



THE NORTHERN TRIANGLE

BUILDING TRUST, CREATING OPPORTUNITIES

MAIN PROGRESS AND ACHIEVEMENTS

2015-2017

Plan of the Alliance for Prosperity of the Northern Triangle

El Salvador • Guatemala • Honduras





Plan of the Alliance for Prosperity of the Northern Triangle



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THE PLAN AND ITS IMPLEMENTATION 2015-2017

This report presents an overview of the current situation and progress achieved to date in the implementation of the Plan of the Alliance for the Prosperity of the Northern Triangle in El Salvador, Guatemala and Honduras, based on information collected by the government teams that lead the Plan in each country.

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SECTION
THE PLAN
AND ITS IMPLEMENTATION
2015-2017

Following the start of the Plan's implementation in 2015, the governments of El Salvador, Guatemala, and Honduras agreed to work in a coordinated manner to address the causes identified as determinants of the irregular migratory flows observed from 2010 onwards, whose main destinations have been the United States and Mexico. In addition, the governments agreed to develop and implement a joint strategy that defined four priority strategic pillars: <

Each pillar has different lines of action that guide priority areas within the pillar.

Since 2016, all three countries have assigned resources in their respective budget laws to carry out specific actions under the Plan. Likewise, they have started to build monitoring systems that have allowed them to track progress under the Plan's different lines of action.

- i. Fostering the productive sector
ii. Improving citizen security and access to justice
iii. Development of human capital
iv. Institutional strengthening



In 2016, the three countries assigned resources totaling US\$2,647 million for the Plan's implementation. Execution in the three countries reached US\$2,324 million (88 percent of the total appropriated). El Salvador recorded a 90 percent execution, Guatemala reached 68 percent and Honduras executed the full amount. On average, the three countries allocated 45 percent of the resources to programs for stimulating the productive sector, and 44 percent to investments in human capital.

For 2017 the three countries have budgeted US\$2,628 million to continue with the Plan's actions; this corresponds to an average 13 percent of their national budgets (16 percent of El

Salvador's budget, 8 percent of Guatemala's and 18 percent of Honduras's budget). Preliminary information indicates that the 2017 budget will be allocated to the Plan's strategic areas in similar proportions to those observed in 2016, with some increases in the proportion of funds allocated to investments in security and justice, as well as institutions and transparency.

The plan is expected to continue to be financed primarily with the Northern Triangle countries' own resources, while also counting on the collaboration of partner countries. The Plan's success will depend on the political will in each country and on the effectiveness of their national institutions.

Table 1. Northern Triangle Budget and Execution 2016 (US\$ million)

Description	El Salvador		Guatemala		Honduras		Total	
Pillar	US\$	%	US\$	%	US\$	%	US\$	%
Productive Sector	587	61%	304	42%	289	30%	1180	45%
Human Capital	286	30%	357	50%	528	55%	1171	44%
Security and Justice	78	8%	50	7%	145	15%	273	10%
Institutions and Transparency	11	1%	9	1%	3	0%	23	1%
Total	965	100%	720	100%	965	100%	2,647	100%
Amount and % executed	869	90%	490	68%	965	100%	2,324	88%

Table 2. Northern Triangle Budget and Execution 2017 (US\$ million)

Description	El Salvador		Guatemala		Honduras		Total	
Pillar	2017	%	US\$	%	US\$	%	US\$	%
Productive Sector	239	30%	363	41%	359	38%	961	37%
Human Capital	123	15%	460	52%	423	45%	1006	38%
Security and Justice	287	36%	50	6%	154	16%	491	19%
Institutions and Transparency	151	19%	10	1%	9	1%	170	6%
Total	800	100%	883	100%	945	100%	2,628	100%
National Budget 2017	4,861		10,404		5,160		20,425	
Amount and % executed	16%		8%		18%		13%	

The strengthening of tax administrations, judicial systems and Attorneys' General offices, reductions in violence and insecurity and the fight against corruption and drug trafficking are joint efforts that are beginning to bear fruit.

Two years of implementation of the Plan, and investments of around US\$2.5 billion, have helped create a more favorable social and investment climate in the region.





PILLAR 1 FOSTERING THE PRODUCTIVE SECTOR

● **In the area of economic integration**, the three countries approved a roadmap for boosting the creation of the Central American Customs Union in 2015. Achievements to date include the approval of the Central American Strategy for Trade Facilitation, which emphasizes coordinated border management, identifies short, medium and long term measures and defines regional guidelines for the implementation of border crossings with physical and/or virtual integration.

Currently all 5 short-term measures identified in the Strategy are being implemented and Guatemala is preparing a Program of Border Reform in order to address medium and long-term measures. In line with these efforts, Honduras and Guatemala have advanced in a process of deep integration for the free transit of goods and people, which includes the approval from each country's legislative assembly, the ratification of the ministerial body to advance customs integration, and the creation of a fund for the financing of studies.

Likewise, El Salvador and Guatemala have approved the manual and regulations to implement integrated procedures and controls, especially for the La Hachadura border crossing. This simplifies procedures and the crossing of goods and people, fulfilling the lines of action outlined in the Strategy.

