calculated using most-recent upper secondary completion rate data from UNESCO weighted by country population figures from the World Bank.

⁷ “Una Mirada A Las Juventudes Expuestas A La Violencia En El Norte De CentroAmerica.” Infosegura, 2020. <https://infosegura.org/wp-content/uploads/2020/06/Resiliencia-1oct20.pdf>. See footnote 2, half of surveyed gang members in El Salvador joined at age 15 or younger. Seventy-six percent joined younger than 18. On average men joined at 15.6 years and women joined at 18.3 years of age.

⁸ “Una Mirada A Las Juventudes Expuestas A La Violencia En El Norte De CentroAmerica.” Infosegura, 2020. <https://infosegura.org/wp-content/uploads/2020/06/Resiliencia-1oct20.pdf>

⁹ “The Complex Motivations and Costs of Central American Migration.” Migration Policy Institute, November 2021. https://www.migrationpolicy.org/sites/default/files/publications/mp-i-wfp-mit_migration-motivations-costs_final.pdf

Strategic Approach

USAID/E-CAM's strategic vision reflects a combination of planned regional programming objectives and objectives delineated under the Root Causes of Migration Strategy (RCS) and Collaborative Migration Management Strategy (CMMS). **The goal is to reduce irregular migration from a Central America that is more prosperous, safe, and resilient. This will be achieved through regional programs that address regional challenges to economic prosperity, governance and security, and environment and health.** RDCS activities will maintain a central focus on El Salvador, Guatemala, and Honduras. However, USAID will also strategically engage in Mexico, Nicaragua, and other countries in the region without a USAID mission, including Costa Rica, Belize, and Panama, where USAID/E-CAM will coordinate with the respective embassies.

USAID/E-CAM's RDCS will focus on regional challenges and opportunities that drive irregular migration and require regional solutions and approaches. Specifically, the RDCS will focus on those development challenges and opportunities that meet one or more of the following criteria:

- They are transboundary and require action among multiple countries to achieve a common goal;
- They benefit from a similar development approach across multiple countries;
- A bilateral mission identifies a challenge or opportunity, and it determines that the best way to address it is through regional programming;
- There is a development need or opportunity that can be supported through regional programming in a non-presence country; or
- There is an opportunity to partner with a regional organization or private sector firm to leverage assistance or expertise to achieve a common objective in the region.

For all initiatives and activities contributing to this RDCS, USAID/E-CAM will collaborate with bilateral missions, USAID/Washington, and other regional stakeholders to design the most effective and appropriate solutions to the region's development challenges. The aforementioned challenges in the region – democratic backsliding, crime and insecurity, corruption, poor governance, stunted economic growth, and climate and health threats – each have regional components that USAID/E-CAM can address while fully recognizing that continual collaboration with stakeholders, and with bilateral missions in particular, is key to achieving objectives. Further, in close collaboration with the bilateral missions, USAID/E-CAM will also seek opportunities and entry points to advance USG priorities with governments in the region whenever possible.

Regional constraints to economic growth include weak regional economic integration, an outdated regional energy network, and inefficient and costly trade, which combine to impede growth, investment, and employment. Impediments to citizen security include a lack of coordination between governments which has allowed the growth of regional crime networks (i.e. gang networks that span countries and criminal networks focused on trafficking) to thrive. Similarly, regional networks for coordinating detection and establishing response systems could prevent or mitigate human rights abuses and corruption. Due to democratic backsliding in the region, regional programming will focus on support for regional networks of civil society and media to counter corruption and human rights abuses. However, in strong collaboration with bilateral missions, the Mission aspires to identify opportunities and potential programming that could also support relevant government entities and advance USG priorities in these areas. Mobile populations are especially vulnerable to crime, human rights abuses, and irregular migration, and will be a target demographic of programming. This will include better regional

coordination for reception and reintegration of returnees, especially in host communities, as well as for identifying and assisting the integration of displaced persons seeking resettlement in third countries.

Transboundary environmental and health threats are also regional issues appropriate for USAID/E-CAM regional solutions. Central American governments need better climate data to inform policies and actions to respond to climate change. Shared natural resources such as watersheds, fisheries, and forests must also be better managed for the region's long term sustainable development and preservation of biodiversity in the face of climate change. Like environmental threats, prevalence of HIV and the region's constant battle against emerging health threats such as COVID-19 also threaten progress across the region. Strengthened regional coordination of health systems and detection capability are necessary to prevent and mitigate current and future pandemics and outbreaks.

The development hypothesis underlying the RDCS is:

***IF** stakeholders across the region collaborate to provide economic opportunity, counter corruption, improve security, and address health and environment threats, **THEN** the region is better positioned to mitigate root causes of irregular migration so that fewer Central Americans will need to leave families, communities, and countries in search of more promising opportunities.*

USG Strategic Alignment

USAID/E-CAM's RDCS supports multiple USG strategies and priorities. These include the USG-wide Interim National Security Strategy, the RCS, the CMMS, the Call to Action, the Climate Action Finance Plan, the Development Finance Framework, Voices, and the United States Strategy on Countering Corruption. In addition, the RDCS directly supports the USAID-specific: Centroamerica Local, Climate Strategy, Strategic Approach to Countering Corruption in Northern Central America, Private Sector Engagement Policy, Economic Growth Policy, Digital Strategy, New Partnerships Initiative, and the Diversity, Equity, Inclusion, and Accessibility initiative.

Private Sector Engagement

Investment, private sector growth, and leveraging private sector resources for development purposes will be crucial to providing more economic opportunity and employment in the region. USAID/E-CAM will engage the private sector to attract firms interested in working in Central America and Mexico, or already working in Central America and Mexico and interested in expanding. Most major companies approach strategy regionally, and are interested in investing regionally to reach new markets, hedge against bilateral fluctuations, or to establish supply chains that leverage the comparative advantages of countries in close proximity to each other. To this end, USAID/E-CAM regional programming will engage international firms and investors to establish or expand operations in Central America and Mexico. This engagement will also support Vice President Harris's Call to Action for companies to invest in El Salvador, Guatemala, and Honduras, which launched in May 2021. Similarly, USAID/E-CAM programs under this RDCS will engage the private sector and institutional investors to set up investment funds for regional initiatives like a regional infrastructure fund or a climate insurance fund and to increase access to credit in partnership with the Development Finance Corporation (DFC). Corporations taking a regional approach to production along with financial investors aiming to provide capital to the region will both be important partners under the RDCS.

In addition, in September 2021, the USAID/E-CAM issued an addendum to its Annual Program Statement specifically focused on private sector partnerships, to capitalize on the innovative ideas and leveraged resources that the private sector can bring to bear. Through this multi-year, multi-sectoral

initiative, the Mission will partner with the private sector to fund activities together to increase the sustainable impact of USAID's development assistance programs in El Salvador and within the El Salvador, Guatemala, and Honduras region. The addendum requires funding from interested partners (preferring those that provide more than the USAID contribution) and builds in a co-creation process for USAID and the private sector to design interventions together to address root causes of migration. Similarly, USAID/E-CAM issued an innovations addendum under the Annual Program Statement, which calls for innovative solutions to drivers of irregular migration in El Salvador, Guatemala, Honduras, Mexico, and Nicaragua. Proposed innovations may come from innovators in any sector, including the private sector, so long as they address the drivers of migration.

Localization

The RDCS will advance the Agency's goal of localization and an increase in awards to local partners. USAID/E-CAM will leverage Agency initiatives such as the New Partnerships Initiative (NPI) and Centroamerica Local, and to the extent practicable, will seek organizations from the Central America region to implement planned programming under the RDCS, either as prime implementers or as sub-awardees. Activities under this RDCS will leverage Central American and Mexican expertise and resources, utilize Central American and Mexican partners as prime awardees and sub awardees, and provide capacity development services to Central American and Mexican partners so that they are able to partner with the U.S. Government and expand their work in the region.

Regional Institutions, Donors, and Coordination

According to official development assistance data from the Organisation for Economic Co-operation and Development, between 2015 - 2019, the U.S. was the top donor in the Central America and Mexico region, followed by the Inter-American Development Bank (IADB), Germany, and the European Union (EU). Top funding areas by donors in the region were education, health, water, government, civil society, and economic growth. However, priority sectors for donors operating in multiple countries vary by country. For example, Germany focuses on the environment in Guatemala; democracy, governance, and environment in Mexico; and youth in El Salvador. This lack of regional consistency presents an opportunity for the USG to use its convening power to develop more coordinated approaches to regional challenges and leverage resources through existing regional coordination bodies. Important multilateral fora for coordinating economic growth initiatives include the Secretariat of Central American Economic Integration (SIECA, a sub-organization of the Central American Integration System - SICA), the UN's Economic Commission for Latin America and the Caribbean (ECLAC), and the Central America Development Bank (CABEI). Additionally, USAID/E-CAM's donor coordination, especially with the World Bank and IADB, will provide avenues for leveraging economic growth programming.

As USAID/E-CAM implements activities under this RDCS, the Mission will seek opportunities to coordinate and leverage donor resources in areas of mutual alignment to effectively reduce irregular migration. Trilateral partnerships also offer opportunities to leverage donor resources to address the root causes of irregular migration and increase the impact of our programming in the region. Mexico, in particular, will be a valuable partner in trilateral efforts and USAID/E-CAM will expand the strong relationship USAID has with AMEXCID (Mexico's Development Agency) to develop trilateral programming in the region.

