

# Swiss Cooperation Strategy in Central America

2018 - 2021



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## Foreword



Progress is the result of team work : Mulukuku road committee, North Caribbean Coast Autonomous Region, Nicaragua.

The new Swiss Cooperation Strategy for Central America builds upon the experience of four decades of development cooperation in the region. In 1978, SDC started its cooperation in Honduras, four years later it extended its presence to Nicaragua. Since then, Switzerland has fostered a more participatory and inclusive local governance and has provided 600'000 Central American citizens with access to drinking water and sanitation, roads, electricity and markets.

The Strategy 2018-2021 provides continuity in areas where good results have been achieved and sets new accents where the context demands a systemic response. SDC will strive to combine technical assistance and knowledge transfer with political dialogue and support to institutional reforms. Switzerland also reinforces its work at the regional level. It will build capacities to tackle challenges that transcend country borders in Central America in crucial areas such as climate change, human rights and the Rule of Law. The regional projects will complement the bilateral programs in Honduras and Nicaragua, the two countries with the lowest per capita income in Central America.

**No one will be left behind.** In line with the United Nations 2030 Agenda for Sustainable Development, this Strategy promotes the inclusion of vulnerable groups such as women, youth, migrants and displaced persons, indigenous and Afro-descendent populations as well as human rights defenders. Our engagement focuses on three domains of intervention: i) Governance and the Rule of Law, ii) Inclusive Economic Development and iii) Climate Change, Disaster Risk Reduction and Natural Resource Management.

The Strategy was developed in dialogue with our partners in government and civil society. It is in line with the principles of Swiss development policy as defined in the Dispatch on Switzerland's International Cooperation 2017–2020 and the development priorities of Central America. It aims to improve the life conditions of those living in poverty so they can take part in the construction of a more prosperous and peaceful future.

**Manuel Sager**  
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Berne, April 18, 2018



The Central American nations have distinct identities, but they share similar cultural features and socio-political challenges.

## 1. Context analysis: Central America – a vulnerable region

Nicaragua, Honduras, Guatemala and El Salvador share a common history and geography. Since independence, the development of the Central American nations is conditioned by similar socio-economic, political, cultural and geographic realities that continue to have an impact upon the present: the institutional fragility, the social gaps, the deficient respect for human rights and the exposure to droughts, earthquakes and hurricanes are common barriers to development in Central America.

Switzerland intervenes in three key areas for the development of the region:

**Human rights and governance:** Central America faces important challenges in human rights. The situation is particularly serious in the Northern Triangle countries (Honduras, Guatemala and El Salvador), which have high homicide rates<sup>1</sup>. The insecurity, corruption and human rights violations not only affect social peace, but also slow down economic development and foster migration. In 2016, around 100'000 migrants from the Northern Triangle applied for asylum in the United States. Many of them were young people and children who practically lack legal protection and are exposed to economic and sexual exploitation in countries of transit and destination. The reintegration of deported and returned migrants is a challenge for the Central American states and their economy. It requires coordinated action between national institutions and international organizations and has an impact on human rights and citizen security.

<sup>1</sup> Homicide rate per 100'000 inhabitants in 2016: El Salvador: 81; Honduras: 59; Guatemala: 27; Costa Rica: 12; Nicaragua: 7; world average: 10. Source: Fundación para la Paz y la Democracia, FUNPADEM.

The fragility of institutions, the irruption of drug trafficking, the high rate of impunity, the political corruption, the expansion of youth gangs and the proliferation of weapons are key causes of violence. A fragile socio-economic environment aggravates the situation: the disarticulated and dysfunctional families, the rapid and the uncontrolled urbanization, the social exclusion of large segments of the population and lack of employment have a destabilizing effect. The sum of these factors weakens the social fabric and lowers the confidence of citizens in the capacity of the State to improve the situation in a sustainable manner. In order to recover the confidence of the citizens and build inclusive societies, the Central American States are challenged to reform their institutions and strengthen governance. They have to build justice and security systems that are more independent, effective and immune to corruption. At the same time, they have to boost an inclusive economic model to offer decent and better paid jobs: 70% of the employed population works in the informal sector and does not have access to social security.

**Economic development:** The economies of Central America, which are based on the export of raw materials with little value added in the agricultural and mining sectors, are vulnerable to fluctuations in international market prices and extreme weather events. Their dependence on imported energy, the limited diversification and low productivity of their economies are barriers to higher growth rates capable of lowering unemployment and significantly reducing poverty. Despite an average growth of 3.8%, 64.5% of the population in Honduras is still poor. One in five Hondurans lives in extreme poverty or with less than US\$ 1.90 a day. In Nicaragua, with an average growth of 4.5%, there has been a trend in poverty reduction over the last decade, though inequality is increasing: 42% of Nicaraguans remain poor and 7.7% extremely poor. The regional trend is that poverty grows in urban rather than in rural settings. The phenomena of accelerated and uncontrolled urbanization, shortage of services and expansion of youth gangs in marginal neighborhoods, all call for the adjustment of economic and social inclusion policies.

Environment of insecurity: graffiti in the center of Tegucigalpa, Honduras.



**Climate change:** Central America is one of the world's most vulnerable regions to climate change and disasters. Nicaragua and Honduras occupy the third and fourth positions in the global climate risk index<sup>2</sup>, which implies more droughts, water scarcity and loss of crops in the driest and poorest regions. In the Dry Corridor, around 10 million people are at risk of food insecurity. This is aggravated by accelerated deforestation, environmental degradation, inappropriate use of land, governance problems and poverty.

Three consecutive years of droughts (2014-2016) generated water shortages, aggravated the food crisis in rural areas and contributed to position climate change on national political agendas. All countries in the region make efforts to adapt to climate change, reduce disaster risks and articulate aid at a regional level - an effort also supported by SDC. Central America has a regional policy for climate change adaptation. The countries coordinate their positions in international fora and have integrated the goal of reducing climate vulnerability into national plans. However, the ability to implement policies consistently is still limited.

The SDC partner countries in Central America could benefit from global compensation funds for environmental services provided for in the Paris agreements if they manage to strengthen institutional capacity. Although Central America is not one of the main emitters of greenhouse gases, these countries have a great potential to reduce emissions related to inappropriate land management (deforestation, extensive cattle-breeding, slash-and-burn agricultural practices) and thus contribute to the financing of the high costs of adaptation. In addition, the private sector, threatened by economic losses, has shown readiness to support mechanisms to prevent disasters, preserve water resources and adapt to climate change.

<sup>2</sup> Source: Germanwatch 2017, with 1996-2017 data.

## Multiple forms of fragility

Switzerland concentrates its bilateral cooperation in Honduras and Nicaragua: they are the two countries with the lowest income in the region. In the international rankings on the Rule of Law, they hold some of the lowest positions<sup>3</sup>. Although their contexts have developed differently, they share the challenge of facing multiple forms of fragility: their governance systems are exclusive, their economies vulnerable to external shocks and their environment subject to disasters and extreme weather events. In the political-social sphere, the fragilities of Honduras and Nicaragua are markedly different. In Honduras, the rates of violence are high and impunity for serious crimes is alarming. Despite reforms in the areas of justice and security, the capacity of state institutions to combat the causes of violence remains limited. Citizens live in an environment of insecurity that affects the realization of their rights and development aspirations. In Nicaragua, citizen security is one of the best in Latin America thanks to effective prevention work. The country, nevertheless, faces challenges in democratic governance, the reform of its electoral system and the balance of powers. Added to this, are threats to its economic stability stemming from the crisis of its ally Venezuela and the NICA-Act, a law promoted by U.S. congresspersons, that would place conditions on loans from development banks subject to the progress of democratic reforms.

## Pressure for reforms

The lack of appropriated state response to the multiple forms of fragility has fostered discontent from other sectors. In Honduras and Guatemala, citizen movements held prolonged protests against political corruption in 2015, marking the end of indifference to these phenomena. In Nicaragua, the high abstention level observed in the 2017 municipal elections revealed citizen dissatisfaction with the electoral system. Under the facilitation of the Organization of American States (OAS), and with the support of Switzerland, proposals are being developed in both Honduras and Nicaragua that respond to the institutional weaknesses. In Honduras, the Mission to Support the Fight against Corruption and Impunity in Honduras (MACCIH), was established in 2016. In Nicaragua, a three-year OAS mission is expected to be set up to reform the electoral system and provide follow-up to the recommendations made by this body in its 2017 municipal election report. Both processes indicate that international agencies and donors will continue to play a key role in promoting and accompanying institutional reforms in Central America.