● The three countries have been an active part of the Regional **Energy** Task Force I, sponsored by the United States State Department and at the Energy Summit between the United States, Central America, and the Caribbean.

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SECTION
PROGRESS AND
ACHIEVEMENTS
BY PILLAR



1.1 PROMOTION OF STRATEGIC SECTORS AND EMPLOYMENT



El Salvador

- **The Coffee Agreement** signed by the government, political parties, and the coffee sector, establishing a roadmap for reactivating coffee cultivation
- **600,000 agricultural packages** delivered (corn seeds, fertilizer, bean seeds) with an investment of US\$31million
- **technology transfers** for the sustainable production of food
- **Historic price achieved in coffee auction**, obtaining US\$95.70 per pound (Cup of Excellence)
- **1,699 blocks** irrigated and rehabilitated for the production of food
- **Over 25.5 percent increase** in the harvest of basic grains (relative to 2015/2016) with a production of 26.2 million quintales
- **3,000 young people in 3 municipalities** of the country (included in the Safe El Salvador Plan) benefited from the Youth Employment and Employability program "Youths with Everything", that promotes the development of skills and capabilities of young people between 15 and 29 years of age
- **33 million coffee plants delivered** from 2015 to 2017, equaling 13,200 blocks, controlling the rust fungus
- **65,631 small and medium-scale agricultural producers** received
- **305 new businesses** created under the National Entrepreneurship Program
- **5,286 coffee producers trained**



Guatemala

- **8,000 young people trained** with the “Digital Talent” Program
- Issuing of government agreements to reform the regulations for the **Law to Promote and Develop Export and Maquila Activities**, as well as the **Regulations for Free Zones**, which operationalize the reforms of Decree No. 19-2016, Emerging Law for Job Preservation
- Signing of the decision by the Free Trade Commission to **eliminate tariffs on chicken rumps**, in the framework of the Free Trade Agreement between the United States, Central America and Dominican Republic
- Programming of activities for the **XII National Population Census and the VII National Housing Census**, with the aim of obtaining updated information for public policy decision making
- **Strengthening of the institutional structure for the development of infrastructure through public-private partnerships**, supported by the Millennium Challenge Corporation (MCC). Projects using this modality help optimize the use of public resources and open spaces for private investment
- **Launching of the National Policy of Dignified Employment 2017-2032**, for inclusive and sustainable economic growth
- **Provision of** employment, entrepreneurship, training, and job training services through the **Municipal Employment Single Windows (VUMES)**
- **Launching of the Economic Policy for 2016-2021** which seeks to address local challenges and take advantage of global opportunities
- **Launching of the Urban and Intermediate City Agenda**, which promotes urban development policy in Guatemala



Honduras

- **307,999 opportunities and sources of income generated** in the last 3 years through programs such as “Con Chamba Vivis Mejor” (You live better with work), CONVIVIENDA, solidarity credit, and infrastructure, tourism and micro-enterprise projects. Combined with private sector efforts, 286,306 additional jobs have been generated
- **25,000 people received English training** and there were over 60 digital courses imparted through the Professional Training Institute (INFOP) benefiting over **60,000 Hondurans**. The region’s most advanced autotronics workshop was established
- **Launching of the Honduras 20/20 Program**, with the support of the private sector, seeking to accelerate investment and employment in the textile industry, intermediate manufacturing, tourism, business services, agro business and housing, hoping to create 600,000 new jobs in the next 5 years
- Approval of the **Investment Trust for the Reactivation of the Food Sector (FIRSA)**, through which more than **US\$62.5 million** are destined for the sector annually
- **National Employment Policy agreed in the Economic and Social Council**, and ratified by the President and Council of Ministers in April, 2017



1.2 ACCESS TO FINANCING AND STRENGTHENING SMEs



El Salvador

- **US\$824.2 million disbursed** between June 2016 and May 2017 by the public banking system with emphasis on MSMEs
- **US\$37.9 million delivered** by the Agricultural Development Bank (BFA) for the harvest of basic grains; 85 percent of loans were provided with a subsidized rate of 4.0 percent that guarantees food security
- **Launching of the Agricultural Banking program** to boost micro, small and medium businesses in the agricultural sector, in May of 2016
- **50 percent increase in the number of beneficiaries of Banca Mujer** (Women's Banking) and 10 percent increase in credit from the public banking system
- **3,337 new credits given for US\$ 77.4 million** through the El Salvador Development Bank (BANDESAL) with the support of the Inter-American Development Bank (IDB); 80 percent of which destined to micro-enterprises, and 32 percent to women
- **23 new companies established**, 18 of which expanded their investments
- Investment commitments rise to US\$150.1 million, generating 2,853 new direct jobs
- **404 SMEs, cooperatives, and entrepreneurs benefited from US\$13.12 million in non-reimbursable co-financing that generated 15,096 jobs, US\$91.8 million in sales, and US\$22.30 million in collected tax**
- **25 percent of total government purchases are from MSMEs, and 69 percent from SMEs**