During the life of the RDCS, USAID/E-CAM will strengthen coordination efforts with donors and bilateral missions in the region, including sharing information and effective approaches.

Interagency Efforts and USAID Collaboration

Interagency coordination and collaboration are mainly led at the bilateral level (i.e., for countries in the region with a USAID presence, the bilateral USAID Mission leads interagency coordination). For countries where there is not a USAID presence, USAID/E-CAM coordinates with Embassy representatives as necessary. On specific topics however, for example increasing access to H2 visas from Central America or combatting corruption throughout the region, USAID/E-CAM coordinates with bilateral missions and the regional interagency working in those subject areas.

Regionally, USAID/E-CAM coordinates an interagency working group to coordinate trade efforts, including the United States Trade Representative, U.S. Customs and Border Protection, United States Department of Agriculture, Department of Commerce (including their Commercial Law Development Program), and Department of State. Similarly, USAID/E-CAM coordinates with the interagency, mainly the Department of State and the Department of Homeland Security throughout the region on returnees and other high-level USG policy initiatives related to irregular migration. Together, the interagency focuses on the dignified reception and reintegration of returned migrants to avoid irregular migration and repeated (i.e. multiple attempts at) irregular migration. The goal is for migration to happen in a legal, safe, and orderly way.

The Mission also has strong relationships and engages regularly with the interagency on bilateral topics in El Salvador. For example, an interagency Climate Policy Working Group was formed in 2022 to coordinate climate change priorities and engagements. There is a standing interagency Prosperity Working Group that focuses on bilateral economic growth and financial transparency issues, and a Regional Trade and Border Working Group led by USAID/CAM that collaborates to address and improve international trade related issues in Guatemala, Honduras and El Salvador. Over the next five years, USAID, the Department of State (DoS), Department of Commerce, and DFC will be working together through this group to bring significant opportunities for investors interested in El Salvador, provide financing for large scale investment projects, and assist the government with its public financial management capacities. The DFC has expressed interest in establishing its regional presence in El Salvador to advance its portfolio in the Northern Triangle. Similarly, for issues related to citizen security, there is a standing interagency Law Enforcement Working Group that facilitates cooperation among USAID, DoS, Department of Justice, Federal Bureau of Investigations, and others. These agencies will work together to help the government and Salvadoran civil society actors implement a holistic approach that prevents violent crime in Salvadoran society and improves the effectiveness of the Salvadoran justice system.

Under this RDCS, USAID/E-CAM will explore broader, regional interagency coordination on Regional Development Objectives, working closely with USAID bilateral Missions in the region through USAID/E-CAM's strengthened coordination structure.

Regional Development Objective (RDO) 1: Increase the Regional Flow of Capital and Goods

Context

Although multiple factors drive migration from the Central America and Mexico region, the vast majority of those considering migrating cite economic reasons as their motive for doing so. According to a

November 2021 Migration Policy Institute household survey in El Salvador, Guatemala, and Honduras, 92 percent of those considering migrating cited economic reasons as a motivating factor to leave, with substantially fewer respondents attributing their decision to violence and insecurity, family reunification, or climate and environment.¹⁰ As noted above, youth disproportionately suffer from lack of economic opportunity, and are thus far more likely to migrate through irregular channels than other demographic age groups. Further, the economic situation for women is also more precarious than for men, which may be an underlying reason for the increasing rates of irregular migration for women that have been observed over the last several years. Across the region women earn less than men, are employed in lower productivity jobs, have higher unemployment rates, and have less access to finance, and overall are in a much less stable economic situation than men.¹¹

Economic growth per capita over the last 10 years in the region is one-third the average of other lower middle-income countries¹² and significant portions of the populations are underemployed or work in the informal economy, leaving them without consistent or sufficient income and without any safety net. These conditions combine to push people to migrate in search of better opportunities.¹³ Additionally, the COVID-19 pandemic and natural disasters like tropical storms Eta and Iota that struck the region in 2020 further exacerbate development challenges and have left millions in crisis and food insecurity.¹⁴ In 2020, on average, economies in the Central America and Mexico region contracted by 8 percent, over twice the global average.¹⁵

Trade and investment are key for regional economic growth, opportunity and employment. Historically, the U.S. has been the top export partner for Central America and Mexico, a relationship bolstered following the signing of the Central America-Dominican Republic Free Trade Agreement (CAFTA-DR) in 2005 (note that Mexico, Belize, and Panama are not part of CAFTA-DR). However, after the U.S., Central American countries principally trade between themselves, as can be seen in figure 1 below.¹⁶ The facilitation of increased intra-regional trade and competitiveness may provide significant returns on GDP and job growth.

Despite positive export growth over the last decade, Central America and Mexico lag behind comparable markets elsewhere in the world. Since 2010, the export volume from the region has averaged 2.3 percent growth per year. The same figure for all emerging markets and developing economies is nearly double that, at 4.2 percent.¹⁷ Transportation and logistics bottlenecks, unilateral customs measures, and cross border procedures often constitute high burdens for the intra-regional trade of goods. Further, Central American economies fall short of other Latin American and Caribbean countries in terms of added value

¹⁰ “The Complex Motivations and Costs of Central American Migration.” Migration Policy Institute November 2021. https://www.migrationpolicy.org/sites/default/files/publications/mpi-wfp-mit_migration-motivations-costs_final.pdf

¹¹ Regional Gender and Inclusive Development Analysis. USAID. 2021.

¹² World Bank Data. Includes El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Costa Rica, Panama, and Belize.

¹³ The Atlantic Council. The Role of the Private Sector in Catalyzing Inclusive Economic Opportunities in the Northern Triangle. March 2021.

<https://www.atlanticcouncil.org/in-depth-research-reports/issue-brief/the-role-of-the-private-sector-in-catalyzing-inclusive-economic-opportunities-in-the-northern-triangle/>

¹⁴ U.S. Strategy for Engagement in Central America. Congressional Research Service. <https://sgp.fas.org/crs/row/IF10371.pdf>

¹⁵ Data from the IMF World Economic Outlook

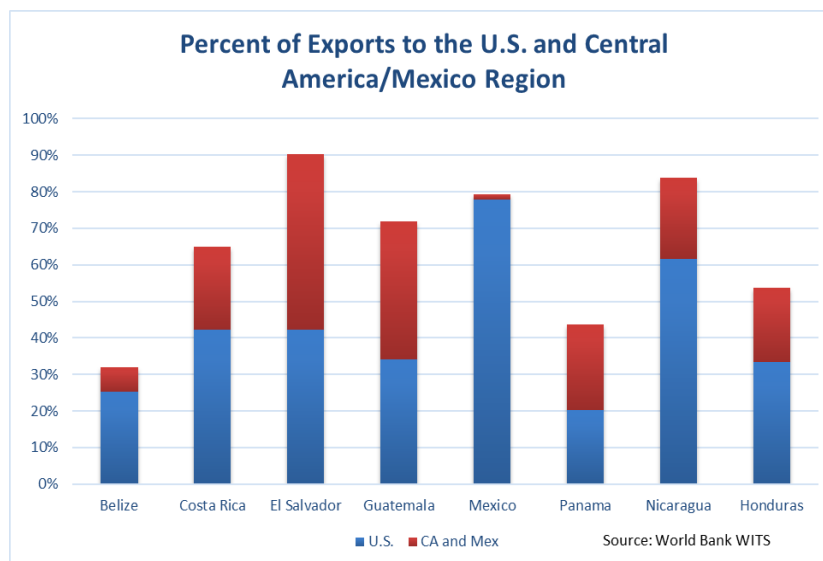
¹⁶ Data taken from the World Bank World Integrated Trade Solution Database. Based on the value of exports. All data is from 2019 except Panama, which was only available for 2017. [Wits.worldbank.org](https://wits.worldbank.org)

¹⁷ Data taken from the International Monetary Fund World Economic Outlook database. Volume of exports measures the quantity of goods and services only (i.e. prices are held constant).

<https://www.imf.org/en/Publications/SPROLLS/world-economic-outlook-databases#sort=%40imfdate%20descending>

to exports,¹⁸ signifying that exports have relatively low value added compared to Latin American and Caribbean neighbors. Similar trends persist in investment. Since 2010, annual investment as a percent of GDP has averaged 23 percent in Central America and Mexico, compared to 32 percent in emerging markets and developing economies.¹⁹

Figure 1: Percentage of exports to the U.S. and intra-regionally



Development Hypothesis and Regional Rationale

Regional efforts to increase the regional flow of capital and goods will address the core challenges surrounding the flow of goods and the flow of capital in the region. The theory of change underpinning this Regional Development Objective (RDO) is:

***IF** regional stakeholders, including the private sector, better collaborate to improve access to finance, strengthen transborder value chains, and expand regional trade, **THEN** the flow of capital and goods will increase making regional markets more competitive, and thereby provide greater economic opportunities for Central Americans within the region.*

This RDO addresses the lack of economic opportunity within the region as a driver of migration. It focuses on the flow of goods and capital into and within the region. RDO 1 will facilitate investments that enable regional integration. For example, investments related to trade and logistics industries. RDO 1 will also develop finance and investment products that are regional and require economies of scale to be commercially viable, such as a regional infrastructure fund or a regional climate insurance facility. Programs under RDO 1 will improve regional value chain networks by linking complementary production, distribution, and marketing capacities and by enhancing cross-border cooperation among public and private stakeholders. Finally, this RDO will make it easier and faster to trade within the region as well as within global markets, thereby improving integration between Central American economies and fostering regional growth.

