



**The Northern Triangle:**  
Building Trust,  
Creating Opportunities

## MAIN PROGRESS AND ACHIEVEMENTS, 2015–2016



Plan of the Alliance for the Prosperity of the Northern Triangle  
El Salvador, Guatemala, and Honduras



Public Sector

Development Partners

Civil Society

Private Sector

The success of this Plan  
depends on the commitment  
and work of all

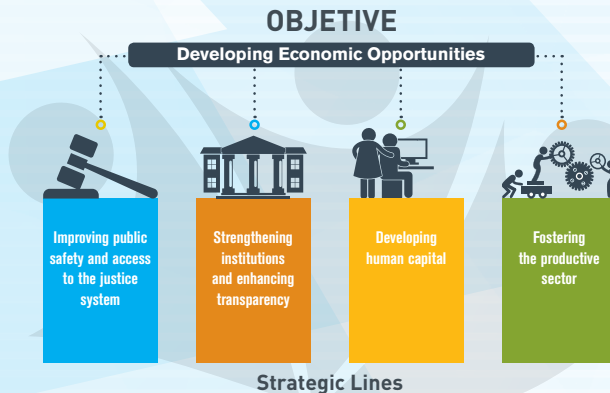
# The Plan and its implementation

The countries of the Northern Triangle—El Salvador, Guatemala and Honduras—have worked together on the Plan of the Alliance for the Prosperity of the Northern Triangle in order to respond to the region's challenges, which triggered the upsurge in the flow of undocumented and unaccompanied minors who arrived in the United States in 2014.

In 2015 and 2016, the countries have shown strong commitment and have moved forward in implementing strategic actions that seek to root the population by means of interrelated and coordinated interventions that strengthen institutions and enhance security; enable a more inclusive society; and build greater trust for the private sector and our citizens.

This mutual trust should be developed in order to allow us to embark on a virtuous circle: greater security, greater capacity to enforce the law for all citizens and businesses, property rights that inspire citizens' confidence and make possible higher tax contributions, and greater trust in the State's provision of services.

The widening of this virtuous circle on which we have already embarked will be reflected in a higher rate of public and private investment, thus enabling our countries to provide citizens with more economic opportunities and a better quality of life, especially among the young and future generations.



# Improving citizen security and access to justice

Our three countries have made efforts to generate additional resources so as to strengthen the capacity of officials in the justice sector, increasing the amounts devoted to security, as well as improve the police career structure and take specific steps in the fight against crime and violence.







## Security

### EL SALVADOR

○ **Start of the Plan El Salvador Seguro (“Safe El Salvador Plan”) in 50 municipalities prioritized** with

an integrated vision of violence prevention, the creation of the post of vice-minister of social prevention, and a territorially targeted implementation strategy.

○ **10 municipalities have benefited from the implementation of the Plan El Salvador Seguro**, which involves integrated and territorially focused actions to reduce the incidence and impact of crime and violence.

○ **US\$36 million** (8 percent of the security and justice budget)

raised between April and July 2016 through the Special Contributions for Security.

○ **1,600 unsafe public spaces reclaimed** and the establishment of **134 committees** for violence prevention.

○ **81 public spaces and 115 schools upgraded, and services provided to 400 youths outside the school system** through the Plan El Salvador Seguro.

○ **60 percent reduction in homicides** in the beneficiary municipalities of the Plan El Salvador Seguro in 2016.

○ **25 percent increase in the salaries** of members of the security forces (US\$547 a month).

○ **3,500 police officers have**

**benefited** from 52 specialization courses, 127 refresher courses, and 25 training courses in community policing.

○ **600 new members of the police force** trained and graduated in 2015, and 765 new officers are expected in 2016.

○ **600 individuals from among the National Police** and the armed forces make up the El Salvador Special Reaction Forces, focusing on rural sectors where highly dangerous criminal structures operate.

○ **Adoption of extraordinary measures to tackle delinquency in prisons**, including upgrades to penal institutions, transferring inmates in line with the level of danger they pose, and blocking cell phone signals and illicit support from the



**Implementation of security plans and policies**

**Strengthening the police**



**Introduction of prevention programs**

outside.

## GUATEMALA

○ **Pay increase** for members of the National Civilian Police in 2016.

○ **The launch in April 2016 of the Democratic Crime Policy of Guatemala 2015–2035**, which seeks to lower the rates of criminality and social violence by introducing and implementing strategies on prevention, investigation, punishment, and social reintegration.