Guatemala

- **4,000 credits for** to the MSME support program, totaling US\$26 million
- **Approval of the "Law on Microfinance Institutions and Bodies"**, promoting micro-finance activity, mainly in the countryside and small urban centers
- **14 municipal productivity and competitiveness roundtables were created through the Strategy to Promote the Local Economy**; the Strategy's objective is to strengthen companies and MSMEs
- The PROMIPYME program, to strengthen MSMEs, assisted over **3,000 business people, offering training to 9,000 people in entrepreneurship**, business development and financial services



Honduras

- **78,322 credits for US\$21 million delivered through the Solidarity Credit program**, boosting the financial inclusion for Hondurans that today form part of the country's MSME community. 73.7 percent of the credits were given to women, and 25 percent to new business ventures
- **Support totaling US\$4.2 million to MSMEs** through 12 Business Development Centers that operate in 32 locations nationally. This generated **9,337 new jobs** and enabled the **retention of 58,917 jobs**, the MSME beneficiaries received incomes up to US\$126 million with sales increments of US\$7 million, and paid US\$ 8 million in taxes
- **10,200 companies received technical assistance**, 16,500 entrepreneurs were trained, 1,396 companies accessed new credits in the national financial system, and **2,237 new business ventures were created**. For the operation of the centers, the MSME and social sectors of the economy provided resources of US\$4.4 million, and US\$3 million in resources were received from international cooperation partners
- Creation of the **Bandesa-Banhprovi Alliance** (both of them State banks) to boost the MSME, agricultural, and social housing sectors



1.3 CONNECTIVITY AND LOGISTICS



El Salvador

- **US\$225.2 million were invested in 2016 for more than 382 projects: 771 km of roads, 22 protection works, 2 overpasses, 9 crossings, construction of SITRAMSS terminals, and upgrading and expansion of the International Airport for US\$35 million**
- **4 projects for modernization and expansion of the Ilopango International Airport completed**
- **13 projects for improvements of the Acajutla Port completed; 8 projects are in execution**
- **15 projects for the upgrading and extension of the La Unión Port completed**
- **Creation of the National Trade Facilitation Committee (CIFACIL) in May 2016, chaired by the Ministry of Economy and comprising members of the private sector and the main government entities**
- **Acajutla - Sonsonate Corridor upgraded in May 2016**



Guatemala

- **As part of the "Tren del Desarrollo" (Development Train) Strategy, the National Defense Ministry did maintenance work to 1,169 km of the tertiary road network**
- **Efficiency, transparency and institutional capacity levels boosted in Puerto Quetzal (Quetzal Port), which in 2016 became the port with the biggest marine cargo movement in Central America, moving 11,946 metric tons of cargo**
- **A new terminal was built in the La Aurora International Airport, which houses several governmental entities to enable the airport to facilitate user services**
- **The Mundo Maya Peten airport was rehabilitated, the Los Altos Airport in Quetzaltenando was developed and built, and the Retalhuleu and Puerto Barrios airports were rehabilitated**



Honduras

- **Investments in the Palmerola, Gracias, Río Amarillo, Copán, Tela, Choluteca and Puerto airports**
- **US\$600 million invested in the upgrading of the Cortés Port**
- **Construction or reconstruction of the Lenca, Pacific, Agricultural, Western, and Tourism road corridors, corresponding to 1,735 km of main road infrastructure**
- **Improvements in the customs system through the coordination of the Presidential Commission of Customs System Reform and Trade Operators (COPRISAO)**
- **Launching of the Honduras-Guatemala Customs Union in June 2017**



1.4 ENERGY



El Salvador

- **19.7 percent increase in the installed capacity** from 1,587 MW in 2014 to 1,899 MW in 2017 through public and private investments in power generation with **clean and renewable energy sources**
- **170 MW of non-conventional energy** put out to tender in 2016, in addition to the 94 MW of photovoltaic generation tendered in 2014
- **Start of operations of the biggest photovoltaic plant in Central America**, with a generating power of 101 MW that will benefit over 200,000 households
- Advance on the Photovoltaic Plant "Presa 15 de Septiembre", generating 14.2 MW
- **52 percent advance in the construction of the Hydroelectric Project El Chaparral** with a 66 MW capacity
- **Expansion of the Hydroelectric Power Plant "5 de Noviembre"**, increasing its power to 80MW
- **Technical and institutional strengthening for the introduction of natural gas in El Salvador**, and support for the preparation of its regulatory framework (technical regulations of the Law on Natural Gas)



Guatemala

- Diversification of the energy matrix with up to 60 percent comprising **use of renewables**, as of April 2017
- **Advances in electricity coverage**, which exceeds 92.2 percent of the population
- **Stability in electricity prices** has been achieved in recent years, reducing power generation fees by up to 30 percent



Honduras

- **Creation of a new legal framework for the electricity subsector** with the purpose of creating a more competitive market that will benefit end users
- **Improvements to the electricity distribution system** through the creation of an electricity distribution trust
- **Establishment of the National Energy Council in 2017**, as the coordinating body of electricity subsector's legal framework
- **The energy matrix has been diversified with the incorporation of new technologies**, such as solar power of 600 MW; and the first geothermal plant, with a 35 MW capacity, will be incorporated in 2017