## Common challenges require regional cooperation

Many barriers to development have a regional, rather than national, character. Regional policies, strategies and institutions have been developed to face shared problems in Central America. In the area of human rights and democratic governance, the OAS has a preponderant role as an election observer and mediator in political conflicts. The Inter-American Human Rights System, attached to the OAS, promotes and protects human rights and is formed by the Inter-American Commission on Human Rights (IACHR), and the Inter-American Court of Human Rights. From civil society's side, the Center for Justice and International Law (CEJIL), is a renowned operator of the system.

<sup>3</sup> World Justice Project / Rule of Law Index 2016: Nicaragua placed 101; Honduras placed 113.

Regional cooperation thrives most in disaster risk management, where the work of the Coordination Center for the Prevention of Natural Disasters in Central America (CEPREDENAC), an organ of the Central America Integration System (SICA), stands out. Another key actor is the Central American Commission for Environment and Development (CCAD), which brings together the ministries of environment and coordinates management around climate change. SICA is the intergovernmental platform that promotes regional cooperation in different thematic areas, including the economic, environmental, disaster risk and social areas. SICA has convening capacity, but its impact upon transforming regional policies into national practices is limited.

Economic integration is progressing: the Northern Triangle has a customs union and free trade agreements, which Nicaragua is considering joining in the medium term. Impetus for regional development is expected from the Alliance for Prosperity in the Northern Triangle, an ambitious U.S. plan developed with Guatemala, Honduras, and El Salvador to stimulate the economy, modernize infrastructure, fortify institutions and offer more jobs for young people in order to strengthen development and mitigate migration. On the other hand, the Tri-national Agreement for the Development of the Gulf of Fonseca promises to stimulate cross-border cooperation between Nicaragua, Honduras and El Salvador. Signed in 2017, the agreement offers opportunities for international cooperation in the domain of sustainable management of water resources and adaptation to climate change.

### A mixed balance for gender equality

In the field of gender, there are lights and shadows. Thanks to the establishment of quotas, today Central American women are better represented in municipal and national politics. In Nicaragua, 50% of the municipal council members, mayors and vice-mayors are women. Gender equality steps ahead in the fields of politics and law, but does not have yet a large impact on the daily life of women. Machismo, discrimination and harassment of women are still frequent. On average, women are less well paid than men, and are repeatedly exposed to verbal and physical violence. In fact, Central America is the region with the highest femicide rate. There are many single mothers with the double burden of raising children and supporting the family, who are living in poverty. Adolescent motherhood is common and reduces poor women's possibilities for education or training and social advancement.



A Garifuna woman exercises her right to vote in Honduras: the inclusion of ethnic and social minorities is crucial to build democratic societies.



Trained youth do not have to migrate: SDC's vocational training programs advance labor insertion with curricula guided by the demands of the labor market.

## 2. Swiss foreign policy goals in the region

### 40 years of continuous presence in Central America

With the Strategy 2018-2021, Switzerland confirms its commitment to inclusive and sustainable development in Central America. Its programs, developed in dialogue with its partners, contribute to foster economic stability, peace and security in the Central American region and thus mitigate the causes of migration in this vulnerable region. In 1978, SDC began its cooperation in Honduras, in 1982 expanded into Nicaragua and from 1987 to 2008 was present in El Salvador. From 2003 to 2008, Switzerland promoted human rights in Guatemala with a program of the Human Security Division that continues supporting activities to combat impunity and protect human rights defenders. The Strategy 2018-2021 reinforces cooperation between SDC and the Human Security Division in the area of human rights and historical memory (dealing with the past).

Swiss civil society has also shown a long and solid commitment with Central America. Small and large private organizations support rural development, advance health and education, and promote human rights. The role of these institutions is critical for both their presence on the ground and their advocacy work in Switzerland. Other tangible expressions of solidarity are the twinning arrangements between Swiss cities and Nicaraguan municipalities; the most active are Biel-Bienne-San Marcos and Delémont-La Trinidad.

### A rights- and value-based agenda

With an average annual budget of 37 million Swiss francs over the past five years, Switzerland is a significant bilateral partner in the region. In Nicaragua, Switzerland is among the four most important donors<sup>4</sup> of the Organisation for Economic Co-operation and Development (OECD), together with the European Union, the USA and Spain. In Honduras, SDC holds the fifth place. The relevance of Switzerland lies not only in constant funding but also in its impartial positions and an agenda based on human rights- and values: the inclusion of the vulnerable and poor, equality between women and men, human rights and democratic governance have been promoted consistently over four decades. The Strategy 2018-2021, continues along the same lines. It focuses on the foreign policy goals of Switzerland for 2017-2020, which, in turn, are based on the Federal Constitution: to participate in a supportive and responsible manner to overcome international challenges, to promote sustainable development and to contribute to a world without poverty, are guiding principles of that policy.

In financial terms, the importance of bilateral donors has diminished in Central America. Most of the financing for basic infrastructure comes from development banks, led by the Inter-American Development Bank (IDB), the World Bank and the Central American Bank for Economic Integration (CABEI). In partnership with multilaterals, bilateral donors continue to play a key role in public policy dialogue and as process catalysts in the field of human rights, climate change adaptation and disaster risk reduction. The Office of the United Nations High Commissioner for Human Rights (OHCHR), established in 2016 in Honduras, emerged from a joint initiative of Switzerland and the United States. The Strategy 2018-2021, gives continuity to strategic alliances with multilateral actors to support reforms and to reinforce the effects of the bilateral agenda.

<sup>4</sup> Measured in financial volume, Switzerland occupies second place among bilateral donors.

### Growing interest in trilateral cooperation

Since Busan 2011, the international conference that postulated development partnerships between North and South, the interest of Latin American countries for trilateral cooperation with Switzerland has been increasing. Agreements were signed with Brazil (2012), Mexico (2016), Chile (2017) and Argentina to transfer knowledge to Nicaragua in the fields of water and sanitation, disaster risk reduction and natural resource management. Innovative methods developed by emerging Latin American countries are suitable and cost-efficient alternatives for Central America. With these agreements, Switzerland complies with the commitments made in Busan<sup>5</sup>. The trilateral cooperation strengthens the ties of Switzerland with emerging countries and allows them to better assume their global development responsibilities.

### Switzerland has a solid commitment to the region

Switzerland maintains contacts with all the key actors in the region. This includes dialogue with the United States, which plays a dominant role both in the political and the economic spheres of the region. Switzerland is associated with the Joint Programming process of the European Union in Nicaragua and Honduras and is in tune with European donors. With the emergence of new aid programs from the South (Venezuela, Brazil, Colombia, Mexico, Chile and Argentina), from Asia (South Korea, Taiwan and Iran) as well as Russia, the bilateral panorama is more heterogeneous and makes donor coordination more complex. To expand its network of contacts and diversify its alliances, Switzerland seeks to establish a dialogue with emerging donors. Wherever appropriate, work links are established, for example in the framework of trilateral cooperation.

Switzerland is represented in Central America with two embassies in San José and Guatemala City and two Cooperation Offices in Managua and Tegucigalpa - a presence that manifests its strong commitment to the region. Development cooperation is the main pillar of Switzerland's bilateral relations with the CA-4 countries (Nicaragua, Honduras, Guatemala and El Salvador). Trade is increasing, but starts at relatively modest levels. The most important economic partners are Costa Rica and Panama - middle income countries where many Swiss companies that operate in the region are based.

<sup>5</sup> Global Partnership for Effective Development Cooperation, Busan Declaration 2011, supported by Switzerland.



Climate change requires changes in agricultural practices: a Nicaraguan farmer optimizes the productive cycle by measuring rainfall and observing the climate.





Bridge over the River Bocay, co-financed by SDC: over the past 40 years, Switzerland has contributed to the development of rural municipalities and built bridges of friendship with Central America.

### 3. Results of the Cooperation Strategy 2013-2017

During 2013-2017, SDC invested 200 million Swiss francs in Central America with grants from South Cooperation Department and Swiss Humanitarian Aid. About 90% of the budget was implemented in balance between Honduras and Nicaragua and 10% at the regional level. Two new thematic agendas were developed: 1) the fragility of the State was tackled systematically in Honduras and 2) climate change adaptation was integrated into disaster risk reduction programs and vice-versa. The cooperation themes and modalities have been adjusted to the specific challenges of each country without forsaking the common goals of reducing poverty and contributing to equitable and sustainable development.

The balance of the Cooperation Strategy 2013-2017 is positive: the inclusion of vulnerable groups, especially of women, youth, and indigenous and Afro-descendent groups, has been systematically promoted. With the support of Switzerland, thousands of Central Americans increased their resilience to climate change, improved their income and gained access to water and sanitation and basic infrastructure in participatory processes.

At the regional level, the results were more process oriented. While SDC contributed to the development of regional norms and standards (the right to drinking water, disaster risk reduction including climate change adaptation), the impact of these on national policies and practices is still limited. An exception is the area of disaster risk reduction, where an increasing level of regional coordination is observed.