¹⁸ “International Trade Outlook for Latin America and the Caribbean.” ECLAC, 2020. https://repositorio.cepal.org/bitstream/handle/11362/46614/1/S2000804_en.pdf. See figure 5.

¹⁹ Data taken from the International Monetary Fund World Economic Outlook database. <https://www.imf.org/en/Publications/SPROLLS/world-economic-outlook-databases#sort=%40imfdate%20descending>

Climate Change Risk Management for RDO 1

Climate change will have a moderate to high potential impact on this RDO. The impacts of climate change threaten the physical infrastructure of borders, the transport and flows of goods within countries, and agricultural commodities in the region. There is a differentiated adaptive capacity to climate risks amongst countries – from low to moderate, and low capacity for private sector and freight forwarders associations to adapt their systems due to climate change. Small producers and firms do not have the resources to cope with financial losses while multinational companies have better capacity. RDO 1 aims to increase the regional flow of capital and goods in order to help the region's private sector (including small producers) increase production, sales, export and import capability, and access to finance to bolster their resilience to negative shocks such as those caused by climate change. However, as the specific sectors for this RDO have not yet been explicitly defined, during activity design the Mission will look again at these potential climate risks and opportunities, and incorporate them where relevant.

Intermediate Result (IR) 1.1 Increased Regional Competitiveness

Summary

IR 1.1 contributes to the goal of improving the competitiveness of regional integrated value chains, which supports firms and promotes the development and export of high-value products by improving access to international markets. This IR will increase the amount of investment in the region by attracting and partnering with international capital holders to promote investment in priority sectors in Central America and in Mexico where opportunities exist. Similarly, activities under this IR will develop finance and investment products that require regional economies of scale to be commercially viable, such as a regional infrastructure fund or a regional climate insurance facility, in order to unlock capital for regional investors.

To foster greater business competitiveness, this IR will identify industries that could be more competitive in an integrated regional value chain and develop that value chain. Specific sectors and firms will be determined through thorough analysis of regional potential (for example, potential for producers of inputs for a specific product in Honduras to link with processors in Guatemala and El Salvador to produce a final product). Envisioned activities will ultimately connect countries' production, distribution, and marketing capacities to leverage synergies and enhance cross-border cooperation among both public and private stakeholders to boost regional production of high value-add products. Increased business productivity and competitiveness should help increase employment opportunities, particularly for youth, throughout the region. With the anticipation that regional clean energy and modern energy service funding will be allocated to USAID/E-CAM, IR 1.1 also allows for initiatives to develop and strengthen energy networks in the region to improve the investment climate.

Other Development Actors

Under IR 1.1, USAID will work closely with the private sector, including outreach to U.S. companies, to attract funding for investment in the region and support policy harmonization. Preliminary analysis suggests that large-scale regional investment opportunities exist to improve infrastructure and combat climate change. Potential private sector actors who may be able to provide regional capital for such opportunities include impact investors, pension funds, the diaspora, and development finance institutions. USAID will pursue partnerships with these and other actors to advance IR 1.1. Additionally, development banks and regional economic coordination bodies will be crucial to unlocking more capital for the region, fostering regional value chains, and coordinating economic initiatives. The IADB provides financing and

enterprise development services throughout the region, and the Central America Development Bank (CABEI) provides credit for small businesses. Finally, ECLAC and SIECA are both regional organizations that can assist with coordinating regional economic integration.

New Directions from Previous RDCS

USAID/E-CAM previously relied on Development Credit Authority programs within El Salvador, Guatemala, and Honduras to promote investment in the region. Moving forward, the Mission will pursue larger scale regional finance options to attract investors to Central America. For interventions focused on improving exports of businesses, USAID/E-CAM will support value chains that are regional and where each country has a comparative advantage at different stages of production. Under the previous RDCS, similar interventions focused on regional value chains, but without a concentration on each country's comparative advantages that could strengthen the entire regional value chain (i.e., previous work boosted productivity of firms working in the same value chain, but lacked vision for strengthening the entire regional value chain by shifting some production processes from one country to another). This new approach will result in stronger regional economic integration along with production of higher value products for export.

IR 1.2 Regional Trade Expanded

Summary

IR 1.2 will reduce regional trade barriers and improve trade infrastructure, which erode the competitiveness of the region's goods and services and hinder firms' ability to connect to global value chains. Programming under this IR will improve the ports and land border posts in El Salvador, Honduras, and Guatemala, and improve export processes throughout the region, making them more efficient, harmonized, and less burdensome for exporters. Regional port improvements, specifically in Guatemala and Honduras, are host-government priorities and since most Salvadoran exports travel by land to Guatemalan and Honduran ports, regional integration is crucial for competitiveness. Activities will focus on an efficient facility infrastructure, modern information technology systems, transparent and predictable processes, and harmonized regulations and standards for products and services. They will expand digitalization and process modernization by linking government agencies' information on import and export registration in order to streamline border processes and enable e-commerce. Further, the illegal trafficking of wildlife and other natural resources (e.g. plants, minerals, etc.) is often associated with the illegal trafficking of narcotics, weapons, and humans at the borders, and this IR offers the opportunity to incorporate the monitoring of illicit cross-border movements in the Central America and Mexico region.²⁰ Interventions will also collaborate with the National Trade Facilitation Committees in El Salvador, Honduras, and Guatemala to work with the private sector in identifying trade constraints and support the private sector with customs requirements so they can export their goods faster.

Programming to expand regional trade will also target Central American countries' compliance with the World Trade Organization's Trade Facilitation Agreement (WTO-TFA) and regional trade agreements such as the Central American Free Trade Agreement (CAFTA-DR). Activities will work with Central American trade authorities in Guatemala, Honduras, Mexico, and El Salvador to strengthen their compliance with these agreements (e.g., in transparency and simplification and improving laws, regulations, and procedures) to ultimately help exporters and importers in the region avail of their benefits.

²⁰ Regional Biodiversity and Tropical Forest (FAA 118/119) Analysis. USAID. 2022.

Other Development Actors

Under IR 1.2, USAID will work closely with border authorities, including customs and port authorities, of Central America, especially those of El Salvador, Guatemala, and Honduras, to implement reforms, improve processes, and adopt technologies that will make trade easier and faster in the region. Coordination with border authorities to implement harmonized regional policies and procedures will be done in close collaboration and engagement with bilateral missions. As part of this effort, activities will collaborate with SIECA and ECLAC to coordinate with different government trade authorities in the region. Opportunities for collaboration in trade also exist with other donors. The IADB and the EU, in particular, are top donors in the region who dedicate funding to improving transportation and storage in the region (mostly in Honduras).

El Salvador, Guatemala, and Honduras also have National Trade Facilitation Committees that implement a series of agreements designed to update customs and border management procedures. IR 1.2 will support these committees as forums where the public and the private sectors can discuss and agree on trade facilitation initiatives and promote common trade and regulation policies.

New Directions from Previous RDCS

Under the previous RDCS, initiatives concerning trade facilitation mainly focused on physical border crossings between El Salvador, Guatemala, and Honduras. Moving forward, USAID/E-CAM will build on prior successes at border crossings, but will expand the focus to seaports, airports, and clearing facilities, and to improving trade efficiency through integrated pre-arrival procedures, digitized product registration and declaration processes, and interconnected technology systems. USAID/E-CAM will continue developing the Regional Trade Facilitation and Border Management Academy with regional partners to increase the capacity and professionalism of border management personnel and the private sector, and the implementation of standard procedures throughout the region.

RDO 2 Strengthen Regional Responses to Corruption and Citizen Security

Context

Democratic backsliding, poor governance, and insecurity threaten the lives of Central Americans, impede investment and economic opportunity, and leave residents without hope for a better future, which drives them to migrate to the United States. Guatemala, El Salvador, Honduras, Mexico, Nicaragua, Costa Rica, and Belize are in the top 20 percent of countries worldwide with the highest murder rates.²¹ Similarly, El Salvador, Belize, Mexico, Guatemala, Honduras, and Nicaragua rank in the lower half (or lower third) of countries in key corruption, governance, and rule of law indicators.²² As discussed above, both male and female youth are especially vulnerable to crime and insecurity, both as victims and perpetrators.

Growing authoritarian tendencies in parts of the region are exacerbating challenges in governance and security. In Nicaragua, the government continues to crack down on political opposition, media, and civil society. Related to the tilt toward authoritarianism are rampant human rights abuses in the region. Excessive use of force by police and use of the military for public security are common practices in the region and often occur with impunity. The COVID-19 pandemic has further aggravated these abuses.

²¹ According to the latest statistics from the UN Office of Drugs and Crime (2018).

²² Rankings for corruption come from Transparency International's Corruption Perception Index. Rankings for governance and the rule of law come from the World Bank's Worldwide Governance Indicators. Note, Belize data is not available for the Corruption Perception Index.