PILLAR 2

DEVELOPING HUMAN CAPITAL

- **Regarding migration**, actions have focused on reinforcing border surveillance and controls; generating the conditions for fostering roots and encouraging people not to migrate; strengthening punishment for illegal human trafficking; campaigns to raise awareness about the risks of irregular migration; strengthening consular networks and reception centers for returning migrants, as well as investing in their social and economic reintegration.
- Continuing investments in **human capital** have promoted an agenda that focuses on the expansion of early child care coverage; improved access to health services, including sexual and reproductive healthcare, as well as improved education quality and coverage, especially in secondary education. The strengthening of technical and vocational training, improvements and expansion in the supply of training, and the facilitation of employability continue to be priorities for each one of the countries.

2

SECTION PROGRESS AND ACHIEVEMENTS BY PILLAR



2.1 MIGRATION, HUMAN TRAFFICKING AND REINTEGRATION OF RETURNING MIGRANTS



El Salvador

- **100 percent increase** in arrests related to human smuggling and trafficking
 - **5 “Coyote” operations** conducted against criminal networks of human trafficking
 - **2 operations related to trafficking conducted**, assisting 49 victims
 - **Advance in the approval of regulations** for implementing the Special Law against Human Trafficking
 - **Re-launching of campaigns to raise awareness of the risks of irregular migration**, with emphasis on unaccompanied minors and teenagers:
- “Do not risk your lives”, and “You can succeed here, too” campaigns
 - **Innovative model developed for the comprehensive care of returning migrants** through improvements to the infrastructure of returning migrant centers, the extension and remodeling of the Migrant Care Management Directorate in San Salvador, and the opening of attention centers in other departments
 - **1,800 returning migrants have used economic and social integration services.** The IDB is financing a demand survey to improve systems for referral and provision of reintegration and monitoring services
- **925 returnees have obtained employment**, and 100 entrepreneurs have received training and financing
 - **With the support of USAID there have been advances in the design of a “Migration Observatory”**, capable of standardizing data and of becoming a regional observatory. This initiative is being developed in coordination with academia, civil society and the private sector



Guatemala

- **Launching of the “¡Ask, Target, Verify! Campaign, preventing fraud against migrant workers in Guatemala”,** in order to inform, prevent, avoid, and identify frauds, and disclose where the complaints can be made
- **Launching of the Project “Guatemala includes you”,** for the inclusion of returning migrants on the labor market and in the Guatemalan economy
- **Approval of reforms to the migration law known as “anti-coyote law”,** introducing the classification of illegal human trafficking and “coyotaje” as crime
- **Cooperation Agreement to install a Transnational Criminal Investigative Unit (TCIU)** related to human trafficking.
- **Validity of Decree 44-2016 – Migration Code, providing protection to migrants,** creating the Guatemalan Institute of Migration, replacing the General Directorate of Migration, and creating the National Migration Authority
- **Creation of the Special Cabinet for the Alliance for Prosperity through government agreement,** to coordinate policies and actions geared towards generating conditions that seek to root the population of potential migrants



Honduras

- **22 percent decline in irregular migration** between 2016 and 2017
- **Six campaigns** implemented by government institutions, with the support of international organizations, **to discourage migration**
- **36 people detained for human trafficking** between 2016 and 2017
- **19 people were convicted for human trafficking in 2015,** with 13 guilty verdicts against 15 traffickers
- **Two operations against human trafficking:** (i) Operation Coyote led to the capture and formal indictment of seven people accused of human trafficking. The Administrative Office of Seized Property (OABI) secured 11 real estate properties and 11 items of moveable assets; and (ii) Operation Mesoamerica, which was planned and conducted at the regional level, dismantled a significant gang of human traffickers
- **Launch in 2015 of the Consular and Migration Monitoring Center,** the only one in the region



2.2 EDUCATION



El Salvador

- **4,566 students returned to the education system** thanks to measures to make education more flexible
- **21,419 teachers and 1,228 specialists trained** in the Full Time Inclusive School (EITP) program
- **3,201 young people benefited from the “Youths with Everything” program** on work skills, internships, enterprise and technical training
- **2,510 children and teenagers participating in the sports sessions** of the National Sports Institute as part of the “Activate” Program
- With the support of the Millennium Challenge Corporation (MCC), **expansion of FOMILENIO II, the extension of the third cycle and high school education.** This is being effected by extending the Full Time Inclusive School (EITP) program, which has **more than 300,000 students beneficiaries**
- With the support of FOMILENIO II, the **Technical and Professional Training System is being developed** to close the gap between the supply of and demand for technical skills in the workplace
- **23,278 computers provided to primary and secondary schools** for technological skills development, benefiting 377,533 students between June 2015 and September 2016