○ **A police model of integrated community security** implemented in Guatemala City and Quetzaltenango.

○ **Creation of the Xinca Task Force** in 2016 to prevent, combat, disrupt and eradicate criminal activities in the country, with particular attention to the southeast region.

## HONDURAS

○ **US\$128 million (0.7 percent of GDP)** additional resources collected in 2015 from the Population Security Tax.

○ **45 percent increase** in the budget of the Security Secretariat between 2015 and 2016 (from US\$175 million to US\$263 million).

○ **Minimum police training period extended from three to 11 months**, and a rise in the secondary education requirement to enter the police academy.

○ **1,426 police officers trained in the Police Technical Institute** between the basic grades (1,307) and higher grades (119) so far in 2016; some 3,000 police officers are expected to graduate in 2016.

○ **78 percent pay increase** for lower-ranking members of the police force between 2014 and 2015.

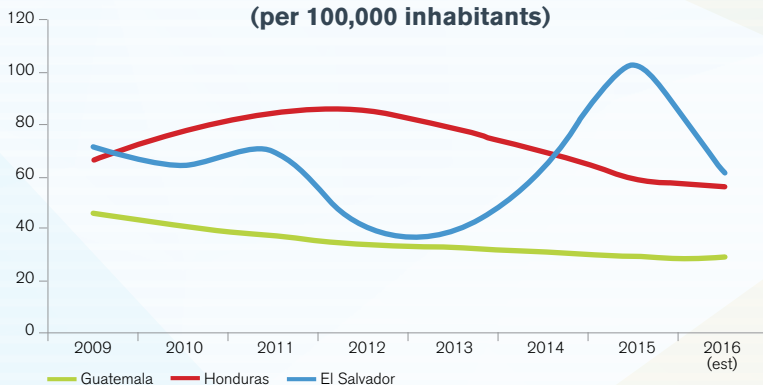
○ **Creation and equipping** of the new Police Investigations Directorate to consolidate investigative efforts in the country.

○ **272 higher ranking officers assessed** by the Cleansing Commission since April 2016, and 106 officers removed from their posts (38 percent of the total).



**Reduction  
in murders in 2015  
and 2016 in the  
Northern Triangle**

**Murder rate by country, 2009–2016  
(per 100,000 inhabitants)**



**Source:** Ministries of Security, 2015.

## Justice

### EL SALVADOR

○ **100 new assistant prosecutors** have been hired, and the new Attorney General has begun a reorganization of the staff.

○ **“Operation Jaque,”** the first operation by the Attorney General's office against gang finances, including the issuing of 120 arrest warrants.

○ **High-impact cases** against mayors, members of congress and former presidents suspected of corruption have been brought before the courts.

### GUATEMALA

○ **Two years of expanding** the mandate of the International Commission against Impunity in Guatemala (CICIG).

○ **30 criminal organizations dismantled and 72 members of extortion gangs arrested**

thanks to 126 raids and the joint endeavors of the Public Prosecutor's Office, the Ministry of the Interior, the National Police and CICIG.

○ **32 percent increase** in the budget of the Public Prosecutor's Office (amounting to 2 percent of the national budget) to upgrade infrastructure and strengthen criminal investigation capacity.

○ **0.2 percent of GDP in additional tax revenue** raised as a result of investigations by the Public Prosecutor's Office, the Superintendency of Tax Administration and the judicial authorities.

○ **Approval of a reform to the Organic Law of the Public Prosecutor's Office** to give greater autonomy to the Attorney General's office.

○ **Launch of the National Dialogue for Judicial Reform** in April 2016, involving the presidents of the three branches of government—the executive,

legislature and judiciary—and the heads of the Public Prosecutor's Office and CICIG, in which various sectors of the country were invited to participate.

○ **Establishment of the Office of the Special Prosecutor against Impunity (FECI)** in Quetzaltenango to bring together the judicial institutions within the country.

### HONDURAS

○ **Establishment** of the Support Mission against Corruption and Impunity in Honduras (**MACCIH**) to offer support to the country's efforts to fight corruption, with the assistance of the Organization of American States (OAS).

○ **17 traffickers arrested** and extradited to the United States as part of the fight against drug trafficking.

○ **226 captured** by the National Anti-Extortion Force in 2015 and to date in 2016.