Populations moving throughout the region (migrants, displaced persons, returnees, and caravans) are particularly vulnerable to human rights violations and human trafficking, and are at heightened risk of migration or re-migration to the U.S. The majority of Central American migrants to the United States originate from El Salvador, Guatemala, and Honduras, traveling north through Mexico. However, the region is also a transit point for migrants (mainly Cuban and Haitian) traveling to the United States from South America, especially increasing numbers of Venezuelans.²³ The rate of return to El Salvador, Guatemala, and Honduras was, on average, about 8,000 returnees per month between January 2020 and August 2021 (from all countries, including the U.S.). The monthly number of apprehensions of citizens of El Salvador, Guatemala, and Honduras at the southwest border of the U.S. increased more than ten-fold during the same timeframe (January 2020 to August 2021), from 8,200 to 87,700, with an average of 34,000 per month.²⁴ The Migration Policy Institute estimates the total number of those attempting to migrate from El Salvador, Guatemala, and Honduras each year for the past five years to be approximately 406,000 and the majority of migrants are under 34 years of age.²⁵ While migration is an overwhelmingly male phenomenon, there has been a steady increase in the number of female migrants over the past decade. The gender gap has been narrowing for both returnees and apprehensions.²⁶

Further, since 2015 the entire Central America and Mexico region has seen a substantial increase in newly displaced persons per year – increasing from roughly 270,000 in 2015 to 1.7 million in 2020 (see figure 2 below) – due to the continuous lack of opportunity and violence that plague the region, as well as shocks including COVID-19, extreme weather events like hurricane Eta and Iota in 2020, and political turmoil in Nicaragua beginning in April 2018.²⁷ The economic consequences of displacement are also more severe for women compared to men. For example, an IOM survey found that 62 percent of female IDPs in El Salvador had lost their jobs compared to 26 percent of male IDPs.²⁸ The statistics paint a stark picture: tens of thousands of Central Americans are fleeing the region or passing through it to Mexico and then onward to the United States each month, while more than 8,000 are being returned, all against the backdrop of millions that are currently displaced.

Figure 2: Newly Displaced People in Central America and Mexico

²³ Brief on migration data in Central America, using apprehension data from the Government of Mexico.

<https://www.migrationdataportal.org/regional-data-overview/migration-data-central-america>

²⁴ Data on returnees from IOM. <https://mic.iom.int/webntmi/norteca/> Data on apprehensions from U.S. Customs and Border Protection. <https://www.cbp.gov/newsroom/stats/southwest-land-border-encounters>

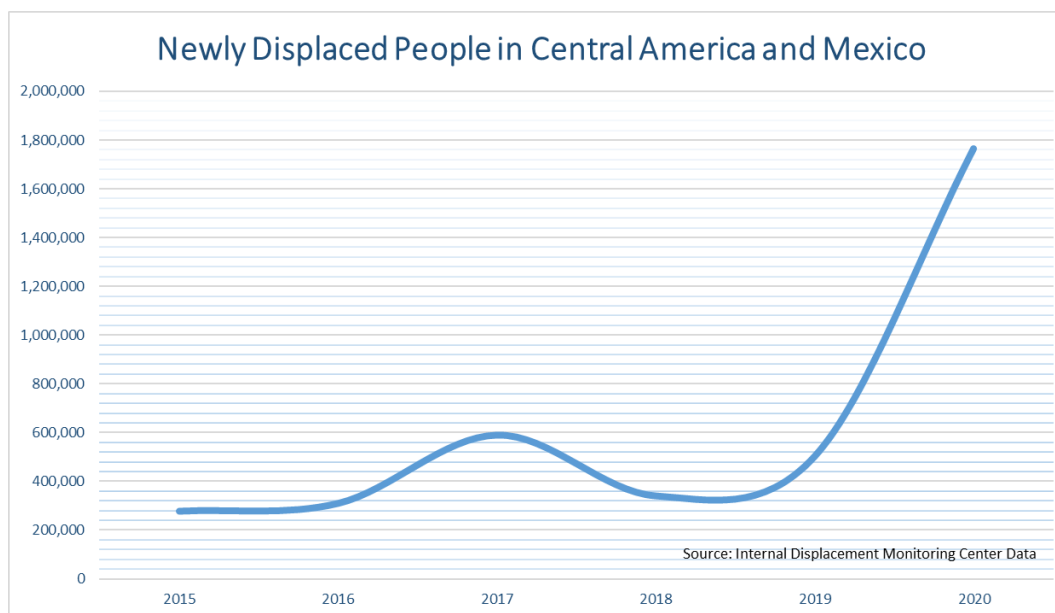
²⁵ “The Complex Motivations and Costs of Central American Migration.” Migration Policy Institute November 2021. https://www.migrationpolicy.org/sites/default/files/publications/mpi-wfp-mit_migration-motivations-costs_final.pdf

²⁶ Regional Gender and Inclusive Development Analysis. USAID. 2022.

²⁷ Data from the Internal Displacement Monitoring Center. <https://www.internal-displacement.org/database/displacement-data>

²⁸ Encuesta de Expectativas y Medios de Vida a Población Desplazada por Tormentas. IOM. 2020.

https://mic.iom.int/webntmi/descargas/2020/ronda3/DTM_ES_Tormenta_R3EncuestaMediosVida.pdf



Additional commonalities across the Central America and Mexico region include discrimination and violence toward women, disabled persons, and LGBTQI+ people. According to UN Women, 23 percent of women in the region report violence in their lifetime from their intimate partner, with national rates ranging from 14 percent in El Salvador to 36 percent in Costa Rica, and these figures are likely to significantly *underrepresent* the rates of violence against women.²⁹ Five countries in the region (El Salvador, Honduras, Guatemala, Mexico, and Belize) rank in the top 15 countries worldwide in femicide rates.³⁰ LGBTQI+ individuals are also frequent targets of violence from gangs, police, and others, with El Salvador, Guatemala, and Honduras reporting some of the highest reported murder rates of LGBTQI+ people in the world.³¹ Legislation regarding the rights and protection of LGBTQI+ individuals varies from country to country, and where laws do exist, they lack enforcement. For example, Guatemala does not have any laws protecting individuals from discrimination based on sexual orientation or gender identity. Although Honduras has a law that penalizes bias on the grounds of sexual orientation or gender identity, no one has been convicted under it. Legislation in the region protecting and supporting people with disabilities similarly falls short of international standards, infrastructure shortcomings prevent access to public spaces for people with disabilities, and people with disabilities are common targets of gang extortion and violence.³²

The prevalence of human rights violations throughout Central America is alarming, but just as concerning is the regional crackdown on human rights defenders and those who expose human rights violations. Regional democratic backsliding has brought with it attacks and intimidation directed towards journalists and civil society organizations who speak out against governments and their abuses of power. In Guatemala, Honduras, and Mexico, journalists are murdered with impunity. In El Salvador and Nicaragua the media and civil society are the victims of attacks, harassment, investigations, and closures, and are

²⁹ The figures are for intimate partner violence only and exclude violence from non-intimate partners. For example, a 2017 national survey in El Salvador found that 67 percent of women were victims of violence in their lives.

³⁰ Data from UN Women and the UN Gender Equality Observatory for Latin America and the Caribbean. Taken from the World Bank Data Bank. https://data.worldbank.org/indicator/VC.IHR.PSRC.FE.P5?most_recent_value_desc=true

³¹ Human Rights Watch. "LGBT People Flee Violence in El Salvador, Guatemala, and Honduras." <https://www.hrw.org/news/2020/10/07/interview-lgbt-people-flee-violence-el-salvador-guatemala-honduras>

³² Information summarized from the Human Rights Watch World Report 2021. https://www.hrw.org/sites/default/files/media_2021/01/2021_hrw_world_report.pdf

increasingly limited in their freedom of expression. Nicaragua enacted and El Salvador has proposed to enact laws that require foreign-funded organizations to register as “foreign agents.” Both countries’ laws would sanction organizations for engaging in activities considered by authorities to be “political,” further restricting rights of association and assembly. Similarly, the Honduran criminal code criminalizes slander, which has been used to prosecute journalists, and the Salvadoran criminal code was recently amended to allow for journalists to be prosecuted for reporting on the Government’s crackdown on criminal gangs.³³

Development Hypothesis and Regional Rationale

RDO2 focuses on regional coordination and cooperation for better governance, more transparency and accountability, addressing human rights violations, and identifying and assisting returnees and displaced persons in Central America. The development hypothesis is as follows:

IF networks and opportunities for structured collaboration and knowledge sharing among anti-corruption and security actors in the region are strengthened, THEN these entities will be better positioned to counter transnational corruption and enhance citizen protection, including of those transiting through the region.

The issues addressed under RDO 2 are also regional in nature. Porous borders, weak law enforcement, and the cross-border flow of people and goods, both licit and illicit, have bilateral and transnational ramifications. Moreover, increasing authoritarianism, political transitions, the spread of misinformation, policy reforms, and/or changes in legal and regulatory frameworks in one country can have significant follow-on impacts in neighboring countries and throughout the Central America region. For example, illicit transnational activities—drug trafficking, money laundering, smuggling of migrants, customs fraud, extortion, etc.—generate vast resources that taint electoral processes, penetrate public institutions, and co-opt public officials at all levels. Similarly, copycat laws that limit the ability of civil society to carry out their essential role have spread from Nicaragua to Guatemala to El Salvador. Further, the outflow of Nicaraguans resulting from the political turmoil in 2018 and subsequent consolidation of the Ortega regime has tested the capacity of Costa Rica and other countries in the region to integrate individuals and families seeking greater freedoms and opportunities.

These issues, therefore, need to be addressed from a regional perspective that either complements or reinforces how they are being addressed bilaterally. In general, this regional perspective will focus on building regional coordination and collaboration networks both within civil society and, where possible, with governments.