Guatemala

- **30,000 students benefiting from scholarships** and study grants programs
- **80,000 students served** by four extracurricular alternative education programs at the primary, basic and diversified levels
- **4,000 items of computer equipment provided** to about 300 educational centers
- **380,000 students provided with school supplies and 16,000 teachers with materials** to aid classroom teaching
- SEGEPLAN granted **201 international scholarships for study abroad** at the bachelor's, master's, and doctoral levels
- The “**Mi Beca Segura Educación Media**” (My Secure Middle School Scholarship) social program covers the 22 departments and is present in 325 municipalities, benefiting **3,300 men and 3,200 women**



Honduras

- **Seven percent increase in the 2017 budget to universalize pre-basic education** using flexible and alternative approaches, mainly in rural areas
- **US\$1 billion of the national budget (5.3 percent of GDP) devoted to education in 2016**
- **US\$9.8 million in 2017 allocated to the middle-school universalization program** in the municipalities, so all communities have at least one school at that level
- **Development of the Sectoral Education Plan, 2016–2030**, which will transform the country's education system
- **10,000 new third-cycle school places offered in rural areas** of the Western region in 2016
- **1,091,086 pre-schoolers** and students from first to ninth grade in public institutions benefiting from the “School Meals” program



2.3 HEALTHCARE AND SOCIAL PROTECTION



El Salvador

- **46,000 people and 66,000 families served by the universal basic pension, healthcare and education vouchers, the temporary income support program and the productive integration program**
- **597 beneficiaries of the Employment and Employability Program** for young people as of September 2016
- **Expansion of the school uniform, shoes, and school supplies program to high school**
- **90 percent nation-wide vaccination coverage** with the provision of 3.6 million doses



- **2.6 million beneficiaries of the Integrated Healthcare Program I (PRIDES)**, with primary care services available in 30 hospitals, a network of clinical laboratories, and the Single System of Healthcare Information (SUIS)



Guatemala

- **Provision of medicines in the hospital network during the past year, maintained at levels from 77.4 percent to 85.8 percent**, while the level of medical-surgical supply is at 85.8 percent throughout the country
- **Growth monitoring of 323,716 under-fives, 65,014 children under one year of age fully vaccinated**, and 61,800 women receiving timely prenatal care
- **Implementation of the Inclusive Healthcare Model in 2017**, one of the main pillars of social policy in the area of health services
- **Development and launch of the Chronic Malnutrition Reduction Strategy**
- **Establishment of the Vice-Ministry for Strategic Policy and Institutional Development**, which will be tasked with **strengthening the planning and strategic programming of public health policy**
- **The WHO/PAHO declared Guatemala free of onchocerciasis, the fourth country in the world to achieve this**
- **The Ministry of Public Health and Social Welfare hired 260 supervisor nurses, 2,100 auxiliary nurses, and 270 data entry clerks for integration in the care network**, along with 9,000 midwives and 6,000 community facilitators



Honduras

- **70 to 80 percent nation-wide access to healthcare services**, of which 50 to 60 percent is covered by the Health Secretariat
- **Establishment of the Health Secretariat and the Honduran Social Security Institute's system for the purchase, storage, and dispensing of medicines**, supplying 80 percent of the medicines in the healthcare network
- **Publication of the Framework Law on the Social Protection System**, allowing
- **Hondurans to secure decent coverage progressively and sustainably**
- **First place among 104 countries in the quality of the cold chain** and the supply of vaccines and syringes, which are crucial in the immunization system
- **Four hospitals were decentralized** in line with the National Health Plan, and the **decentralization of six others is being planned**
- **Opening of the Special Pediatric Services**

Hospital, benefiting 153,920 children

- **13,422 vouchers provided** by CONVIVIENDA to improve the building of social housing
- **Increase in the budget for purchasing medicines** from US\$22.9 million to US\$58.8 million
- **Transparency International audited the Health Secretariat's procurement and contracting processes**, which are effected through UNOPS



2.4 WOMEN'S CARE



El Salvador

- **340,000 women served** from 2015 to 2016 in the “Ciudad Mujer” integrated care centers
- **With the support of the IDB, expansion of the “Ciudad Mujer” program to three more centers** to foster economic autonomy, prevent violence against women, address migration risk, and provide access to sexual and reproductive healthcare
- **87 specialist care units in the national care system for women at risk of violence**
- **15 percent decline in maternal mortality.** Some 98 percent of births take place in hospitals



Guatemala

- In 2016, through the Ombudsmen for Indigenous Women (DEMI), **2,807 legal cases were attended to, as were 1,188 cases of psychological care**
- **INTECAP trains 120,000 women a year in various courses** that allow them to engage in productive activities and take part in the country's economic life
- **Through the Agricultural and Rural Extension Program**, the Ministry of Agriculture, Livestock and Food trained and gave technical advice to 79,000 women to improve household practices



Honduras

- **3,275 cases of attention in Tegucigalpa's Ciudad Mujer**, with an average of 182 daily services
- **Ciudad Mujer will open in Choloma in October 2017.** With IDB support, three more centers will be built in San Pedro Sula, Juticalpa and La Ceiba



PILLAR 3 IMPROVING CITIZEN SECURITY AND ACCESS TO JUSTICE

- **In order to fight organized crime and drug trafficking,**

the resources made available to the security forces have been increased (between 0.5 and 0.7 percent of GDP); officials have been removed and about 4,000 new staff have been added to police forces; technical investigation units have been strengthened; wages have risen; and the quality of training systems has been improved. In November 2016 the Trinational Task Force against Gangs was launched to coordinate actions and constrain the movement of organized crime among the three countries.

