



UNITED STATES
DEPARTMENT OF STATE



USAID
FROM THE AMERICAN PEOPLE

CENTRAL AMERICA REGIONAL

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FY 2009 FOREIGN ASSISTANCE GOALS

The United States Government (USG)'s foreign assistance efforts in Central America continue to support Central American countries in consolidating democracy, promoting prosperity, preventing and containing HIV/AIDS infections, and combating transnational crime and violence. Central American countries face many challenges that transcend national borders and require improved regional cooperation in order to make progress toward overcoming them. Solutions to regional issues include increasing trade capacity, harmonizing customs regulations, expanding regional markets, improving management of watersheds and off-shore coastal resources, bettering labor conditions, breaking the cycle of violence, and keeping HIV/AIDS from becoming a generalized epidemic. The Central America Regional Program is managed by the U.S. Agency for International Development (USAID) and coordinated through the Secretariat for Central American Integration (SICA), with the exception of HIV/AIDS prevention activities, which are managed by USAID/Guatemala.

The USG program in Central America addresses regional issues, including assistance to build the organizational capacity of Central American governments and regional organizations. USG resources help support efforts to break the cycle of violence by strengthening the capacity of governments, non-governmental organizations, and communities in gang-affected countries to reduce criminal gang activity. One such intervention helps discourage youth from joining gangs and provides viable rehabilitation and integration options for youth who choose to leave gangs. The regional HIV/AIDS program offers a multi-country response to HIV/AIDS issues that affect highly mobile populations. In the area of economic growth, the USG helps expand the benefits of economic growth by directly supporting signatories of the Central America-Dominican Republic-United States Free Trade Agreement (CAFTA-DR) in areas such as customs reform, ability to comply with U.S. agricultural standards and international labor standards, and better enforcement of national environmental laws.

Programs discussed in this publication are funded through the U.S. Agency for International Development. The Department of State does not provide assistance to the Central America Regional.

HIGHLIGHTS BY PROGRAM OBJECTIVE

Governing Justly and Democratically

Gang activity in Central America presents a sophisticated form of violence and an acute threat to security in the region. According to the Americas Barometer, 2008 Insight Series, Central American countries show some of both the highest and lowest crime rates in the western hemisphere. El Salvador, Honduras, and Guatemala present the highest crime rates, while Costa Rica, Nicaragua, and Panama present some of the lowest. With USG resources, some advances were made to create public-private partnerships to support youth and prevent juvenile delinquency. In FY 2009, USG assistance:

- Assisted SICA to enhance donor coordination efforts in citizen security
- Implemented crime prevention activities, including providing educational, recreational, and vocational skills-building opportunities in 21 new communities in 3 countries (El Salvador, Honduras, and Guatemala)
- Replicated in El Salvador and Honduras the outreach center (OC) model used in the Guatemala bilateral program. Six new OCs were opened in Honduras and El Salvador in partnership with faith-based organizations. The centers, mostly operated through community volunteerism, benefited 2,798 youth.
- Awarded seven grants to OCs in Guatemala to help increase their capacity to expand youth participation in crime prevention activities in their communities
- Through the “Challenge 100” integration program, USAID, in partnership with the Honduras Maquila Association and the local Chamber of Commerce, gave employment opportunities to 17 youth who left gangs in San Pedro Sula, Honduras. The program also helped create six employment opportunities for youth in Tegucigalpa, Honduras.
- Assisted local advocacy efforts to reform juvenile justice practices. In El Salvador, Honduras, and Guatemala, local actors established working groups to advocate for reforms in their respective juvenile systems.
- Helped organize, in coordination with SICA and the European Union, the First Forum on Juvenile Justice. The initiative brought together juvenile justice stakeholders from the region that developed recommendations for improving the sector.

Investing in People

The HIV/AIDS regional program is managed by USAID/Guatemala and benefits Guatemala, El Salvador, Nicaragua, Belize, Costa Rica, and Panama. In FY 2009, the program made the following important contributions:

- Increased the number of prevention activities and contacts (over 635,000) in previously and newly targeted geographic areas. The number of targeted condom service outlets was 23 percent above target in the region and reflects greater commitment to provide access to condoms for high-risk groups.
- Implementation of innovative approaches to reach new priority groups such as women with HIV, subgroups of men who have sex with men, and clients of sex workers

- Expansion of a model of mobile counseling and testing clinics developed in El Salvador and Nicaragua, as well as the development of a regional voluntary counseling and testing (VCT) strategy for the program
- Development of new promotional campaigns for VCT/sexually transmitted infections services and increased collaboration and training for government run VCT services
- Ten documented positive HIV policy changes in the region
- Strengthened Country Coordinating Mechanisms and better implemented Global Fund (GF) projects and the development of four GF grant proposals
- Improved performance standards in 35 Central American hospitals and trained 3,543 medical personnel in biosecurity, quality improvement of HIV/AIDS services, HIV stigma and discrimination, and gender issues

Economic Growth

In FY 2009, the USG regional program continued to strengthen the capacity of Central American countries and the Dominican Republic to benefit from the trade opportunities offered by the CAFTA-DR trade agreement and to comply with agreement responsibilities associated with trade facilitation, customs management, and rules of origin. Despite the global economic crisis, agricultural exports to the United States from Central America and the Dominican Republic decreased by only 2 percent. This significant accomplishment demonstrates a degree of domestic market resiliency to external pressures due in part to the successful implementation of CAFTA-DR.