Climate Change Risk Management for RDO 2

The climate change risks have been rated moderate for RDO 2. The greatest impacts may be on increasing climate-induced internal displacement and subsequent irregular migration. Climate change impedes the fulfillment of human rights in general and can exacerbate existing vulnerabilities amongst women and marginalized groups such as increased risk of human rights violations in these communities from responses or lack of responses to extreme weather events, sea-level rise, and droughts.³⁴ USAID

³³ Information summarized from the Human Rights Watch World Report 2021.
https://www.hrw.org/sites/default/files/media_2021/01/2021_hrw_world_report.pdf

³⁴ Understanding Human Rights and Climate Change. Submission of the Office of the High Commissioner for Human Rights to the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change.
<https://www.ohchr.org/sites/default/files/Documents/Issues/ClimateChange/COP21.pdf>

programming may address such risks by further analyzing impacts on human displacement and climate change, and using that information to better target assistance to groups affected by climate change and vulnerable to migration.

IR 2.1: Improved Citizen Security Through Regional Collaboration and Coordination

Summary

Transnational criminal networks threaten citizens throughout the region. Under this RDO, programming will focus on effective information sharing concerning Central American criminal networks, improved use of security data for policy and decision making to counter those networks, and use of security data and best practices for anti-violence initiatives.

IR 2.1 will support regional security efforts by coordinating the development of regional security data systems and data dissemination, formation of citizen security policy, and sharing of information and best approaches between governments to counter transnational crime. IR 2.1 recognizes that a common citizen security challenge in the region is the need for effective information sharing and improved use of data for policy and decision making. Programming will build on previous successful citizen security initiatives, and emphasize strengthening regional capacity to build, operate, maintain, and use these systems for decision-making. Additionally, interventions will support regional studies to better understand causes of violence, especially among youth and towards women, and best practices for prevention. Use of data and best practices will be incorporated into regional trainings and campaigns on violence prevention for target demographic groups (such as youth in violent areas) and to combat gender based violence. Interventions may also include technical assistance to regional security authorities to counter cyber crime, an area of growing importance regionally. Finally, this IR will build upon the analytical work under current programming that developed risk factors concerning crime and the environment. Activities under this IR will support inclusion of baseline information on the illegal trade in natural resources, especially wildlife trafficking, into security data systems developed under the previous RDCS.³⁵

Other Development Actors

Major donors working in the security sector include the UNDP in regional security programs, while the EU and Japan mainly focus on El Salvador. USAID/E-CAM will engage these donors to coordinate activities as part of a larger network that can help advance the sharing of security information and best practices in the region. In addition, academia and regional think tanks will be valuable partners for data analysis, anti-violence campaigns, and security-related studies.

New Directions from the Previous RDCS

For IR 2.1, the previous RDCS focused on building regional security data systems that could be used to counter transnational criminal networks. Under this strategy, programming will build upon those efforts to focus on utilizing that security data for better policy making and leveraging the network of security stakeholders established under the last strategy (including civil society, think tanks, and academia) to share knowledge and best practices.

³⁵ Regional Biodiversity and Tropical Forest (FAA 118/119) Analysis. USAID. 2022.

IR 2.2: Strengthened respect and protection of human rights within the region

Summary

IR 2.2 will focus on building a civil society and media network across the region that can coordinate to prevent human rights abuses, respond to human rights abuses, protect human rights defenders, and assist victims of human rights abuses. It will also focus on connecting these and other human rights defender groups to regional human rights platforms, for example the Inter-American Commission on Human Rights and the Inter-American Court of Human Rights. In promoting human rights, USAID/E-CAM programming will incorporate labor rights, the rights of women, and the rights of marginalized groups including people with disabilities, indigenous groups, ethnic and religious minorities, LGBTQI+ people, and others. The defense and realization of human rights for all citizens is a foundational component of democratic governance and citizen security.

Working with civil society and media across the region, USAID/E-CAM will support legal analysis and awareness campaigns concerning potential infringements to human rights, human rights training to stakeholders, and coordinated responses to human rights violations and closing spaces, drawing on observatories and early warning systems established under previous activities. USAID/E-CAM will also promote stakeholders partnerships to encourage more effective responses to human rights abuses and support for victims and promote policy changes that will support these groups. Planned initiatives also include technical assistance to LGBTQI+ organizations and private enterprises in Central America to promote labor opportunities for marginalized groups, and research on topics affecting vulnerable groups, such as domestic work and exploitation of indigenous people.

Other Development Actors

USAID/E-CAM will support regional coordination between civil society, media, and government partners (where possible) to prevent and respond to human rights abuses and provide assistance to victims, and promote regional inclusive regulations. The Pan American Development Foundation and IADB fund human rights work in the region and, along with their respective networks, will be important partners to coordinate with on human rights issues. For interventions in Mexico specifically, Germany, the EU, and UK all support human rights work. Under the previous strategy, programming in Mexico was limited.

New Directions from the Previous RDCS

New crises emerging throughout the region like the human rights violations occurring in the midst of democratic backsliding, and the surge in displaced persons who are especially vulnerable to human rights abuses, require new and expanded approaches. This RDCS will expand legal, digital, and physical protection services for democratic advocates and human rights defenders, which will remain a point of emphasis. Human rights interventions will also move toward establishing and strengthening early warning and protection systems for displaced persons to prevent human rights abuses among that population. Concerning labor rights, the new strategy envisions an expansion of current labor rights work to expose violations, bolster accountability of violators, and promote policy interventions to strengthen labor rights.

IR 2.3: Improved government transparency and accountability in the region

Summary

For governments in the region to be responsive to the needs of their people, they need to be transparent in their policy and financial decision making and accountable for their actions to civil society, the media, and the citizenry in general. This IR will focus on the complementary areas of civil society strengthening, anti-corruption, and independent media, and building regional networks in these areas. Under IR 2.3, regional programming will foster collaboration and knowledge sharing between entities working on improving democratic governance, including those working on anti-corruption. At a regional level, best practices to counter corruption and democratic backsliding can develop and spread faster, and voices can unify in exposing and condemning poor governance. Potential interventions include helping civil society and media conduct evidence-based advocacy, oversight, and awareness raising (e.g., regional campaigns regarding the costs of corruption), and supporting coalitions to elevate reforms at the policy level, including anti-corruption measures. Regional coalitions also offer resilience in the face of closing space in particular countries, allowing activists, researchers and former public officials to continue their work when forced from office or from their countries. This is also an increasing opportunity for people to people engagement and knowledge sharing from CAM to the region, including on use of technology, innovations in public policy, and other areas. Where appropriate and needed, this IR can scale best practices in the region, for example in establishing civil society oversight observatories or digital platforms to disseminate information, best practices, and strategies between civil society groups in the region. This may also include highlighting successful initiatives from local governments that are delivering for citizens.

Other Development Actors

Building, leveraging, and fostering civil society and media networks to improve governance and counter corruption are the primary goals of this IR. These networks will be important as both partners and as beneficiaries. Numerous donors support civil society programs in the region, including Spain, IADB, the EU, and Canada. USAID/E-CAM will coordinate centrally with international donors and at the activity level under this IR. Within the USG, DoS and regional bilateral Missions will also be important in advancing this IR, not only to leverage their expertise and civil society and media networks, but also to monitor opportunities to work with specific host-government entities, including with local governments.

New Directions from the Previous RDCS

Under IR 2.3, previous USAID interventions were implemented at the bilateral level. Under the new strategy, however, programming will focus on common needs for establishing and strengthening civil society and independent media networks in the region. In a shift from the past, USAID/E-CAM will now develop new programs that respond to regional needs and opportunities for countering corruption and improving transparency. As noted above, the principal target organizations are civil society and the media in the region. Should the opportunity arise, however, programming may also target government entities in close collaboration with bilateral missions.

IR 2.4 Improved (re)integration of migrants and displaced persons to countries of origin or region

Summary

Moving populations, which include returnees, displaced persons, re-migrants, people at-risk of or preparing to migrate, and people migrating en masse (i.e., caravans) are vulnerable populations with high likelihood of attempting to migrate to the U.S. and at heightened risks of human rights abuses and human trafficking. Better coordination in identifying and assisting these populations in meeting their immediate needs is crucial to reducing migration. Further, improved systems of reception and reintegration of returned migrants are essential to prevent re-migration. This IR considers that reintegration is enabled through a comprehensive reception and post-arrival process, including increasing the capacity of countries in the region to integrate migrant populations (e.g., Belize, Costa Rica, Mexico, and Panama).

Interventions under this IR will coordinate with authorities across the region to collect data on moving populations to better understand who they are, what their needs are, and what their motivations are for migrating. Programs will also aim to assist these populations with their most immediate needs to prevent them from migrating and re-integrate them into host communities. This may also include working with countries in the region to support integration services for migrants outside of their country of origin. Further, interventions will focus on these populations to identify and assist victims of human trafficking and those most vulnerable to human rights abuses, and put in place prevention programs to reduce the number of trafficked individuals through the region. Returned migrants specifically require immediate assistance to support successful reintegration in their home countries and discourage repeated attempts at irregular migration. Programs will assist and coordinate with governments and key stakeholders such as local civil society organizations and private sector organizations to provide returnees with immediate needs (e.g. hygiene and food kits, bedding, clothing) and services (e.g., psychosocial support services or support services for accessing vocational training or employment opportunities). Reintegration efforts will also be paired with continued work at reception centers to ensure the reception process is secure, healthy, effective, and efficient, thus allowing for dignified returns and creating the best possible chance for successful reintegration.