- Joint efforts coordinated with appropriate bodies for intelligence sharing, and the support of the United States, have given rise to remarkable achievements in **the fight against corruption and the strengthening of judicial institutions, especially the office of the attorney general in each of the three countries.** There have been very important cases in the last two years, such as the prosecution and imprisonment of former presidents and the deportation of fugitive drug traffickers. Many of the achievements in this field are attributed to the extension of the International Commission against Impunity in Guatemala (CICIG), the establishment of the Support Mission Against Corruption and Impunity in Honduras (MACCIH), and the strengthened activities of the office of the attorney general in El Salvador.



3.1 SECURITY



El Salvador



- **Start-up of the El Salvador Seguro Plan**, which is implemented in 26 priority municipalities, linking the efforts of 29 government institutions in an integrated approach to violence prevention. Creation of the Vice-Ministry for Social Security and implementation strategy at a local level. This is the reference point as regards citizen security nation-wide and is accepted by all relevant actors
- **10 municipalities benefiting from implementation of the El Salvador Seguro Plan:** 1,600 unsafe public spaces renovated and 134 violence prevention committees established; 81 public spaces and 115 schools improved; and 400 youths attended to outside the school system
- **53 percent decline in murders** in the first quarter of 2017 compared to the same period of 2016
- **Adoption of extraordinary measures to fight crime in prisons**, including improving penitentiaries, transferring prisoners in line with the danger they pose, blocking cell phone signals and preventing illicit external support, leading to a 50 percent decline in the murder rate
- Implementation of **Operation Jaque in July 2016** led to unprecedented achievements. The operation focused on intercepting the gangs' main financial leaders and their financing mechanisms
- **600 officers** of the national police and the armed forces comprise the **El Salvador Special Reaction Forces**, focusing on rural areas where criminal structures operate
- **A centralized system of human and technical resources from the Ministry of Justice and Public Security** is currently being designed and other institutional strengthening efforts are under way, including social rehabilitation prison programs with technical support from the IDB
- **25 percent increase in salaries** of members from the security forces (US\$547 a month)
- **600 new members of the police force trained** and graduated in 2015; 765 in 2016
- **3,674 police officers benefiting from 166 "job update" courses;** 3,500 police officers taking 52 specialization courses, 160 update courses, and 25 training sessions in community police; 27 police officers taking "digital literacy" courses in a blended learning format; 44 police officers taking the online course "updated juvenile penal law"



Guatemala

- **Launch of the Democratic Criminal Policy of Guatemala 2015–2035** in April 2016 with the aim of reducing the indices of crime and violence through prevention, investigation, penalties and reinsertion strategies
- **Integrated Community Security Policing Model implemented in Guatemala City, Quetzaltenango, and the pilot municipalities of the Plan of the Alliance for Prosperity (Jocotán, Nebaj and Momostenango)**
- **Creation of the Xinca, Tecún Uman and Chortí Task Force** to prevent, combat, dismantle, and eliminate criminal activities in the country
- **Operations in 10 departments to capture people involved in extortion and the murder freight carriers, pilots and merchants**
- **Opening of the first Rehabilitation and Reintegration Center for low-risk inmates** as part of the new prison management model
- **Seizure of more than 12 tons of cocaine valued at US\$500 million**
- **40 percent decline in the murder rate per 100,000 inhabitants, bringing the rate to 27.16 in 2016**
- **15 percent decline in the rate of crimes against business property, and a 14 percent reduction in vehicle theft**
- **Dismantling of 89 criminal structures** and the detention of more than 905 members of gangs devoted to extortion and contract killings
- **More than 60 US-registered aircraft illegally in Guatemala seized**, in a joint operation by the Ministry of the Interior, the Public Prosecutor's Office and the Directorate General of Civil Aviation



Honduras

- **9,234 police officers at every level assessed by the Special Commission for the Process of Cleansing and Transforming the National Police** as of March 2017. As a result, 3,919 officers have been dismissed (24 percent of them of senior rank)
- **4,165 police officers graduated under a new system that demands a minimum level of education and that increases the training period from three to 11 months.** The number of officers in the National Police is expected to increase from 14,000 to 26,000
- **95 police stations remodeled**
- **Construction of 11 megaparks and 232,219 recreational routes** opened as part of through a prevention program
- **40 outreach centers operational and opening of five new such centers in communities with high levels of violence, with 23,880 beneficiary youths**
- **600 kilometers of border road are being monitored by the Trinational Security Force** since November 2015
- **13 Hondurans captured in Honduras and extradited to the United States**
- **985 cases of extortion brought before the courts and 53 neighborhoods freed from criminal gangs** thanks to the National Anti-Extortion Force
- **138 clandestine landing strips and more than 10 drug laboratories destroyed**
- **Installation of land, air, and sea shields, leading to a significant decline in the movement of drugs**
- **US\$50 million seized from organized crime, managed by the Administrative Office of Seized Property (OABI)**
- **Start-up of the new prison system, in which highly dangerous convicts have been transferred to new maximum security centers**
- **US\$58 million disbursed from the Security Tax as of March 2017**
- **29 percent decline in the number of murders in the first two months of 2017, compared to the same period of 2016**