#### Some outstanding outcomes by cooperation domain

In the **employment and inclusive economic development** domain, Switzerland trained youth to enter the labor market, contributed to income generation and job creation in rural small and medium enterprises (SMEs), advanced small farmers' access to credit, and promoted innovation and the inclusion of women in the agricultural sector. With new technologies and better access to markets, in **Nicaragua** 8'000 small bean and maize farmers managed to increase their income by 15% and 6'600 SMEs by 27%. In the 2013-2017 period, a total of 6'555 new jobs were created due to the different projects. Around 16'000 adolescents - 66% female – were the beneficiaries of vocational education and training - 45% of these joined the labor market. In **Honduras**, SDC contributed to the creation of 30'000 new jobs in the cocoa, coffee and shrimp value chains, among others, 30% of which are occupied by women. Some 16'000 smallholder families generated additional net income of 17 million dollars, allowing families to re-invest in their production units, foster their food security, and tackle the causes of migration. Around 10'000 women now participate in value chains and hold 30% of the positions on the boards of directors of 100 cooperatives, which are spaces traditionally occupied by men. The cocoa programs in Nicaragua and Honduras managed to increase the income of 4'000 families by 12% by promoting improvements in the quality, productivity, associativity and marketing of cocoa produced by family businesses. In Honduras, a public-private partnership with the Swiss company, Chocolats Halba, was established, that allows small farmers to access credit and to sell their cocoa at fair prices. In Nicaragua, an alliance was initiated, with the domestic leader in the export of cocoa, the German company Ritter Sport.



Drinking water is a human right: in four decades, more than 460'000 women and men in Central America gained access to quality water and sanitation through Swiss Cooperation programs.

In the domain of **State fragility and inclusive governance**, the bilateral programs differed by country in order to respond to the specific challenges in Nicaragua and in Honduras. Providing continuity to the previous strategy in Nicaragua, local governance and access to drinking water were fostered. Meanwhile in Honduras, the issue of State fragility was addressed in both a sectoral and a cross-cutting manner. Thematic programs were developed to strengthen national reforms in the area of justice, security and human rights. The programs were concentrated in two vulnerable regions - the Gulf of Fonseca and La Mosquitia - and adjusted to the OECD postulates of Peace and Statebuilding. In the framework of the security reform, the National Police was reorganized and partially purged. More than 3'000 young police officers, of whom 25% are women, were trained under a completely renewed curriculum. In neighborhoods subject to violence, more than 14'000 adolescents benefited from training programs; 34% of whom got employed or formed a small business. Local Governance programs strengthened 32 rural municipalities in Honduras and 17 in Nicaragua by helping the authorities to get more efficient and transparent with public spending and more accountable to the population. Through the creation of cadastral registries, the municipalities increased their tax revenue by 30% and expanded the infrastructure for the benefit of the poorest. Investments in transportation routes, bridges, drinking water and electrification improved access to markets and the living conditions of more than 216'000 rural inhabitants of Nicaragua and 68'000 in Honduras. After 36 continuous years of successful operation, the water and sanitation programs, which facilitated access to drinking water for more than 460'000 persons in Central America, were closed (see box).

In the domain of **environmental vulnerability and climate change**, Switzerland has contributed to the sustainable management of water, soils and forests in selected basins of the Dry Corridor in Nicaragua and Honduras. In arid zones, techniques were introduced to adapt agriculture to climate change. In Nicaragua, water harvesting with reservoirs and irrigation systems for 1'500 families was supported. By adopting measures to use water effectively, reforest their land and diversify their farm plans, 10'300 male and female farmers increased their resilience to climate change. As a result, they managed to increase the value of

their annual production by an average of US\$195 per hectare. SDC has managed to ensure that these experiences influence national and municipal CCA (Climate Change Adaptation) / DRR (Disaster Risk Reduction) plans and policies, including: the regional strategic framework for the Dry Corridor, the national water resource and CCA plans, and more than 150 municipal risk management plans in Honduras and Nicaragua. In cooperation with Switzerland, national disaster prevention systems have consolidated a culture of prevention and developed DRR and CCA capacities for thousands of technicians at the national and municipal levels. Four public universities in Nicaragua incorporated issues related to disaster risk reduction and climate change adaptation in their curricula and study plans.

**At the regional level**, 39'000 people have strengthened their DRR and CCA capacities. The approach promoted by Switzerland, which integrates regional and national policies at the local level, has been effective. Vulnerable communities in the region have increased their resilience, thanks to the implementation of national and local plans linked to the regional DRR policy. Twenty-one universities in Central America have strengthened community awareness for DRR/CCA and have adopted the "Regional University Policy for Disaster Risk Reduction". With the support of Switzerland, the Central American countries consolidated a regional vision for disaster response. The joint and coordinated work under common objectives is a tangible result of our intervention. In line with the Sendai agreements, a regional framework was approved that integrates DRR as a criterion for the quality of higher education.

#### 36 years of Swiss engagement in water and sanitation – main results:

Switzerland invested 95 million dollars over 36 years to improve access to drinking water and sanitation in Central America. These widely successful programs contributed to reducing the infrastructure gaps of the rural population, positioned the access to water as a human right and promoted participatory models of community water management at the national and regional levels:

- In Nicaragua, 360'000 persons gained access to drinking water, sanitation and better health. This represents 18% of the rural population. In Honduras, more than 100'000 persons benefitted.
- With the support of Switzerland 1'050 drinking water and sanitation committees were formed and/or strengthened in order to provide lasting water service in rural areas of Honduras and Nicaragua.
- 3'200 hygiene and health promoters were trained to accompany the families in improving their hygiene and health habits.
- Nine small towns in Honduras and Nicaragua now have improved drinking water systems and installed sewage systems.
- 70'000 girls and boys in 163 rural schools gained access to clean water and decent, safe toilets.



In Central America, cities grow quickly. Increasingly more poor persons are living in urban centers. The Swiss Cooperation responds to these challenges with territorial approaches that strengthen the links between urban and rural areas.

## 4. Implications for the Cooperation Strategy 2018-2021

In its 2013-2017 Strategy, SDC contributed effectively to solve fundamental problems, in order to overcome development barriers, as was confirmed by the mid-term program review. In addition, some deficiencies and new challenges have been detected. These will receive particular attention in the Strategy 2018-2021, where the aim is to strengthen the regional component and consistently combine technical work with political dialogue.

**Strengthen the regional profile of the program:** to support joint responses to problems that affect the entire region, the regional profile of the program is boosted. Two components are developed and consolidated with the aim of contributing to regional dynamics where the action of Switzerland adds value as a provider of technical assistance, as a process facilitator or as a defender of the rights of vulnerable groups:

- o In the domain of **Governance and Rule of Law**, two lines of action are foreseen: 1) strengthen the inter-American judicial system in the fight against transnational corruption and the application of human rights; and 2) support regional dialogue processes on human rights between private businesses, governments, human rights defenders and indigenous and Afro-descendent peoples, in accordance with national frameworks and international standards.

- o In the domain of **Climate Change, DRR & Natural Resources**, two initiatives are pursued: 1) support regional efforts to protect water resources and promote climate change adaptation in the Gulf of Fonseca, a Dry Corridor territory shared by Nicaragua, Honduras and El Salvador; and 2) consolidate the capacities of the regional disaster prevention system.

To enhance the impact of regional programs, coordination and joint action is promoted among SDC's cooperation offices, Swiss embassies, the Human Security Division, Swiss Humanitarian Aid and SDC's Global Programs. A whole of government approach opens Switzerland a wide range of complementary channels and options to influence public policies. The programs are implemented in partnership with supranational organizations (United Nations system, OAS), public and private regional institutions (including SICA), civil society networks or agreements between two or more countries. In order to have tangible results, interventions at a systemic level (legal frameworks, norms, and regional policies) will be combined with territorial activities that benefit vulnerable groups in a concrete way. Emphasis is placed on processes that foster innovation and the exchange of regional knowledge. To complement available resources, the possibility of cooperation and co-financing from Global Programs is being explored.

**Combine technical with political:** in the Strategy 2013-2017, the transformation began from a technical program into a more political program that focuses on the systemic causes of poverty and exclusion. These processes are deepened and consolidated. The thematic agendas defined for the three domains are entry points to influence structural reforms that strengthen transparent and participatory governance in accordance with national and international laws and regulations. Investment in infrastructure is used strategically: as a process catalyst,

to link actors with different agendas in negotiation processes, and to strengthen urban-rural and public-private alliances. In Honduras, a program is consolidated that reflects the OECD working principles for fragile nations (see box): justice and security reforms are supported from a human rights perspective, emphasizing the obligation of the State to guarantee them for all citizens. Cooperation is enhanced with multilateral institutions that promote international standards that strengthen human rights in the country. In Nicaragua, the strategic and operational dialogue with government partners is deepened. Spaces for culture, independent civil society and dealing with the past are fostered. Support is provided for the efforts of national institutions and international organizations to reform the electoral system, to prevent violence and to promote access to justice.