Other Development Actors

Under IR 2.4, USAID will work closely with border authorities of Central America and Mexico, especially those of El Salvador, Guatemala, and Honduras, to improve the reception processes for returnees. In addition, IR 2.4 will work with nonprofits, civil society, and local communities for the safe, dignified, and effective reintegration of returnees into their communities. Further, USAID/E-CAM will look to partner with additional donors working on migration in Central America. Finally, USAID/E-CAM will coordinate with DOS's Bureau of Population, Refugees and Migration to address protection needs among moving populations with an emphasis on those susceptible to, or victims of, human trafficking.

New Directions from the Previous RDCS

Current efforts related to IR 2.4 are mainly focused on the reception of returned migrants. Under the new strategy, working in close collaboration with bilateral Missions or responding to specific requests, programming will expand to focus on multiple moving populations (such as migrants, returnees, caravans, and displaced persons) to identify and assist and integrate these groups in their communities to prevent them from migrating. In addition, USAID/E-CAM will expand programming to support regional collaboration in countering the trafficking of persons and preventing human trafficking within moving

populations, a programmatic area that was not included under the previous RDCS.

RDO 3: Improved Management of Transboundary Environmental and Health Threats

Context

Climate change in Central America has a direct impact on migration. Worsening droughts can devastate rural and agricultural communities economically to the point that residents choose to migrate to the U.S. for better opportunities.³⁶ The loss of livelihoods and homes due to hurricanes is also a powerful push factor, driving an estimated 6 percent increase in migration from Central America and the Caribbean in their aftermath.³⁷ As seen in the graph below, extreme weather events in Central America and Mexico have substantially increased over the last 50 years, with the region experiencing on average 3.2 events per year from 1970-1979 and 15.2 events per year from 2010-2019.³⁸ Meanwhile, Caribbean sea levels are rising at an average rate of 3.6mm per year (9 percent faster than the global average of 3.3mm per year) and the sea's surface temperature is increasing, threatening the homes and livelihoods of coastal communities.³⁹ If no action is taken, the IADB estimates severe economic consequences of climate change in the region by 2030 (a 9 percent, 5.8 percent, and 7.2 percent reduction of Honduras's, Guatemala's, and El Salvador's GDP, respectively).⁴⁰

Figure 3: Extreme Weather Events in Central America and Mexico

³⁶ See, for example "Temperature Shocks, Labor Markets and Migratory Decisions in El Salvador." Ana Maria Ibanez, et al. IADB. April 2021 https://conference.iza.org/conference_files/ClimateChange_2021/velasquez_a26669.pdf

Food Insecurity and Emigration. World Food Programme. September 2017. https://docs.wfp.org/api/documents/WFP-0000019629/download/?_ga=2.34743141.518321946.1639510884-553997860.1639510884

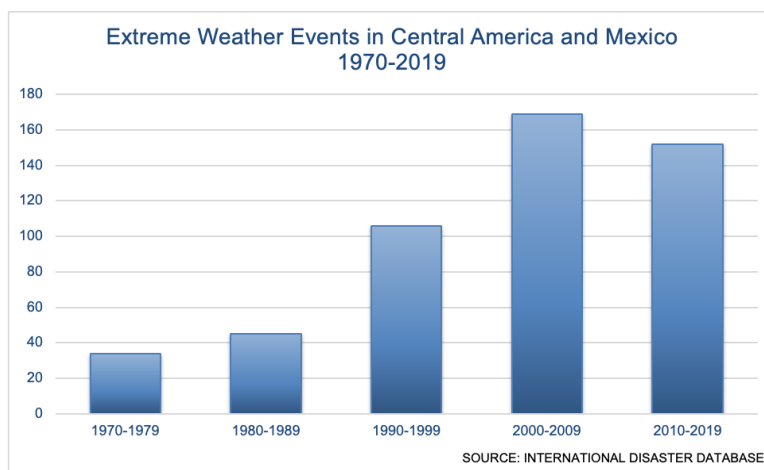
³⁷ "Hurricane Strikes and Migration." Nekeisha Spencer and Mikhail-Ann Urquhart. *Weather, Climate, and Society*, Vol. 10, No. 3. July 2018.

³⁸ Data from the International Disaster Database. Centre for Research on the Epidemiology of Disaster. "Extreme Weather Events" includes storms, floods, droughts, and extreme temperatures that resulted in one or more of the following: 10 or more people dead; 100 or more people affected; The declaration of a state of emergency; A call for international assistance.

³⁹ State of the Climate in Latin America & the Caribbean 2020. World Meteorological Organization. <https://public.wmo.int/en/our-mandate/climate/wmo-statement-state-of-global-climate/LAC>

⁴⁰ The Challenges of Climate Change in Central America: Opportunities for the Biden Administration. Presentation hosted by the Wilson Center, April 2021.

<https://www.wilsoncenter.org/event/challenges-climate-change-central-america-opportunities-biden-administration>



Climate change also intensifies the destructive impacts of poor land and water-use practices and degradation of available resources in the region. The region’s economy depends on biological resources for agriculture, commercial and recreational fishing, forestry activities, tourism, and other opportunities that directly impact people’s livelihoods. Dependency on diverse biological resources and poor resource management by government institutions has led to overexploitation and misuse of resources by growing populations in the region. Facing a lack of economic opportunities, people over-exploit natural resources in the region. For instance, the region’s three largest forest blocks decreased in size by 23 percent from 2002-2017, threatening livelihoods – including those of indigenous peoples – and biodiversity.⁴¹ Illegal, Unreported, and Unregulated (IUU) fishing is also commonplace in the region, threatening both livelihoods and biodiversity, and is linked to illicit activities such as smuggling, labor rights violations, and human trafficking.⁴²

Better water management is of increasing importance in the region to respond to climate change and to ensure access to clean water. In the dry corridor that runs through El Salvador, Guatemala, Honduras, and Nicaragua, for example, prolonged dry periods combined with excessive rains have devastated agriculture livelihoods for five consecutive years and have driven families to migrate.⁴³ Further, Central America has 23 rivers and 18 aquifers that cross borders, creating an interdependence on issues relating to potable water availability, irrigation infrastructure, flooding, river transport, and pollution.⁴⁴ Regarding pollution, water contamination is a major issue throughout the region. For example, in El Salvador, the latest Ministry of Environment report on the country’s river system found no sampled sites that had water clean enough to drink, 92 percent of sites had water too contaminated for irrigation, and 79 percent had pollution that either restricts or altogether precludes aquatic life.⁴⁵ Despite high rates of access to water from an improved source (according to the World Health Organization, all countries in the region report

⁴¹ “Human Footprint and Cow’s Hoofprint.” Wildlife Conservation Society in partnership with U.S. Fish and Wildlife Service. July 2017. Summary found here: <https://newsroom.wcs.org/News-Releases/articleType/ArticleView/articleId/10332/People-and-Wildlife-Now-Threatened-by-Rapid-Destruction-of-Central-America%E2%80%99s-Forests.aspx>

⁴² Development Solutions to Address Illegal, Unreported, and Unregulated Fishing in Latin America and the Caribbean. Margarita Seminario and Isaac Parham. Center for Strategic International Studies. July 2021.

⁴³ UN World Food Programme brief on the dry corridor of Central America. <https://www.wfpusa.org/emergencies/dry-corridor/>

⁴⁴ “Integrated water resources management in Central America: the overriding challenge of managing transboundary waters.” Global Waters Partnership, 2016, see tables 4 and 5.

https://www.gwp.org/globalassets/global/toolbox/publications/technical-focus-papers/tfp_central_america.pdf

⁴⁵ “Informe de la calidad de agua de los rios de El Salvador. Año 2020.” Ministry of Environment.:

<https://cidoc.marn.gob.sv/documentos/informe-de-calidad-de-agua-de-los-rios-de-el-salvador-ano-2020/>

greater than 94 percent access except for Nicaragua, which reports 81 percent access⁴⁶), discrepancies remain concerning rural versus urban access and how safe the water actually is. The limited data on safely managed drinking water (meaning reliable, easy to access, and free from contamination) show much lower rates of access (e.g., 56 percent for Guatemala and Nicaragua⁴⁷). Further, according to surveys, roughly 25 percent, 40 percent, and 50 percent of the populations in El Salvador, Guatemala, and Honduras, respectively, rely on bottled water.⁴⁸

Limited access to water in rural areas also exacerbates gender and vulnerable group inequalities because women and young people are primarily responsible for water collection in rural areas. Globally, water collection by women has also been linked to an increased risk of GBV.⁴⁹ Indigenous peoples are also particularly vulnerable to climate change impacts as they have been cornered to live in remote areas with reduced access to basic services. Yet “indigenous peoples occupy 40 per cent of Central America’s protected areas and play an essential role in protecting biodiversity.”⁵⁰ According to the Food and Agriculture Organization, a review of more than 300 studies published in the last two decades confirmed “the extent to which Indigenous and Tribal Peoples in Latin America and the Caribbean are the best guardians of their forests when compared to those responsible for the region’s other forests.”⁵¹ Most regional transboundary areas are populated by indigenous communities such as the Miskitus and Tawakas in between Honduras and Nicaragua, and Garifuna and different Mayan-origin ethnic groups in the Guatemala Caribbean coast bordering Honduras, as well as in the Mayan Biosphere Reserve shared by Guatemala, Belize and Mexico.