3.2 JUDICIAL OFFICIALS



El Salvador

- **US\$2.6 million from the Special Contribution for Citizen Security and Coexistence and US\$7.5 million** in extraordinary bonds have been approved for the period June 2016–May 2017. This additional US\$10 million is equivalent to more than 20 percent of the regular budget and about 50 percent of it has been used
- **100 new assistant prosecutors recruited** to support a staff reorganization begun by the new attorney general. **Additional resources have helped strengthen the latter's independence**
- **120 capture orders issued as part of "Operation Jaque"**, the first operation conducted by the office of the attorney general against gang finances



Guatemala

- **Congressional approval of the reform of the Organic Law of the Public Prosecutor's Office**, granting the latter greater independence and creating the office of the prosecutor for internal affairs
- **Special Prosecutor's Office against Impunity established** in conjunction with the CICIG in the western region of the country
- **Creation of 57 prosecution areas** (district prosecutor's offices, agencies and units), expanding specialized justice and approaching all areas of the country
- **Territorial expansion with new prosecutor's offices**, especially in border areas where various criminal activities coincide
- **Basic guide for investigating corruption devised and implemented** with US support through USAID
- **97 corruption investigations brought before the courts**, 127 people linked to trials and 39 guilty verdicts for corruption-related crimes
- **With the support of the CICIG the state co-optation structure was dismantled**, leading to taking oral proceedings on 13 cases currently under way
- **Systematization of proceedings in the office for human rights**, especially for crimes committed during the internal armed conflict, facilitating analysis of more than 8,000 cases of human rights violations, taking 18 people to trial and securing two guilty verdicts
- **Strengthening the joint work of the PDH, CICIG and OACNUDH** that, as a technical secretariat, has pushed forward the process of constitutional reforms to the justice sector



Honduras

- **Construction and specialized equipping of two scientific police and forensic laboratories** in Tegucigalpa and San Pedro Sula, to be concluded in November 2017
- **Creation and equipping of the Police Investigations Directorate**, which brings together criminal investigation tasks in the country
- **Creation of three trial courts** (Nacaome, Ocotepeque and Yoro) to reduce judicial backlog. These are in addition to the 16 existing courts
- In January 2015 the **Criminal Investigation Technical Agency (ATIC)** of the public prosecutor's office began work; it currently has more than **200 investigating officers**



PILLAR 4

STRENGTHENING INSTITUTIONS

- Honduras and Guatemala have begun the **total transformation of the institutions in charge of tax collection and administration**, and all three countries have made reforms to their procurement and contracting systems.

2

SECCIÓN

PROGRESS AND
ACHIEVEMENTS
BY PILLAR



4.1 TAX COLLECTION AND SPENDING MANAGEMENT



El Salvador

- **3.2 percent or US\$135 million increase in the state's current revenues**, including contributions, with a 6.4 percent increase programmed for 2017
- **Stable tax burden averaging 15.9 percent of GDP** in the period 2014–2016
- **Decline in the fiscal deficit** from 3.3 percent of GDP to 2.8 percent in 2016
- **Advances in payroll analysis to boost spending efficiency and stabilize the wage bill** in the areas of education, health, security and justice, water and sanitation, and public works, with the technical support of the IDB
- **Proposal for coercive collection of debts owed to the state** submitted to the legislature, **with the potential to raise US\$478 million in additional revenue**
- **Implementation of reforms and adoption of best international practices** in the procurement of goods, services and public works, in the interests of spending efficiency and savings, with the technical support of the IDB



Guatemala

- **Approval of a new Organic Law of the Superintendency of Tax Administration (SAT)**
- **Creation of a new SAT governing board**
- **Setting up of the Administrative, Tax and Customs Court (TRIBUTA)**
- **Administrative restructuring** with the creation of new units: the Office of Revenue, Office for Internal Affairs, and Office of Fiscal Investigations
- **Modification of the banking law to facilitate access to banking information** (in effect from February 2017)
- **Meeting the budget target in tax revenue**
- **Purging of SAT personnel; use of tests of trustworthiness such as polygraph and Zavic**, and hiring of 450 new staff members
- **Reactivation of legal cases from previous years through effective strategic coordination** with the public prosecutor's office, recovering US\$14 million
- **Ratification of the Organization for Economic Cooperation and Development's (OECD) Convention on Mutual Administrative Assistance in Tax Matters**
- **Strengthening of local power through the Comptroller General** by furthering implementation of civic monitoring centers and centers to scrutinize the quality of spending in 180 of the country's municipalities
- **Amendments to the state contracting law approved in 2015**
- **Changes to the regulations on state procurement and contracting (GUATECOMPRAS)**, and progress made by the finance ministry in implementing the electronic reverse auction mechanism