**Increase  
in resources  
for justice**



**Strengthening  
of public  
prosecutors'  
offices**



**Fight against  
crime and  
corruption**





## Migration, the fight against human trafficking, and the social and economic reintegration of migrants

Efforts have been made to reduce irregular migration in 2015 and 2016, especially the migration of unaccompanied minors. These measures and actions include awareness campaigns in the media and social networks regarding the risks of irregular migration, the strengthening of consular networks and reception centers, the fight against human trafficking, and the social and economic reintegration of returning migrants.

### EL SALVADOR

- Relaunch of campaigns on the risk of irregular migration, with emphasis on unaccompanied child and teenage migrants. Broad dissemination of the “Don’t Risk Your Lives” and “You Can Here Too” campaigns in the media and social networks.
- Upgrading the infrastructure of centers for returning migrants by expanding and renovating the Directorate of Migrant Services in San Salvador and opening support facilities in other departments.
- 1,800 returning migrants have used services geared to economic and social reintegration.
- 925 returning migrants have found employment and 100 entrepreneurs have received training and financing.

- 100 percent increase in arrests related to human trafficking and people smuggling.
- Five “Coyote” operations against criminal organizations engaged in human trafficking.

### GUATEMALA

- Launch of the iPregunta, Apunta y Verifica! (“Ask, Write Down and Check!”) campaign to prevent migrant workers in Guatemala from being defrauded, the aim being to inform them of how to foil, avoid and identify a scam, and where to make reports of such cases.
- Approval of amendments to the migration law known as the “anti-coyote act,” criminalizing human trafficking and migrant smuggling.
- Cooperation agreement to set up a Transnational Criminal Investigation Unit (TCIU) on people trafficking.

### HONDURAS

- Conducting communications campaigns to discourage irregular migration.
- Establishment of the Fund for the Care of Honduran Migrants, with an annual budget of US\$5 million to upgrade infrastructure and services in the centers for returnees.
- Refurbishment of migrant reception centers in Omoa to attend to people coming from the border at Corinto (Honduras-Guatemala), which has the largest migrant flows.
- Two operations to dismantle human trafficking gangs, with more than 50 people arrested in 2016.

# Strengthening institutions and enhancing transparency

Out three countries have made efforts to enhance transparency and increase tax collection so as to enable them to boost their financial capacity to tackle development challenges in the short and medium terms. The improvement of tax administration and procurement systems has been part of the progress made.





## Public revenue

### EL SALVADOR

○ **0.47 percent of GDP increase in the tax** take between 2013 and 2015 as a result of tax policy reforms, to which will be added an increase equivalent to 1 percent of GDP in the next five years through improvements in the Tax and Customs Administration.

○ **A proposal on the coercive collection of debts owed to the state** has been submitted to the Legislative Assembly and has the potential to raise US\$478 in additional revenue.

### GUATEMALA

○ **Reforms to the Superintendency of Tax Administration (SAT)** to improve transparency and increase tax collection.

○ **Appointment of a new SAT superintendent and executive staff**, and establishment of administrative, tax and customs tribunals.

○ **Modification of the Banking Law** as regards banking secrecy.

○ **Overhaul of SAT's technical staff** through a call for applications to recruit 450 new officials in existing or new posts.

○ **Creation of the Internal Affairs Unit** following approval of the SAT Board Agreement.

### HONDURAS

○ **Rise in tax revenues equivalent to 2.3 percent of GDP** between 2013 and 2015 thanks to tax system reforms, and projections of 17.6 percent of GDP in 2016.

○ **Replacement of the Executive Tax Directorate with the Revenue Administration Service**, which will allow the country to finance priority spending and support the reengineering of tax processes, the professionalization of human resources, and technological modernization to improve taxpayer oversight and tax recovery.



**Increase in tax revenue and fiscal capacity**



**Improvements in technology, processes and human resources for oversight**



**Greater access to public information and transparency**

## Transparency

### EL SALVADOR

- Some 115,000 documents from 180 public institutions placed in the public domain.
- 72 percent increase in consultations on the freedom of information law between 2014 and 2015.
- Strengthening El Salvador's electronic system for

government procurement and opening of the public employees' portal.