Water and climate change also intersect concerning the region’s energy. Hydropower, for example, comprises a significant portion of the region’s energy sources, accounting for 44 percent of consumption in Costa Rica, 59 percent in Panama, 36 percent in Guatemala, 25 percent in El Salvador, and 20 percent in Honduras.⁵² Future changes to regional precipitation patterns, which are linked to climate change, could dramatically impact the availability of rainwater for use in electricity generation.

Like climate change, health pandemics also have the ability to devastate lives and livelihoods to drive irregular migration from Central America. The most immediate concern is COVID-19, which continues to spread throughout the region. As of December 2021, the countries that have reported the most infections as a percent of the population are Costa Rica and Panama, each with roughly 11 percent of the population having been infected. Mexico has suffered the highest number of deaths as a percent of the population (0.23 percent, or 300,000 people). Vaccination rates range from the lowest in Guatemala with 26.4 percent, Honduras with 39.9 percent, and Nicaragua with 40.9 percent to the highest in Costa Rica with 66.7 percent, El Salvador with 63.8 percent, and Panama with 57.7 percent, with Mexico and Belize at roughly 50 percent.⁵³ The severity of the socioeconomic impact of the disease has depended on the ability of the government to impose lockdowns, population density (which favors the more rural countries of

⁴⁶ World Bank Data for 2020, taken from the World Health Organization.

⁴⁷ World Bank Data for 2020, taken from the World Health Organization

⁴⁸ “Water and Sanitation Services in Latin America: Access and Quality Outlook.” IADB, April 2021.

<https://publications.iadb.org/publications/english/document/Water-and-Sanitation-Services-in-Latin-America-Access-and-Quality-Outlook.pdf>

⁴⁹ Regional Gender and Inclusive Development Analysis. USAID. 2022.

⁵⁰ Mongabay 2016. Indigenous territories occupy 40 percent of protected land and marine areas in Central America.

<https://news.mongabay.com/2016/05/indigenous-territories-occupy-40-percent-protected-land-marine-areas-central-america/>

⁵¹ Forest governance by indigenous and tribal peoples. An opportunity for climate action in Latin America and the Caribbean 2021. <https://www.fao.org/documents/card/en/c/cb2953en>

⁵² International Renewable Energy Agency. Country Profiles 2019. <https://www.irena.org/Statistics/Statistical-Profiles>

⁵³ Data from the Johns Hopkins Coronavirus Resource Center. <https://coronavirus.jhu.edu>. Statistics on death and prevalence calculated using World Bank population data.

Nicaragua, Guatemala, and Honduras), and resources available for health care (which favors the wealthier countries of Costa Rica and Panama).⁵⁴

HIV/AIDS is another health threat to the region. In persons aged 15 to 49 years, HIV prevalence rates in the region range from 1.2 percent in Belize, to 0.2 percent in Honduras, Guatemala, and Nicaragua. Country-level prevalence rates, however, mask the disproportionate impact that HIV and AIDS have on key populations. Key populations in Central America include men who have sex with other men (MSM), transgender persons, 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 2018), the Central American epidemic is most highly concentrated among transgender persons and MSM, with many countries in the region reporting a prevalence of at or near 10 percent within these sub-populations (El Salvador, Honduras, Nicaragua) and others reporting prevalence much higher than that—Costa Rica reports a prevalence of 15 percent among MSM and 25 percent among transgender persons; Mexico reports roughly 15 percent prevalence among both sub-populations; and Guatemala reports 20 percent prevalence among transgender persons.⁵⁵ Further, people living with HIV and AIDS face discrimination and stigma, and the sub-populations mentioned above additionally face violence in the region. In addressing the HIV/AIDS epidemic, significant gaps remain. For example, there are many People Living with HIV (PLHIV) who do not yet know their status, as well as significant disparities between diagnosed PLHIV and those on treatment, indicating many people have not been linked to treatment after diagnosis, have not initiated treatment, or have not received follow-up treatment.⁵⁶

Development Hypothesis and Regional Rationale

This RDO views resilience through a broad lens that describes the resiliency of people and countries to both environmental and health challenges that can uproot individuals and contribute to irregular migration. The theory of change underlying this RDO is:

***IF** data, coordination, policies, and capacity around transboundary climate and health threats are strengthened, **THEN** regional stakeholders will be better positioned to effectively manage and mitigate the effects of climate change and health threats.*

Improved regional coordination is essential to reduce the impacts of climate change, support long-term adaptation, and strengthen management of natural resources in the region. Regional environment, biodiversity conservation, water, and energy programming under this RDO lend themselves to a regional approach. Given that Central American countries share important land and water resources, the impacts of climate change are not confined to a single country. Common challenges need to be addressed through similar approaches and require coordinated regional governance and stewardship of shared resources. Similarly, health security threats such as COVID-19 and HIV do not respect borders. Regional coordination is needed to prevent, prepare for, and respond to current and future global health security threats, whether they are pandemic or endemic infectious diseases.

⁵⁴ “The puzzle of COVID-19 in Central America and Panama.” Pearson AA; Prado AM, Colburn FD. *Journal Glob Health* 2021;11:03077. <https://www.jogh.org/documents/2021/jogh-11-03077.pdf>

⁵⁵ “Miles to Go—The response to HIV in Latin America.” UNAIDS, 2018. https://www.unaids.org/sites/default/files/media_asset/miles-to-go_latin-america_en.pdf

⁵⁶ Internal USG Reporting. Western Hemisphere Regional Operational Plan 2021. President’s Emergency Action for AIDS Relief.

Climate Change Risks Management for RDO 3

Climate risks for RDO 3 are rated high as discussed in the context section above. IR 3.1, improved response to climate change impacts, is USAID/E-CAM's direct response to the challenges and risks associated with climate change in the region and activities carry a high risk of being affected by climate change themselves. The climate risk management analyses for activities under IR 3.2 will be conducted at the activity level to inform specific programmatic risk management strategies. Climate risks for IR 3.2, improved prevention and response to current and future health threats in the region, have been rated moderate due to the fact that weak health systems in Central America and Mexico have been strained by the COVID-19 pandemic and are not equipped to account for climate change impacts. Under IR 3.2, interventions will include a meta analysis on all the health data in the region to better understand prioritization in the health sector, which will include health impacts from climate change.

IR 3.1 Improved natural resource management and response to climate change impacts

Summary

Regionally, the lack of available climate-related data hinders countries' ability to develop and implement plans of action to adapt and mitigate the impacts of climate change. Programming under this RDO will develop regional climate data systems and coordinate with regional stakeholders to analyze that data and implement measures to combat the effects of climate change. Initiatives could include the development and deployment of regional and country-based integrated operations plans to mitigate and adapt to climate change. At the more local level, USAID/E-CAM will provide climate data, analyses, and tools to end users such as government officials, agricultural and fishing cooperatives, and civil society groups. With access to this 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.

Opportunities also exist under this IR to support a regional clean energy market. USAID/E-CAM has initiated analyses to better identify and inform interventions in clean energy that result in significant, sustainable, equitable, and transformational change in the region's energy sector. Programming will support strategic areas of investment in adaptation/resilience through the best mix of technologies and approaches to achieve low emissions goals. Interventions may include support to regional energy institutions and Central American governments to increase energy trade, and support to the private sector to improve financing for clean energy production and adoption of homogenized energy efficiency standards throughout the region.

Additionally, programming will address needed improvements in natural resource management, including for water security and biodiversity conservation. Individual countries share similar issues that can be addressed with regional programming, such as the need for improving and harmonizing environmental regulations, policies, and procedures. At a more local level, USAID/E-CAM will address threats to biodiversity and decrease illegal and unsustainable trade in natural resources extracted from transboundary ecoregions in alignment with CAFTA-DR Chapter 17, by promoting safe, legal, and environmentally-friendly livelihoods that reduce poverty. The integrated approach to conserving and improving resource management under current programming, which includes education, improved livelihoods, strengthened governance, and land use planning, will be applied to new activities that focus

on transboundary watershed forests and protected areas.⁵⁷ To improve management of water systems, potential programs include the monitoring of water quality and supply, increasing access to clean drinking water across the region, and better stewardship of fishing stocks through better surveillance and response to IUU fishing. Water resource management and food security are especially important in the dry corridor of the region where prolonged periods of drought and rain threaten lives and livelihoods. Water programming under this IR, and its relation to food security, may have a specific focus on that geographic area.

Opportunities also exist to support Bosawas Biosphere Reserve in Nicaragua which is contiguous with the Rio Platano Biosphere Reserve, the Tawahka Asangni Biosphere Reserve, and the Patuca National Park in Honduras. These transboundary forest areas are known for their exceptional levels of biodiversity as they serve as a biological corridor that connects flora and fauna from North and South America. Other opportunities include the southeastern section of the Maya Biosphere Reserve in Guatemala and the contiguous Elijio Panti National Park in Belize, as well as the International Park of La Amistad, which is shared by both Costa Rica and Panama.⁵⁸

Other Development Actors

Central American regional international organizations will be important partners under this IR. ECLAC, for example, has a mandate to promote the economic, social, and environmentally sustainable development of Latin America and the Caribbean. Natural resource management is a key area in the ECLAC portfolio and USAID/E-CAM will coordinate with them under this IR. Within SICA, the Regional Committee on Hydraulic Resources will be a valuable partner in coordinating governments on water resource management. Similarly, SICA institutions such as the Central American Commission for Environment and Development and the Organization for Fisheries and Aquaculture Sectors of the Central American Isthmus will be able to help jointly address strategic regional environment and climate challenges. In energy, the Central American Electrical Interconnection System (SIEPAC) will be a valuable partner in coordinating around regional energy challenges.