In addition to reinforcing the regional and policy dialogue profile of the program, the Strategy 2018-2021 emphasizes the following themes and processes:

**Promote an agenda of inclusion:** with the incorporation of the Central American nations into the Low-Medium Income Countries (LMIC), the agenda of inclusion, Rule of Law and governance gains importance. In line with the United Nations 2030 Agenda for Sustainable Development (Leave no one behind), priority is given to the inclusion of vulnerable groups that are discriminated or excluded for political or socio-cultural reasons: women and youth at risk, indigenous and Afro-descendent populations, the internally displaced and forcibly returned, grassroots leaders and human rights defenders, LGBTI and persons living with HIV/AIDS (see Annex II). In Central America, the economically active population continues to grow. Youth are included to take advantage of the demographic bonus and reduce the causes of social violence.

**Strengthen cooperation with the private sector:** dialogue with the private sector is essential to promoting inclusive and sustainable economic development. From this perspective, alliances and links are strengthened with private companies in all areas of cooperation. The sustainable management of an equitable access to natural resources is a major issue. The links between medium-sized businesses and small farmers in productive chains are fostered to improve their access to markets. Dialogue on issues related to sustainable territorial development is promoted between local governments and the private sector.

**Connect urban and rural spaces:** Central America is experiencing an accelerated urbanization. There are increasingly more poor persons living in the cities than in the countryside, particularly in risk areas. Not only the capitals, but also intermediate cities, are growing. The Strategy 2018-2021 responds to these challenges with territorial approaches that strengthen functional links between urban and rural areas in intermediate cities, on whose dynamism the development of an entire region depends. SDC promotes innovative development models based on dialogue and agreement between urban centers and their rural environment. Two examples are payment schemes for environmental services or multi-stakeholder tables to improve market access and boost the local economy.

**Mitigate negative effects of migration:** increasingly more Central Americans are migrating - mainly to the United States - to seek employment and escape violence. Many migrants are adolescents and children who are exposed to sexual abuse and exploitation of all kinds. Swiss Humanitarian Aid contributes to the protection of migrant children and adolescents with financial grants and human resources (secondments) to the United Nations and civil society organizations in line with the Regional Protection and Solutions Framework. To prevent and mitigate the humanitarian consequences of migration in a cross-cutting manner, young people at risk and young returnees are considered as a target group in all the programs.

**From water and sanitation to integrated water management:** Switzerland continues working on issues related to water resources. The new approach prioritizes integrated management, protection and preservation as well as equitable access to water resources in national programs and in the regional component (Gulf of Fonseca) promoting public-private partnerships. The experience of 36-years of Switzerland continuous work has shortened gaps with strategic quality infrastructure and has promoted climate change adaptation, water governance and access to water as a human right. The dialogue with multilateral partners, particularly with the IDB, continues in order to explore opportunities to enhance and promote Switzerland's sector experiences in larger-scale projects.

**Promote culture and memory as a driving force for change:** in Nicaragua and in Honduras, SDC strengthens support for culture, art and historical memory in order to fortify identities, social debate and freedom of expression. This program builds on ten years of experience in promoting culture in Central America. Culture, art and historical memory are approaches with multiple links: historical memory is an essential theme for the arts in Central America - a region marked by revolutions, revolts and ruptures. The arts, film, theater and literature, in turn, are ideal tools to stimulate the debate on collective traumas and unfinished processes of reconciliation and democratization.

**Ten principles for Good International Engagement in Fragile States and Situations of Fragility of the Organisation for Economic Co-operation and Development (OECD):**

1. Take the context as the starting point
2. Do no harm
3. Focus on statebuilding as the central objective
4. Prioritize prevention
5. Recognize the links between political, security and development objectives
6. Promote non-discrimination as a basis for stable and inclusive societies
7. Align with local priorities in different ways in different contexts
8. Agree on practical coordination mechanisms among international actors
9. Act fast... but stay engaged long enough to give success a chance
10. Avoid pockets of exclusion



## 5. Strategic orientation and priorities 2018-2021

The principles and priorities of Strategy 2018-2021 are inspired by the development plans of the partner governments, the UN Sustainable Development Goals and the foreign policy objectives of Switzerland.

**General objective: Switzerland promotes sustainable and equitable development in Central America by contributing to strengthen governance processes and human rights, mitigating conflicts and climate risks, and advancing the social and economic inclusion of vulnerable groups.**

The Swiss Cooperation Strategy in Central America 2018-2021 addresses the challenges of social inclusion and fragility with two bilateral components (Honduras and Nicaragua) and one regional component. All of the programs encompass inclusive governance processes and promote the participation and empowerment of women, youth and other vulnerable groups as a cross-cutting theme. By dignifying lives and improving development perspectives, the Strategy helps to tackle the causes of migration. Support is provided for reforms that strengthen

Culture is a driving force for change: Swiss Cooperation promotes culture, art and historical memory to strengthen identities, social debate and the plurality of voices and forms of expression in Nicaragua and Honduras.

democratic institutions in order to promote social justice and eliminate systemic development barriers. The human rights-based approach and conflict-sensitive program management are a guiding thread. Linkages and synergies between the thematic domains are fostered and exchange between the cooperation offices in Managua and Tegucigalpa is encouraged to stimulate learning and contribute in an integrated way to development. The bilateral portfolios in Honduras and Nicaragua – with the exception of Domain 1 – contribute to common objectives. In both countries, programs are geographically concentrated on vulnerable territories in order to enhance synergies between the projects, reduce transaction costs and increase the impact.

In the **Central American region**, two programs with a regional approach are being developed that respond to challenges that transcend national borders and seek to strengthen the cooperation among the countries of the region. These programs complement the bilateral efforts of SDC and have two thematic approaches: a) governance and human rights and b) climate change adaptation, DRR and natural resources. They are implemented in cooperation with national governments, regional institutions, the private sector and civil society networks. The reference scenario (Annex 3) presents new opportunities for regional cooperation kicked off by the establishment of the Alliance for Prosperity of the Northern Triangle, the Tri-national Agreement for the Development of the Gulf of Fonseca and the customs union. The States acknowledge the need to act in coordination to face regional challenges, but have limited institutional and financial resources to develop coherent and sustainable responses.

In **Honduras**, where socio-economic and political conflicts are constant, building stable institutions and including vulnerable groups in governance processes are key postulates. The action of SDC is guided by the ten principles of the OECD for work in fragile states (see box). The psychosocial approach is inserted into the programs in order to address the structural causes of the culture of violence and its traumatic effects. Political dialogue at the national level is combined with territorial programs in two areas of concentration: the Gulf of Fonseca and La Mosquitia. The most probable scenario for 2018-2021, is a State with a fragile Rule of Law, with high insecurity and constant violations of human rights. However, public and private institutions are undertaking reforms with the support of international organizations, international cooperation and civil society.

In **Nicaragua**, the State promotes aligning the cooperation agenda with the National Human Development Plan (PNHD 2018-2021). SDC strengthens the multi-stakeholder approach and aims to involve in its programs non-state actors, such as the private sector, organizations of the civil society, the cultural sector, the media and universities. Projects will be concentrated in the Central North region (Estelí, Jinotega, Matagalpa, Madriz and Nueva Segovia), a region with low average income, located in the Dry Corridor and bordering with Honduras. The budget allocated for that region shall increase gradually from 45% in 2017 to 60% in 2021. With exploratory projects in the field of conflict prevention, cooperation links shall be established with the Caribbean region. The most likely scenario for 2018-2021 is of a hegemonic government that is taking steps for reforms accompanied by the OAS without losing control over all the institutions of the State. Basic rights are respected but there is concern about the restrictions upon spaces for independent social organizations, the increase in violence against women and the indications of a growing presence of organized crime.

## Domain 1: Governance and Rule of Law

**Impact goal:** Switzerland contributes to strengthening the Rule of Law and advances the economic, social, political, civil and cultural rights of vulnerable groups, particularly of women and youth who are threatened by violence, as well as ethnic and cultural minorities.

**Nicaragua outcome 1:** Municipal governments in intermediate cities revitalize territorial development, strengthen urban-rural links and improve the conditions of vulnerable persons in dialogue with the productive sector and social organizations.

**Nicaragua outcome 2:** State and societal institutions expand policy dialogue and build consensus to prevent violence, facilitate access to justice and foster social cohesion.