Effective protection of labor rights is a key element in being competitive and meeting trade-agreement requirements. The USG helped to streamline judicial processes in five CAFTA-DR countries (Dominican Republic, El Salvador, Guatemala, Honduras, and Nicaragua). In addition, USG resources helped address CAFTA-DR environment challenges related to limited participation of private sector, limited institutional capacity, and lack of compliance with environmental legislation. In FY 2009, USG assistance:

- Facilitated the approval of the “Unique Manual of Customs Procedures,” which observes international standards. The manual contains 28 customs procedures that will increase harmonization in the region.
- Installed an automatic system to target cargos for physical inspections based on high-risk criteria instead of individual officer’s subjectivity. As a result, Nicaragua and Costa Rica are now able to expedite clearance of shipments by reducing the percentage of cargo being physically inspected from a range of 40-50 percent to 15-25 percent on average.
- Supported development of an automated one-stop, single window for imports into El Salvador, which allows importers to remotely request import permits and handle import declarations
- Trained over 3,500 private sector and government officials in approximately 110 events to improve the understanding and implementation of the CAFTA-DR, and to ensure the sustainability of the program’s assistance. The seminars focused on post-customs clearance verifications of origin, rather than physical inspection at border crossings. Adoption of these streamlined processes has proven to cut down time spent on

bureaucratic procedures and improve the overall movement of cargo. As a result, physical inspections of cargo were reduced from 80 percent to below 50 percent, saving time and money.

- Provided technical assistance and training to signatory countries through an interagency agreement with the United States Department of Agriculture to improve sanitary and phytosanitary (SPS) infrastructure to meet international requirements for agricultural exports and take advantage of trade opportunities
- Helped to remove export bottlenecks, spur growth in agricultural trade, and create opportunities for CAFTA-DR countries to introduce new exports into the U.S. market. As a result, the attributed value of selected agricultural products (meat, cheese, peppers and tomatoes, and dairy products) exported to the United States as a result of USG-supported training and technical assistance for SPS compliance totaled \$37 million in FY 2009.
- Finalized pilot programs implementing new court management systems in Guatemala, El Salvador, and Honduras, contributing to a speedier and more transparent administration of labor justice. A pilot program is in progress in the Dominican Republic for 15 labor courts as a first phase. These efforts will lower the processing time of labor demands in specialized labor courts by approximately 50 percent on average upon completion.
- Designed and will launch, in collaboration with local universities, two master's programs in judicial studies with a special component in labor (one in Guatemala, three in El Salvador) for judges, litigators, and legal professionals to raise their professional standards
- Awarded small grants and training to 14 non-governmental organizations throughout the region to monitor judicial activities effectively and promote access to labor justice for marginalized populations
- Implemented a capacity-building program in El Salvador, Guatemala, and Costa Rica, to train ombudsmen offices to identify labor discrimination cases
- Created a multimedia center in El Salvador to prepare and disseminate quality material useful to the labor community using web and multimedia technology
- Helped the Ministries of Labor in El Salvador, Honduras, Nicaragua, and the Dominican Republic to establish training centers with state of the art technology, to define and organize training courses and plans
- Trained over 1,700 persons in the area of labor justice including labor judges, union representatives, private practitioners, and law students
- Supported the drafting and implementation of 27 environmental agreements and regulations. For example, the third party audit regulation granted the authority for third party contractors to monitor and audit environmental compliance on behalf of the government, greatly enhancing enforcement efforts.

- Helped in the formation of the Technical Committee for Environmental Legislation Compliance, created by the Guatemalan Ministry of Environment and Natural Resources through a ministerial agreement
- Trained 52 companies in cleaner production strategies and 6 in the implementation of environmental management systems. As a result, three new sector-specific clean production agreements were signed, whereby private companies enter into a voluntary agreement with government ministries based on a commitment to cleaner production practices.
- Developed business models for tourism, agro-forestry, and agriculture businesses to generate new revenue streams to fund conservation long into the future, and stimulate increased investments by public and private sectors
- Helped increase conservation funding and fostered greater participation of the private sector in watershed management and biodiversity conservation in five countries. A total of \$6.7 million dollars of non-USG financed efforts were leveraged through payment for environmental services and additional revenues were provided by local governments.
- Regarding global climate change, USAID increased carbon sequestration by improving the management of 497,758 hectares of the region's protected areas (458,163 hectares) and forest reserves (39,595 hectares). USAID fostered green certification processes in forestry reserves and integrated model mapping technologies into a satellite-based monitoring system to respond better to climate change effects.