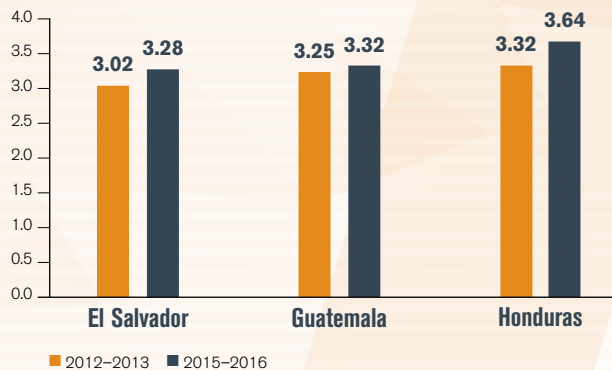
### GUATEMALA

- Amendments approved in 2015 to the State Contracting Law.
- Change to the regulations governing state procurement and contracting (GUATECOMPRAS).
- 15 percent increase in tenders between 2013 and 2015.

### HONDURAS

- Work with Transparency International to improve spending in the secretariats of security and education, as well as in the purchasing of medicines.

Global Competitiveness Index—Institutional Environment



**Source:** World Economic Forum, Competitiveness Report, 2015–2016.

**Note:** The institutional environment is determined by the legal and administrative framework within which individuals, firms, and governments interact to generate wealth. Higher numbers represent better institutional environment.

# Developing human capital

The three countries have continued to improve our peoples' living conditions and human capital by improving access to healthcare, social protection and education. We have also fostered integrated services for women, conducted campaigns to curb irregular migration, and provided services for returning migrants.







## Education

### EL SALVADOR

○ **21,419 teachers trained** and 1,228 specialists deployed as part of the Full Time Inclusive School program (EITP).

○ **23,278 computers provided to primary and secondary school students** since June 2015 to develop technological skills.

○ **Expansion of the program to provide uniforms**, shoes and school supplies to high school students.

### GUATEMALA

○ **47,000 students benefitting** from the provision of 1,953 computers to promote greater connectivity in the schools.

○ **3,000 pre-primary and primary centers** will be repaired and provided with books, textbooks for state schools, school snacks and teaching materials at the pre-school level, with a new investment of US\$150 million, supported with an IDB credit.

### HONDURAS

○ **13 percent increase in the 2016 budget** to universalize pre-school education with flexible and alternative arrangements, mainly in rural areas.

○ **10,000 new tertiary-level places** offered in western rural areas in 2016.

○ **150 million lempiras (US\$6.5 million)** to make middle-level education universal in the municipalities, in an effort to ensure that all the municipalities have at least one school at that level.

## Health and social protection

### EL SALVADOR

○ **90 percent nationwide coverage** in vaccinations with the administration of 3.6 million doses of vaccines.

○ **2 million people nationwide** (32 percent of the population) provided with primary care in 2016 through the Community Health Teams (Ecos).

○ **46,000 individuals and 66,000 families** served through the universal basic pension, health and education vouchers, the Temporary Income Support Program, and the Productive Reintegration Program.



**Greater access  
to and better quality  
education**



**Improvement  
in living  
conditions**



**Women's  
integrated support**

## GUATEMALA

○ Improvement in the supply of **75 percent of the medicines and 72 percent of the surgical supplies** in hospitals, and regularization of the administration of vaccines.

○ **33 percent of the register of beneficiaries of the Bolsa de Alimentos ("Grocery Bag") program adjusted;** implementation of a system of debit cards for the distribution of benefits and financial inclusion.

○ Announcement of a new **"Strategy against Chronic Malnutrition,"** whose first stage will focus on mitigation measures in Huehuetenango, Quiché, Alta Verapaz and Chiquimula.

○ Launch of the **Seasonal Hunger Response Plan in 2016**, with a view to reacting to and mitigating seasonal hunger in 83 municipalities in Guatemala's Dry Corridor; the aim is to distribute 186,000 food rations in response to the current drought.

## HONDURAS

○ **1.5 million people** covered by the decentralized management model for healthcare services.

○ **Opening of the pediatric specialties hospital** and putting it into service.