**Honduras outcome 1:** Security operators apply an effective system based on institutional integrity, improve their coordination with justice operators and contribute to a reduction in impunity at the national level and in Region 13 (Gulf of Fonseca) and Region 10 (La Mosquitia).

**Honduras outcome 2:** Human rights defenders freely advocate and defend the rights of freedom of expression, access to information, access to natural resources, and access to justice before the State and private enterprises at the national level and in Region 13 (Gulf of Fonseca) and Region 10 (La Mosquitia).

**Regional outcome 1 - Governance and Human Rights:** Actors of the justice system in the Northern Triangle serve with greater knowledge and effectiveness in compliance with international standards on corruption and impunity in the cases of violation of civil, economic, social and cultural rights and improve the protection of and access to natural resources in accordance with ILO (International Labor Organization) Convention 169.

**Regional outcome 2 - Governance and Human Rights:** In compliance with international legal frameworks and standards and focusing upon water resources, representatives of formal groups and social movements of HR defenders, indigenous and Afro-descendent peoples, and the public and private sectors in Central America commit to dialogue regarding civil, economic, social and cultural rights and implement their first agreements.

**Regional outcome 3 - Migration and Protection:** Public and private humanitarian actors apply effective measures to protect migrants, repatriated and internally displaced persons with special focus on children and youth in the Northern Triangle.

In **Nicaragua**, the Swiss Cooperation contributes to strengthening the bridges between society and the State and to consolidate a culture of peace. In the area of territorial governance, the links between intermediate cities and their rural environment are strengthened. In dialogue with national and local authorities and with the participation of the private sector and civil society, integral solutions are sought to energize the socio-economic development of the territory, always including the vulnerable urban and rural population, as recommended in the National Human Development Plan 2018-2021. The program is located in the Central North zone and incorporates the experiences of twelve years of promoting local governance in rural municipalities. In the field of social cohesion, SDC is encouraging the construction of identities and the freedom of expression

through the promotion of arts, culture and memory work (dealing with the past). Opportunities are explored to foster the prevention of juvenile, gender and domestic violence, to strengthen access to justice for vulnerable groups and to promote reforms to the electoral system in order to strengthen democratic institutions.

In **Honduras**, the program initiated in the previous strategy will be consolidated: the commitment to human rights is reaffirmed and the fight against impunity and corruption is deepened. Reforms in the field of security and justice continue to be supported. Despite progress, the challenges are still huge and require the accompaniment of State institutions by specialized international organizations. Switzerland continues to back the MACCIH and the OHCHR. Both institutions have earned the support of the citizenry for their impartial work in defense of the law and human rights in coordination with the national justice systems. Switzerland promotes dialogue and conflict resolution as a cross-cutting theme. The program is implemented in accordance with the OECD Principles for Fragile States.

**At the regional level**, and in accordance with the strategies of the Federal Department of Foreign Affairs<sup>6</sup>, a Governance and Human Rights program is developed with two thematic lines: i) Compliance with international human rights standards: impunity is combated and grants are made to institutions and regional networks that promote the implementation of human rights standards through awareness-raising, monitoring of emblematic human rights cases and dialogue with national authorities. ii) Dialogue on human rights: inclusive dialogue processes are established and strengthened with the participation of broad sectors of society in order to prevent conflicts and promote respect for human rights, particularly in the governance of natural resources such as water. In a complementary manner, and with resources from Swiss Humanitarian Aid, the humanitarian consequences of the migration crisis that particularly affect adolescents and children from poor families are addressed. Grants are provided to the International Committee of the Red Cross (ICRC), and the United Nations system to protect persons threatened by violence. Swiss experts are included in UN protection initiatives. SDC supports also bilateral projects for vulnerable children and adolescents.

<sup>6</sup> FDFA strategy for dealing with the past and the prevention of atrocities 2017-2020; FDFA Human Rights Strategy 2016-2019.



Community policing enhances citizen security: in Honduras, Swiss Cooperation supports police reform oriented towards prevention and respect for human rights. The inclusion of women and more demanding training courses contribute to this purpose.

## Domain 2: Employment and inclusive economic development

**Impact goal:** Switzerland promotes the economic inclusion of disadvantaged groups and regions by strengthening value chains and fostering employment and income through inclusive governance processes.

**Common outcome (Honduras and Nicaragua) 1:** Vulnerable groups improve their income and employment and are integrated in sustainable and inclusive economic processes that respect their economic, social and cultural rights.

**Common outcome (Honduras and Nicaragua) 2:** Public and private actors integrate youth in the labor force, improve their competitive capacity and promote changes in framework conditions (policies, regulations, incentives, among others) at the national and territorial levels.

Inclusive economic development is a driving force for poverty reduction. SDC promotes a growth that links poor and vulnerable groups to market dynamics. The strategies in Nicaragua and Honduras are oriented towards two common outcomes that aim to promote income and employment and to improve the framework conditions for the participation of vulnerable groups in the economy.

In **both countries**, the primary link of the production chain is prioritized in order to promote jobs and income. Value is added with comprehensive offers (technical assistance, training, credits, and certification) that improve productivity, competitiveness and access to markets of male and female smallholders and their trade associations. The inclusion of women, indigenous and Afro-descendent populations in the different links of the chain is an underlying premise. The program works mainly with chains of the agricultural sector (cocoa, cashew and coffee). It also promotes non-agricultural rural employment – for instance in ecotourism - and access to new markets. Alliances and partnerships with the private sector are promoted to multiply the impact.

The value chains are also entryways for territorial, national and regional governance. SDC strengthens spaces for dialogue that articulate and harmonize the interests of public and private stakeholders. Value chain committees and dialogue platforms are supported at the local, national and regional levels and include small and large companies, the State, support organizations and academia. With respect to cocoa, a priority goal of this dialogue is to create incentives and eliminate barriers for small farmers to access markets and benefit from the growing demand for fine Central American cocoa. The cocoa sector offers opportunities for public-private partnerships. SDC promotes networks and productive linkages of small farmers and cooperatives with medium-sized businesses and strengthens the organizations of small producers to increase their ability to negotiate with the private sector and the State. In Honduras, Nicaragua and the rest of the Central American region, SDC fosters public-private partnerships that promote trade, sustainable production and respect the rights of smallholders and indigenous people in selected value chains.

Support for the labor insertion of young people is a priority objective. In line with the Swiss Policy for International Cooperation 2017-2020, SDC expands vocational training programs for young people, including youth at risk of social exclusion and migrants. These are linked to projects in the domain of value chains and local economic development.

In **Nicaragua**, SDC considers developing a training offer for youth on a higher technical level in order to strengthen capacities in selected value chains. To improve employability, social skills and psychosocial support are given greater weight in youth training. In **Honduras**, vocational education and training is aimed toward vulnerable youth and is closely linked to violence prevention.

SDC is implementing the programs in **Nicaragua** with the state institutions and the private sector. To strengthen the State counterparts, technical support units with specialized knowledge are integrated into the programs. At the same time, greater emphasis is given to impact measurement and joint monitoring. SDC continues and deepens the dialogue with the private sector both in the cocoa value chain and in vocational education and training.

More income with higher productivity: Swiss Cooperation strengthens micro-enterprises in Central America with comprehensive offers that include training, credit and product certification, among others.



## Domain 3: Climate change, DRR and natural resources

**Impact goal:** Switzerland contributes to strengthening vulnerable groups' resilience to the risks associated with climate change and other natural threats, fosters the sustainable management of natural resources and facilitates the resolution of resource-related conflicts.

**Common outcome (Honduras and Nicaragua) 1:** Vulnerable and excluded populations, particularly women and youth, adopt sustainable practices of water, soil and forest management in selected territories.

**Common outcome (Honduras and Nicaragua) 2:** Public, social and private stakeholders reduce disaster risks and manage natural resources and resource-related conflicts through the strengthening of territorial governance and capacity building.

**Regional outcome 1:** Public, private and civil society stakeholders, particularly in the Gulf of Fonseca, have developed the capacity to sustainably manage water resources, to reduce water-related conflicts and to participate in the decision-making required to adapt economic activities to climate change.

**Regional outcome 2:** Regional bodies and their national counterparts have strengthened capacity to save lives and reduce disaster-related economic loss and damage.