Honduras

- **30 percent increase in tax collection between 2014 and 2016, amounting to 19 percent of GDP in 2016**
- **Creation of the Revenue Administration Service (SAR)** to allow financing of priority spending and support the reengineering of tax processes, the professionalization of human resources, and technological modernization for the purposes of better oversight and collection
- **Approval of a new tax code in 2016**, agreed between the public and private sectors, which features innovations such as a unified tax regime and consolidates the tax laws
- **Tax collection of 13 percent above the target and 15 percent more than the same period from the previous year (January–March)**, accounting for an additional US\$49.7 million to the projected amount
- **Reduction of turnaround times from 12 days in August 2016 to an average of two days in March 2017** (an 83 percent reduction) as a result of the modernization and simplification of customs clearance procedures for goods



4.2 INSTITUTIONS AND TRANSPARENCY



El Salvador

- **Creation of the State Experts Board for the monitoring and implementation of international agreements on the fight against corruption.** Participants include senior technical specialists designated by the heads of the various state institutions related to this issue
- **108,857 documents from 177 state institutions** made available to the public
- **72 percent increase in freedom of information law consultations** between 2014 and 2015
- **91 percent of information** provided in its entirety in response to **57,000 consultations processed from 2012 to date**
- **Strengthening of El Salvador's electronic public procurement system** (COMPRASAL) and opening of the public employment portal
- **The process of setting up the National Public Training School (ENAFOP)** has begun
- **High-impact cases of alleged corruption against mayors, members of Congress and former presidents** have been taken before the courts



Guatemala

- **Creation of the National Alliance for Transparency**, comprised of the Vice Presidency of the Republic, Attorney General's office, Comptroller General of Accounts, Office of the Human Rights Ombudsman, Public Prosecutor's Office and civil society, whose aim is to coordinate efforts in the area of transparency and the fight against corruption
- **Second Open Government National Action Plan 2014-2016**, along with formulating, approving and providing support for Third Open Government National Action Plan 2016-2018, both of which contain commitments agreed between the government and various civil society organizations
- **Development of the First Report on the Government's compliance with the Manual on Fiscal Transparency** developed by the National Alliance
- **Improvements in the Open Budget Index (OBI)**, updating of the institutional web pages, Fiscal Transparency Portal, Quality of Public Spending Monitoring Center, a system for open contracting, and promotion of a culture of public information disclosure in open data format
- **Implementation of recommendations** made by the International Monetary Fund in its **Evaluation Report on Fiscal Transparency** developed in Guatemala in March and April 2016



Honduras

- **10.8 percent increase in the budget allocation** for justice, equivalent to **US\$90.2 million** in 2017
- **Transparency International's Corruption Perception Index places Honduras as one of the nations with the biggest improvement**, by climbing 28 positions in the last 2 years
- **Installation, functioning and support from the Support Mission against Corruption and Impunity in Honduras (MACCIH)**
- **Awarded at the IV Global Summit of Open Government for leading open procedures in the construction of public works**
- **Creation of the Public Employees Registry and Control System (SIREP)** that guarantees a reliable payroll, resulting in a net reduction of 18,000 in the public payroll and generating annual savings for US\$85 million
- **Recognition of Honduras by the Millennium Challenge Account, for reporting the best ratings** in the last years in the fight against corruption



FUTURE CHALLENGES

Going forward, and in order to achieve the Plan's objectives, all three countries need **to consolidate the results achieved in justice, security and the fight against corruption**, while also addressing the challenges they face today in terms of generating jobs, improving competitiveness and enhancing economic growth.

3

SECTION

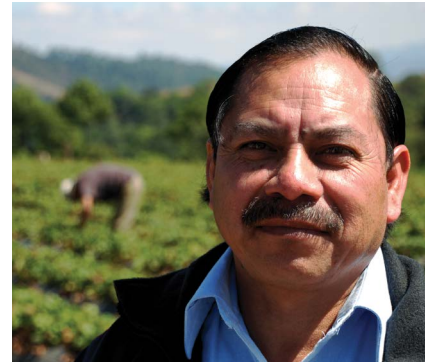
FUTURE
CHALLENGES



Future actions will focus on:

- Increasing investments from both the local and international private sector;
- Financing and executing logistical infrastructure and energy investments that will boost competitiveness and allow for a more effective control of the territory;
- Strengthening fiscal institutions;
- Upgrading border controls;
- Offering opportunities for the reintegration of young returning migrants; and
- Expanding the coverage and quality of education and healthcare for the population.

One of the main challenges for 2017 is to show evidence of compliance with the conditions of the Omnibus Law, which considers, among other things, the commitment of working on the supervision of the Plan in cooperation with autonomous entities publically responsible for reporting back on its results; these entities are already established in all three countries and are expected to contribute to strengthening what has already been accomplished.







THE NORTHERN TRIANGLE

BUILDING TRUST, CREATING OPPORTUNITIES

Plan of the Alliance for Prosperity of the Northern Triangle



MAIN PROGRESS AND ACHIEVEMENTS 2015-2017

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