○ **Five hospitals:** San Lorenzo, Leonardo Martínez and Mario Catarino Rivas in San Pedro Sula, the Hospital de Gracias and the Hospital La Esperanza **transferred to foundations for their administration.**

## Integrated centers for support to women

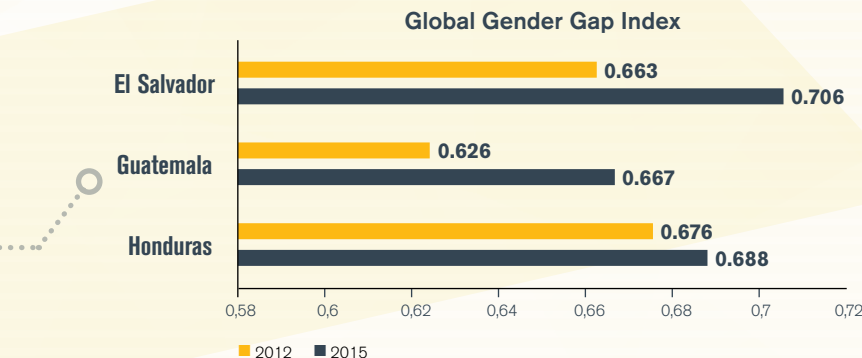
### EL SALVADOR

○ **90,000 women received services in 2015** in the Ciudad Mujer integrated support centers.

○ **Four new Ciudad Mujer and Ciudad Mujer Joven centers** are expected to be built with the support of the IDB to foster economic autonomy and violence prevention, attenuate migration risks, and facilitate access to sexual and reproductive healthcare.

### Honduras

○ **The first Ciudad Mujer integrated support center** is being built with the aim of serving 180,000 women and teenagers, and three new centers are being commissioned with IDB financing.

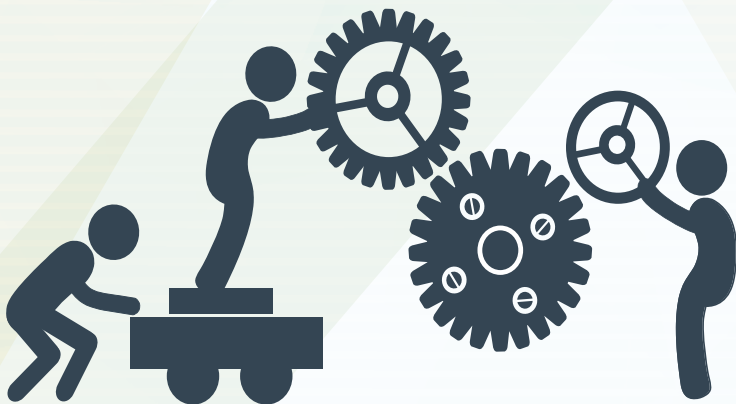


**Fuente:** World Economic Forum, 2016.

**Note:** Values closer to 1 indicate a narrower gap. The index includes economic participation, education, health and political participation.

# Fostering the productive sector

Our three countries have made progress on regional integration, strengthened our main economic sectors, and improved our competitiveness.







## Access to financing and strengthening SMEs

### EL SALVADOR

○ **10 percent increase in the credit** of the public banking system and a 50 percent increase in the number of beneficiaries of Banca Mujer ("Women's Banking").

○ **2,743 new credits totaling US\$52.5 million** granted by the El Salvador Development Bank (BANDESAL) with the support of the IDB, 86 percent of them for microenterprises and 36 percent for women.

○ **Launch in May 2016 of the Agricultural Banking** program to foster micro, small and medium entrepreneurs in the agricultural sector.



**Greater access to financing**

### GUATEMALA

○ **1,655 credits totaling US\$12 million** for the MSME support program.

○ **Congressional approval of the Law on Microfinance Institutions and Bodies** (decree 25-2016) to advance the country's economic development by promoting microfinance activity, mainly in the countryside and small urban centers.

### HONDURAS

○ **34,588 entrepreneurs and business people benefitting** in the first year of the Banca Solidaria ("Solidarity Bank") program to improve their businesses in areas such as commerce, handicrafts, and cuisine.



**Promotion of strategic sectors and employment**

## Promotion of strategic sectors and employment

### EL SALVADOR

○ **Provision of 7 million** rust-resistant coffee plants (3 percent of the stock).

○ **5,286 producers** in the coffee sector given training.

○ **600,000 agricultural packs** provided through an investment of US\$31 million.

○ **3,000 youths in three municipalities** (included in the Plan El Salvador Seguro) benefiting from the youth employment and employability program "Jóvenes con Todo" to develop the skills and abilities of young people aged 15 to 29.



**Efforts to improve the business climate**



## GUATEMALA

### ○ Approval of the Emergency Law on Safeguarding Employment,

which provides a transparent operating framework for the clothing and textiles sectors, and for call and contact centers.