Central America is highly vulnerable to climate change and other disasters associated with geological phenomena such as earthquakes, tsunamis and volcanic eruptions. The strategies for Honduras and Nicaragua respond to these challenges with two common objectives. On one hand, the resilience of vulnerable groups to climate change and the institutional capacities for a more resilient public and private investment in the face of the impact of disasters are strengthened. On the other hand, sustainable management of natural resources is fostered and equitable access is promoted with inclusive governance processes. In continuity with the previous strategy, SDC adopts a territorial approach that integrates three dimensions: climate change adaptation, disaster risk reduction and the sustainable management of natural resources. Dialogue with national and regional institutions is maintained to stimulate changes in land use, policies and practices and improvements in the management of water resources in vulnerable watersheds and dry zones. SDC promotes the dissemination of technologies and practices for climate change adaptation in agriculture. The formulation and implementation of local, national and regional plans, norms and policies of climate change adaptation and disaster risk reduction that correspond to the Paris and Sendai agreements are encouraged and enable the countries of the region to attract the international financing available. The resources of Humanitarian Aid are essentially concentrated in this domain and have a focus on DRR.

The sectoral work is complemented by a cross-cutting approach in programs with a territorial impact. An example is the cocoa chain, which promotes cultivation in agroforestry systems that enhance biodiversity and in turn counteract deforestation and promote production diversification as an adaptation measure to climate change.

The program emphasizes on water governance: the pressure on water resources due to inefficient use, population growth and climate change demands more sustainable water usage. Rational water management helps to prevent conflicts

and mitigate the consequences of droughts and floods. In line with Target 6 of the 2030 Agenda for Sustainable Development,<sup>7</sup> Switzerland promotes the protection and preservation of water resources in valleys and Dry Corridor regions. Intermediate cities and peri-urban spaces that benefit from the environmental services generated by the hydrographic basins are included. The capital accumulated over 36 years of experience in water and sanitation in Central America, is incorporated into the programs and is valued in bilateral and multilateral partnerships such as those with multilateral development banks.

Along with the priorities described, in Nicaragua, low-cost technologies for the storage and efficient use of water and environmental restoration systems for climate-sensitive agricultural production and water resource protection continue to be developed and disseminated in collaboration with State partners. In Honduras, the program focuses on the governance of water resources. At the territorial level, the private sector and civil society, among others, are linked in strategic infrastructure projects that contribute to the solution of shared problems. Efforts are continued in climate change adaptation and disaster risk reduction. Greater geographic and thematic concentration is sought in the prioritized regions of the Gulf of Fonseca and La Mosquitia.

The **regional component** of the program is deepened and has two main approaches: 1) support for regional efforts to protect water resources and promote adaptation to climate change in the Gulf of Fonseca, a Dry Corridor territory shared by Nicaragua, Honduras and El Salvador;<sup>8</sup> 2) consolidation of the capacity of the regional disaster prevention system. This includes the training of teachers and university students and the installation of regional earthquake warning systems in collaboration with regional institutions such as CEPREDENAC and CSUCA (the Central American High Council of Universities). Both programs are guided by the following criteria: i) diversity of actors/partners: the program strives for a mix of partners including both regional and national public organizations, the private sector and civil society; ii) emphasis is placed on training and knowledge management. Successful practices are disseminated and scaled up to reduce disaster risks, to protect water resources

<sup>7</sup> Target 6 of 2030 Agenda: Water and Sanitation for All – Ensure availability and sustainable management of water and sanitation for all.

<sup>8</sup> This component is developed in the context of the Tri-national Agreement between Nicaragua, Honduras and El Salvador, signed in August 2017.



Prepared for the emergency: Swiss Humanitarian Aid supports national institutions for disaster prevention and promotes their regional coordination.



and to promote climate-friendly agriculture; iii) inclusive governance processes are facilitated. SDC advocates that the interests, potentials and challenges of poor and vulnerable groups be taken into account and reflected in public policy.

### Cross-cutting themes:

**Inclusive governance** and **gender equity** are cross-cutting themes that permeate all the domains. Facilitating governance processes, resolving conflicts and building consensus based on dialogues between the public sector, private enterprise, academia and civil society is a guiding principle of all programs, regardless of their thematic focus. The tools of inclusive governance are used to influence public policies so that they take into account the needs and potential of the poor and vulnerable population. In Honduras and at the regional level, ILO Convention 169, which protects the rights of indigenous peoples, is an important reference. Given their multiple vulnerabilities, women are one of the main target groups. Gender equity is promoted to reduce vulnerability and discrimination and to enhance the role of women in development. Their specific needs are considered in project design, budgeting, implementation, monitoring and evaluation. In addition, the aim is to close gender gaps through affirmative actions (e.g. the promotion of women in the value chains) and to support efforts that place discrimination against women and their vulnerability on the public agenda (e.g. campaigns to raise awareness and prevent domestic violence; masculinity work).



The demand for fine cocoa from Central America is growing due to its high quality. Swiss Cooperation promotes linkages between small farmers and medium-sized enterprises to create new business opportunities and to improve the sector's productivity.



Tools for development: Swiss Cooperation promotes gender equity in occupational training.

## 6. Program management and implementation

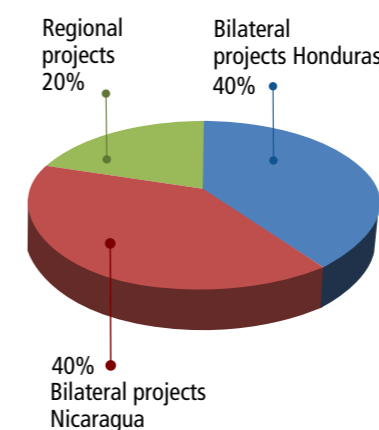
The regional program has a certain flexibility in the allocation of **financial resources** in order to react on changes in the context and on opportunities that arise during the implementation of the Strategy. Therefore, the figures presented herein have an indicative value. The regional office in Managua periodically analyzes the adequate and strategically reasonable distribution of resources and implements them in coordination with the office in Tegucigalpa.

SDC implements the Swiss Cooperation Strategy in Central America 2018-2021 with a total indicative budget of 150 million Swiss francs. The resources come from the South Cooperation Department and Swiss Humanitarian Aid. The budget provided by South Cooperation for 2018-2021 is about 130 million Swiss francs - or an average of 32.5 million annually. This represents a reduction of 16% over the previous strategy due to austerity measures in the Swiss Confederation's budget. To this, are added the resources from Swiss Humanitarian Aid, equivalent to some 20 million Swiss francs or an average of 5 million per year. Around 20% is assigned to the regional component. The remaining 80% are divided in a balanced manner between the bilateral programs in Nicaragua and Honduras as indicated in the graph. These amounts can fluctuate according to the evolution of the context. The budget from South Cooperation is splitted by the following indicative percentages: Domain 1: 35%, Domain 2: 30% and Domain 3: 35%.

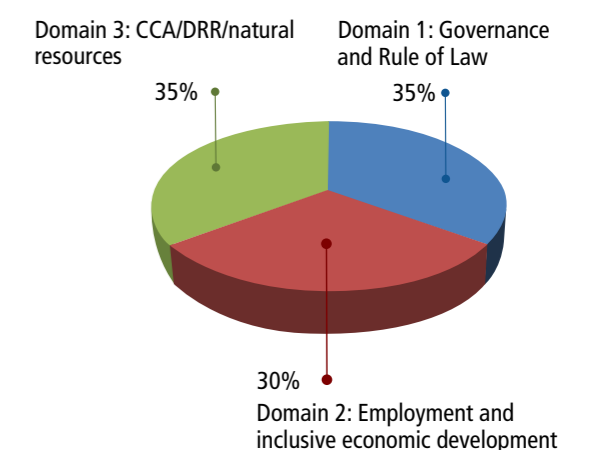
At least 90% of the resources will be invested in the three priority themes of South Cooperation: governance and the Rule of Law; employment and economic development; and climate change, DRR and natural resources. The detailed financial planning is presented in Annex V.

A graphic presentation of the budget:

Geographic distribution



Distribution by thematic domains



## Approaches, modalities and partners:

The Strategy 2018-2021 combines different approaches, modalities and partners, as are highlighted below:

### Approaches

**Territorial concentration:** In both countries, the programs are concentrated in vulnerable territories to build synergy, reduce transaction costs and enhance the territorial impact. In Honduras, the prioritized regions are the Gulf of Fonseca and La Mosquitia; in Nicaragua, it is the Central North region.

**Out of fragility:** the Ten OECD Principles for Fragile Countries and the SDC guidelines for working in fragile countries (Peacebuilding and Statebuilding) are applied. The mitigation of conflict, the fostering of a culture of peace and the strengthening of democratic institutions are key targets of our cooperation.

**Psychosocial approach:** in Honduras, the program addresses the profound causes of the violence that leaves deep scars in the social fabric. To counteract its effects, transformative empowerment with a psychosocial approach is included in all the programs.

**Communication for empowerment:** development is also a communicative process. To raise awareness, give voice to the excluded, promote participation and influence policy dialogue, SDC develops communication strategies for change in all its programs. SDC promotes communication tools that facilitate dialogue and citizen participation, such as town halls, public consultations, street theaters, social media, etc.