In addition, several other bilateral and multilateral donors provide assistance for biodiversity conservation, natural resource management, climate change adaptation, clean energy, and/or nature-based solutions for climate change mitigation, including the German government's development agency, GIZ (Guatemala), IADB (Guatemala), and the EU (Honduras). Finally, opportunities exist to partner with the private sector on climate action, such as investment in renewable energy, sustainable manufacturing, and climate insurance (as mentioned under RDO1).

New Directions from the Previous RDCS

For the past five years the environment portfolio has primarily focused on promoting biodiversity conservation and the reduction of threats to biodiversity in transboundary coastal-marine ecosystems across El Salvador, Guatemala, and Honduras. The limited focus of the environment portfolio reflected funding dynamics, including a lack of funding and needing to meet funding directives. With an expected influx of environment funds over the next few years, the mission will look to expand the environment portfolio into water resource management, the use of satellite technology to adapt to climate change and plan for future disaster events, biodiversity conservation, and regional clean energy use, access, and distribution.

⁵⁷ Regional Biodiversity and Tropical Forest (FAA 118/119) Analysis. USAID. 2022.

⁵⁸ Ibid.

IR 3.2: Improved prevention and response to current and future health threats in the region.

Summary

This IR will implement sustainable solutions toward preventing, preparing for, and responding to current and future health threats such as the current pandemics of COVID-19 and HIV/AIDS. Outbreaks and the spread of disease are not confined to any one country as they threaten the entire region. Regional programming can thus augment bilateral health programming. Appropriate regional engagement includes institutionalizing best practices, standard operating procedures, and durable solutions to improve the effectiveness of responses to health threats through early detection of potential disease spread, as well as the implementation of analytics for data-driven decision-making to mitigate the likelihood of spread.

Health systems strengthening programs are also envisioned to address shared regional challenges, such as revamping decentralized healthcare approaches and developing or strengthening referral and return systems to improve the continuum of patient-centered care. Reliable supply chains and functioning strategic information systems are also crucial foundations for epidemic control, which IR 3.2 will support. In addition, interventions will engage in policy dialogue to ensure there is political will to adopt necessary measures to control the spread of current and emerging health threats. Programming will provide technical assistance to identify and resolve systems barriers to ensure the quality and long-term sustainability of the national responses to the two epidemics. USAID/E-CAM will manage non-HIV/AIDS related funding allocated to the region, while USAID/Guatemala will continue to manage the regional HIV/AIDS portfolio.

For HIV/AIDS, IR 3.2 will support programs that focus on testing, prevention, and treatment. Interventions will expand testing sites for new patients, patients who have been lost to follow-up, and patients who are not virally suppressed in order to close the large existing gap of people with HIV who do not yet know their status. In addition, activities will provide HIV testing and counseling across a range of community and facility-based settings, including mobile units to increase key populations' (KP) ability to access HIV testing services. Prevention programs will target key populations through peer outreach, small group prevention activities, and prevention activities in "hot spots", focusing primarily on behavior change and procurement, distribution, and marketing of prophylactics. Prevention programs will also build on existing platforms to increase access to Pre-Exposure Prophylaxis (PrEP) in the region for high-risk KP and sero-discordant partners. Finally, IR 3.2 will support timely entry to and retention in medical care following HIV positive diagnoses to improve treatment. Early treatment initiation, multi-month scripting, and treatment optimization will be scaled up, and programming will increase efforts to return those lost to follow-up to treatment and increase adherence.

For other current and emerging health threats, IR 3.2 will focus through a health systems strengthening approach to improve the surveillance, coordination, and response of governments and health systems in the region in order to prevent, prepare for, and respond to future pandemics in the region. Interventions may provide better clinical training available in the region for frontline health workers and strengthen the capacity of laboratories in the region to identify, disseminate, and use findings to enhance regional response and coordinate public health policies. Activities will also support regional medical supply-chain systems along with enabling national telemedicine centers to be utilized regionally. Broad communications campaigns in the region, including those specifically targeting youth through social media, are also envisioned under this IR in order to stop the spread of the pandemic.

Other Development Actors

Regarding HIV/AIDS, the other major donor in the region is the Global Fund to Fight AIDS, Tuberculosis and Malaria. The Centers for Disease Control and Prevention (CDC) also works closely with USAID on PEPFAR programming in the region. However, other smaller donors are also active in this space, including UNAIDS, UNICEF, Spain, Sweden, Norway, and Canada. USAID/Guatemala will continue coordinating with these donors in the implementation of the HIV/AIDS portfolio. For broader health objectives, regional coordination will be needed to prevent, prepare for, and respond to current and future global health security threats, whether pandemic or endemic infectious diseases. Both the Pan American Health Organization (PAHO) and the Central American Health Council (CO-MISCA) under SICA have proven to be valued regional partners in these efforts.

Under IR 3.2, USAID, working in collaboration with PAHO and other partners, will coordinate to institutionalize a real-time disease tracking and reporting system for priority reportable infectious diseases based on International Health Regulations. As part of a One Health approach, which holistically encompasses human, animal and environmental health, it will serve as a platform for enhancing intra-governmental, donor, and community coordination to more sustainably advance global health security. Additionally, inclusion in the Global Health Security Agenda (GHSA) could further advance coordination with bilateral and multilateral partners in leveraging their support for GHSA priorities in the region.

New Directions from the Previous RDCS

The COVID-19 pandemic may necessitate an expansion of health programming in the region beyond HIV/AIDS (given the availability of funds for such purposes). COVID-19 programming and HIV/AIDS programming will both contribute to strengthening health systems across the region to better respond to health threats. The focus under the previous RDCS was on HIV/AIDS. This RDCS will build upon successes of prior HIV/AIDS programs to strengthen regional capabilities to detect, prevent, and mitigate future health threats.

Monitoring, Evaluation, and Learning

USAID/E-CAM will apply monitoring, evaluation, and learning best practices to understand how its interventions are impacting the region and enable the Mission to make necessary course corrections during the course of the strategy. As part of this process, after approval of the RDCS, the Mission will develop a Performance Management Plan (PMP) for the RDCS. In accordance with recent guidance, the PMP will be structured around learning priorities and learning questions that will help determine appropriate monitoring, evaluation, and Collaboration, Learning, and Adapting (CLA) approaches. Learning priorities and learning questions are designed to address critical assumptions, risks, and knowledge gaps in the development hypothesis for each IR, emphasizing the Mission's understanding of program effectiveness in reducing migration and improving conditions that drive irregular migration, and help in making potential course corrections based on data and evidence.

USAID/E-CAM will undertake various monitoring, evaluation, and learning (MEL) initiatives to facilitate strategic learning and adaptive management of the RDCS. External evaluations and research, in particular, will independently investigate and verify the effectiveness of interventions. A variety of other research tools will generate evidence to inform RDCS implementation, including but not limited to political

economy analyses, sectoral assessments, opinion polls, and population-based surveys. Through evaluations, assessments, consistent monitoring, and coordination with development stakeholders, USAID/E-CAM will look to increase knowledge of effective approaches, facilitate sharing of best practices, and leverage the role of the regional program to identify gaps and opportunities for learning.

Monitoring

USAID/E-CAM will define indicators at each level of the strategy to track the progress of its activities and refine its approach as necessary. Activity level indicators, along with contextual indicators will be used to influence activity design and implementation, and optimize resource use for the best expected results. Monitoring efforts will seek to verify the progress of specified indicators on a regular basis, and are an important tool for understanding causal linkages within the results framework of the RDCS. To comply with the USAID Gender Equality and Women's Empowerment Policy and the USAID Youth in Development Policy, all indicators must be disaggregated by sex and age.

Monitoring under the RDCS will also inform regional quarterly and biannual reporting under the RCS and quarterly reporting under the CMMS, in addition to other required agency reporting such as the annual Performance Plan and Report (PPR). The data management system for monitoring will be the newly deployed Development Information Solution (DIS), which will be used to collect and store performance data from partners. To fully leverage the Mission's monitoring data, it may be necessary to use other analysis tools, such as Geographic Information System, to analyze geographic trends.

Evaluation

USAID/E-CAM will independently investigate and verify the effectiveness of interventions through a variety of evaluation types, including performance, impact (where feasible and appropriate), and ex post. As appropriate, evaluation questions will support relevant learning agendas such as the Agency Learning Agenda, RCS learning agenda, and others, with an emphasis on understanding program effectiveness on reducing irregular migration and improving the conditions that drive irregular migration.

CLA

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/E-CAM, bilateral missions, donors, regional institutions, Washington, implementing partners, and other appropriate stakeholders. Where possible, USAID/E-CAM will leverage existing fora such as the Community of Practice on Migration and the RCS MEL Working Group managed by USAID/Latin America and the Caribbean.
- **Learning:** Tracking monitoring indicators, generating systems for data analysis, and assessing progress through the lens of the development hypothesis.
- **Adapting:** Utilizing evidence to enhance program and project management and performance to strengthen results.

Annex

1. [Climate Risk Management Analysis](#)