○ Establishment of municipal **one-stop job centers**.

○ **8,000 youths trained** in the "Talento Digital" program.

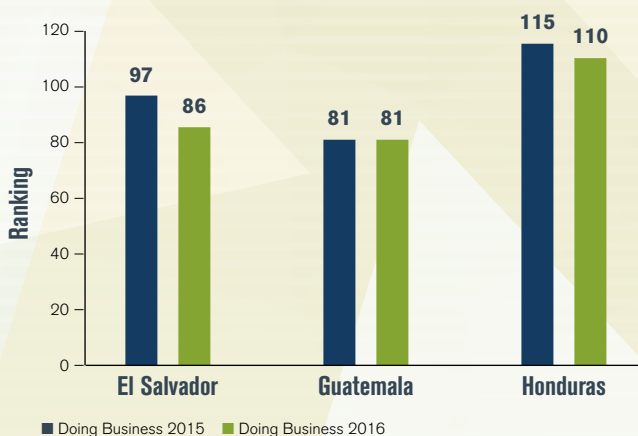
## HONDURAS

○ **Launch of the Honduras 20/20** program with the support of the private sector and McKinsey & Company, which makes provision for strategic investment in textiles, intermediate manufacturing, tourism, business services, agribusinesses and housing.

○ **16,000 jobs created** through the Presidential Program on Employment and Opportunities, which has US\$300 million in 2016 and a target of 150,000 jobs.

○ **Establishment of the Employment and Opportunities Bureau** to coordinate job creation and activities in the productive sector.

Doing Business – ranking by country



**Source:** Doing Business, 2016.

**Note:** Ranking across 189 countries.

## Logistical connectivity

### EL SALVADOR

- **Upgrading the Acajutla-Sonsonate** corridor in May 2016.
- Start of the **modernization of the Monseñor Romero airport**, with building works amounting to US\$35 million.

### GUATEMALA

- **100 kilometers** of the Escuintla-Ciudad Pedro de Alvarado section of the CA-2 East highway upgraded and expanded to four lanes.
- **140 kilometers** of the Coteles-Tecún-Umán section of the CA-2 West highway upgraded and expanded to four lanes.

### HONDURAS

- **Upgrading 83 kilometers** of the Gualaco-San Esteban-El Carbón (Department of Olancha).
- **Upgrading 8 kilometers** of the Bonito Oriental-Corocito highway (Department of Colón), whose sections form part of the Tegucigalpa-Puerto Castilla agricultural corridor.
- **Expansion of 50.2 km** of the Tegucigalpa-San Pedro Sula logistical corridor (in the departments of Comayagua and Cortés).

## Energy

- **The countries' participation in the Regional Task Group I on Energy**, sponsored by the US State Department and the Energy Summit between the United States, Central America and the Caribbean.

### EL SALVADOR

- **2 percent increase** in the share of renewables in the energy matrix between 2009 and 2015.
- **170 megawatts of non-conventional energy** put out to tender in 2016, in addition to the 94 megawatts of photovoltaic generation tendered in 2014.



**Increasing the diversification of the energy matrix**



**Highways upgraded and expanded**



**Progress on regional integration**

○ **Support in preparing the technical regulations** of the Law on Natural Gas, and technical and institutional strengthening for the introduction of natural gas into El Salvador.

## GUATEMALA

○ **Diversification of the energy matrix**, of which 70 percent comprises use of renewables

○ **Strengthening of energy policy** to ensure stability of supply.

## HONDURAS

○ **7 percent increase** in the share of renewables in the energy matrix between 2014 and 2016.

○ In 2015 a **program of policy reforms valued at US\$40 million** was approved to improve the financial sustainability and efficiency of the electricity sector, as was a **US\$23 million** investment program to upgrade the Cañaveral and Rio Lindo Hydroelectric Plant.

## Integration and customs union



○ **Approval of the Central American Strategy for Trade Facilitation**, with emphasis on Coordinated Border Management. This seeks to foster the establishment of border posts under a single management.

○ **Completion of the Enabling Protocol** for the Process of Deep Integration between Guatemala and Honduras, including approval by each country's Legislative Assembly.

○ **Formalization of the ministerial body** to take forward the process of customs integration, and establishment of a fund to commission studies.



Plan of the Alliance  
for the Prosperity of the Northern Triangle



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