**Risk reduction and climate adaptation:** climatic risks and natural hazards that affect development results are addressed as cross-cutting themes. The systematic application of CEDRIG (Climate, Environment and Disaster Risk Reduction Integration Guidance), is promoted to ensure that the goods and services supported by Switzerland are sustainable and the projects do not generate negative impacts for the environment (for example: that they minimize greenhouse gas emissions).

### Modalities

**Whole of government approach:** in order to enhance the political impact of the program, the joint work of the Swiss foreign policy actors - whose channels and modes of intervention are complementary and mutually reinforcing - is promoted in strategic areas. The exchange between cooperation offices and the Swiss embassies in San José and Guatemala City is stimulated and the Human Security Division is involved in issues such as human rights and dealing with the past.

**Combine micro, meso and macro levels:** the achievements and lessons learned in our projects are a starting point for policy dialogue. SDC promotes informing public policy with the needs and potential of vulnerable groups.

**Contributions and mandates:** the portfolio is executed with a mix of modalities, including contributions/grants to public and private institutions and cooperation mandates that are awarded through international tenders.

**Consolidation of trilateral/South-South cooperation:** SDC explores opportunities for trilateral cooperation based on demand and facilitates South-South exchange. Due to its long history in Central America, SDC is an attractive partner for emerging

countries in Latin America, which step into the field of development cooperation. Effort is made to simplify and accelerate trilateral cooperation mechanisms in order to improve their cost / benefit ratio.

### Partners

**Work with multiple stakeholders:** SDC cooperates with a variety of partners including the State, civil society, the private sector and universities. In Honduras, the multi-stakeholder approach is well established. In Nicaragua and at the regional level, additional efforts are made to diversify the spectrum of partners.

**Forge alliances with multilateral actors:** SDC consolidates cooperation with multilateral players to enhance successful Swiss experiences, leverage funds, and scale up effects. Along with the development banks, institutions of the UN and OAS are becoming increasingly important in Central America. In prioritized areas of its strategy, Switzerland contributes to international efforts in support of reforms led by national authorities and promotes decisions, based on the principles of Rule of Law and respect for human rights.

**Regional actors:** at the regional level, SDC cooperates with public and private institutions, including civil society networks. The dialogue is maintained with the SICA through its sectoral institutions such as CEPREDENAC, CSUCA, SE-CAC (Executive Secretariat of the Central American Agriculture and Livestock Council) and CCAD (Central American Commission of the Environment and Development).

**Public-private partnerships:** SDC explores opportunities to strengthen cooperation with the private sector in line with the Swiss Policy for International Cooperation 2017-2020. Private-public partnerships include all thematic pillars and are not limited to the domain of employment and inclusive economic development.

**Include the perspective of Global Programs:** the Cooperation Office reinforces the dialogue with SDC's Global Programs on issues of climate change, water and migration, especially in the regional components of the Strategy. The bilateral programs take into account global norms, policies and the knowledge produced by global networks.

### Human resources:

The Strategy demands an expatriate staff that is familiar with the challenges of fragility and capable of handling programs in complex contexts. The development of the regional component is time-intensive, since it requires the presence of Swiss expatriates for dialogue at the governmental and institutional level. In order to optimize the use of human resources, the organization of work based on thematic domains will shift towards a portfolio management that allows for greater synergies between the programs. In Nicaragua, directly implemented projects are closed by mid-2019. In Honduras, the administration and the communication areas as well as the human rights program are strengthened with additional resources. This allows to balance human resources assigned to the two national programs and strengthens the operational capacity of the Honduras office, which is now adequately equipped to tackle the challenges of a fragile context. In both Nicaragua and Honduras, high attention is given to the safety of the personnel, which prevails over operational requirements. A protocol of conduct guides the security management. Periodic drills and exercises increase familiarity with the safety practices and disaster response.



Adapting to climate change produces tasty results: thanks to water harvesting, farm families in the region of the Dry Corridor manage to lengthen the growing season and harvest watermelons.

## 7. Strategic steering

The Managua office leads the bilateral program in Nicaragua and has the overall responsibility for the Swiss Cooperation Strategy in Central America. With the office in Tegucigalpa, it coordinates the strategic financial management, the planning and reporting processes and the exchange of knowledge. The office in Tegucigalpa develops and implements the program in Honduras, maintains dialogue with Managua and is responsible for the management of resources, personnel and security in Honduras.

**Regional programs:** The office in Managua assumes the leadership of the regional climate change, DRR and natural resources program, while the office in Tegucigalpa is responsible for the regional human rights and governance program. The program strategies are defined in joint processes involving the two cooperation offices, the embassies and entities with specific competencies such as the SDC Global Programs and the Human Security Division. The component “Migration of children and adolescents” is attended by the person in charge of the Swiss Humanitarian Aid program in Managua and is coordinated with Tegucigalpa.

The Strategy is monitored on the basis of the Results Framework (Annex IV), which refers to the baseline scenario (Annex III). The annual report and the periodic analysis of the political, economic and social context are key tools for program monitoring and to prepare strategic decisions. The mid-term review scheduled for the second half of 2020 includes internal and external perspectives and is the starting point for planning the next cooperation strategy. The annual workshop, structured field visits and peer learning between the offices are opportunities for joint learning.

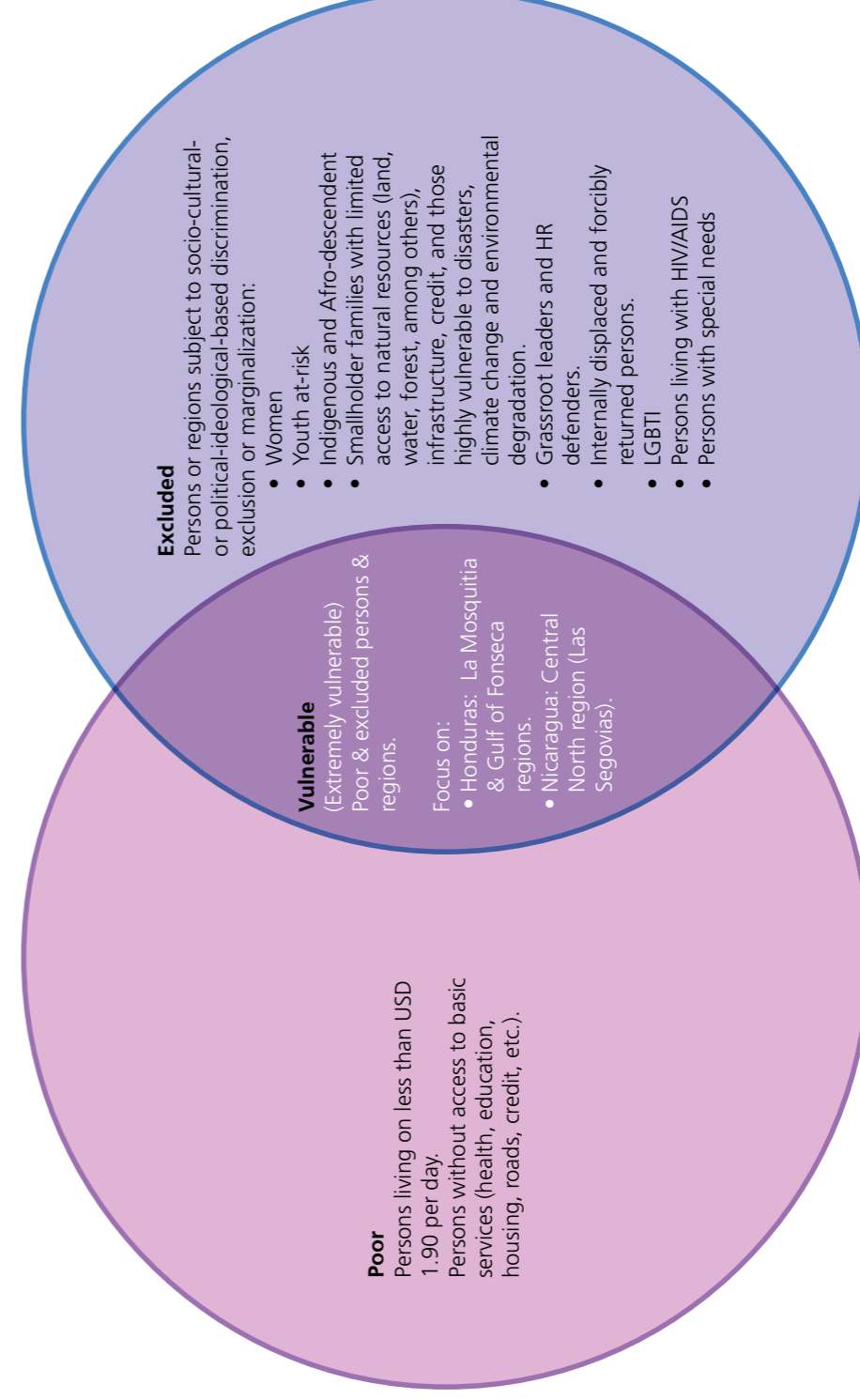
# Annexes

## Annex I: Synopsis of the Swiss Cooperation Strategy for Central America 2018-2021

(Key: N = Nicaragua, H = Honduras, R = Regional)

<p><b>Development Goal 2018-2021:</b> Switzerland promotes sustainable and equitable development in Central America by contributing to strengthen governance processes and human rights, mitigating conflicts and climate risks, and advancing the social and economic inclusion of vulnerable groups.</p>		
<p><b>Domains of intervention</b></p>		
<p><b>D1: Governance and Rule of Law</b></p>	<p><b>D2: Employment &amp; inclusive economic development</b></p>	<p><b>D3: Climate change, DRR &amp; natural resources</b></p>
<p>Gender and governance as cross-cutting themes.</p>		
<p><b>Target groups</b></p>		
<p>Vulnerable groups, especially women, adolescents, migrants, indigenous and Afro-descendants.</p>		
<p><b>Impact goals</b></p>		
<p>Switzerland contributes to strengthening the Rule of Law and advances the economic, social, political, civil and cultural rights of vulnerable groups, particularly of women and youth who are threatened by violence, as well as ethnic and cultural minorities.</p>	<p>Switzerland promotes the economic inclusion of disadvantaged groups and regions by strengthening value chains and fostering employment and income through inclusive governance processes.</p>	<p>Switzerland contributes to strengthening vulnerable groups' resilience to the risks associated with climate change and other natural threats, fosters the sustainable management of natural resources and facilitates the resolution of resource-related conflicts.</p>
<p><b>Outcomes of the bilateral/regional programs</b></p>		
<p><b>N1:</b> Municipal governments in intermediate cities revitalize territorial development, strengthen urban-rural links and improve the conditions of vulnerable persons in dialogue with the productive sector and social organizations.  <b>N2:</b> State and societal institutions expand dialogue and build consensus to prevent violence, facilitate access to justice and foster social cohesion.  <b>H1:</b> Security operators apply an effective system based on institutional integrity, improve their coordination with justice operators and contribute to a reduction in impunity at the national level and in Region 13 (Gulf of Fonseca) and Region 10 (La Mosquitia).  <b>H2:</b> Human rights defenders freely advocate and defend the rights of freedom of expression, access to information, access to natural resources, and access to justice before the State and private enterprises at the national level and in Region 13 (Gulf of Fonseca) and Region 10 (La Mosquitia).  <b>R1:</b> Actors of the justice system in the Northern Triangle serve with greater knowledge and effectiveness in compliance with international standards on corruption and impunity in the cases of violation of civil, economic, social and cultural rights and improve the protection of and access to natural resources in accordance with ILO Convention 169.  <b>R2:</b> In compliance with international legal frameworks and standards and focusing upon water resources, representatives of formal groups and social movements of HR defenders, indigenous and Afro-descendent peoples, and the public and private sectors in Central America commit to dialogue regarding civil, economic, social and cultural rights and implement their first agreements.  <b>R3:</b> Public and private humanitarian actors apply effective measures to protect migrants, repatriated and internally displaced persons with special focus on children and youth in the Northern Triangle.</p>	<p><b>N+H1:</b> Vulnerable groups improve their income and employment and are integrated in sustainable, inclusive economic processes that respect their economic, social and cultural rights.  <b>N+H2:</b> Public and private actors integrate youth in the labor force, improve their competitive capacity and promote changes in framework conditions (policies, regulations, incentives, among others) at the national and territorial levels.</p>	<p><b>N+H1:</b> Vulnerable and excluded populations, particularly women and youth, adopt sustainable practices of water, soil and forest management in selected territories.  <b>N+H2:</b> Public, social and private stakeholders reduce disaster risks and manage natural resources and resource-related conflicts through the strengthening of territorial governance and capacity building.  <b>R1:</b> Public, private and civil society stakeholders, particularly in the Gulf of Fonseca, have developed the capacity to sustainably manage water resources, to reduce water-related conflicts, to participate in the decision-making, and to adapt economic activities to climate change.  <b>R2:</b> Regional bodies and their national counterparts have a strengthened capacity to save lives and reduce disaster-related economic loss and damage.</p>
<p><b>Budget distribution</b></p>		
<p><b>35%</b></p>	<p><b>30%</b></p>	<p><b>35%</b></p>

## Annex II: Target groups



## a) Scenarios for Central America 2018-2021 (CA4: Nicaragua, Honduras, Guatemala and El Salvador)

DETERIORATION Stagnated regional cooperation	BASELINE SCENARIO New spaces for regional cooperation	IMPROVEMENT Strengthened regional cooperation
<ul style="list-style-type: none"> <li>Corruption and abuse of power erode political legitimacy.</li> <li>The number of social conflicts increases.</li> <li>Tightened U.S. immigration policy reduces remittances and increases poverty.</li> </ul>	<p>Political situation and human rights</p> <ul style="list-style-type: none"> <li>Civic protest and presence of international organizations raise pressure for justice and security reforms.</li> <li>Social movements mobilize against corruption and the abuse of power.</li> <li>The growing flow of migrants and returnees, particularly in the Northern Triangle, requires greater regional collaboration.</li> </ul>	<ul style="list-style-type: none"> <li>Reforms driven by national consensus consolidate the Rule of Law.</li> <li>The reforms strengthen citizens' trust in their institutions.</li> <li>The Alliance for Prosperity in the Northern Triangle reactivates the economy and reduces migration.</li> </ul>
	<b>Security</b>	
<ul style="list-style-type: none"> <li>The influence of organized crime grows and violent crimes increase.</li> <li>Corruption and impunity fuel social protests.</li> <li>Institutional capacity to resolve conflict diminishes; fragility increases.</li> </ul>	<ul style="list-style-type: none"> <li>The reforms lead to a slight reduction in homicides and crime. Public insecurity remains high.</li> <li>HR defenders work in a dangerous environment and require international support.</li> <li>Conflicts over resources (mineral, water, land, etc.) increase and require innovative approaches for resolution.</li> </ul>	<ul style="list-style-type: none"> <li>Institutional reforms enhance prevention and reduce insecurity.</li> <li>Economic reactivation opens better job prospects for youth and leads to a decrease in criminal activity.</li> </ul>
	<b>Environment</b>	
<ul style="list-style-type: none"> <li>Extreme climate phenomena increase, generating food crises and humanitarian emergencies.</li> <li>Climate change accelerates migration to urban areas and abroad.</li> <li>Regional policies are not translated into concrete practice.</li> <li>Regional cooperation initiatives are held back by constrained political will and have little impact.</li> <li>Civil society networks have weak internal coordination and limited political space.</li> <li>SICA is weakened due to decreased international cooperation and exercises little influence on policy in the region.</li> </ul>	<ul style="list-style-type: none"> <li>Droughts and extreme climate phenomena affect the entire Dry Corridor and place food security and the water balance at risk.</li> <li>The humanitarian effects of migration due to climate change are mitigated by programs that include migrants and returnees.</li> <li>The institutional capacity and political will to implement regional adaptation policies grow.</li> <li>Initiatives such as the Alliance for Prosperity in the Northern Triangle and the Tri-national Agreement for the Development of the Gulf of Fonseca and the customs union open new spaces for regional cooperation.</li> <li>Regional civil society networks raise awareness of regional challenges and make their voices heard.</li> <li>SICA continues to have limited capacity to propel regional integration.</li> </ul>	<ul style="list-style-type: none"> <li>Central America agrees upon a common position in international climate conferences.</li> <li>Access to international funds reduces climate risks and strengthens adaptation capacity.</li> <li>The new cooperation initiatives strengthen joint actions to solve common problems.</li> <li>Internationally connected civil society networks contribute to regional policy dialogue.</li> <li>SICA reorganizes and revitalizes the regional integration process.</li> </ul>

## b) Scenarios for Nicaragua 2018-2021

DETERIORATION Greater insecurity and limited space to exercise civic rights.	BASELINE SCENARIO Hegemonic State opens to dialogue on reforms	IMPROVEMENT State with strengthened division of power implements reforms
<ul style="list-style-type: none"> <li>No progress in electoral system reforms.</li> <li>Spaces of human rights defenders and independent media are constricted.</li> <li>Citizen security is deteriorating.</li> </ul>	<p>Political situation, human rights, security</p> <ul style="list-style-type: none"> <li>Limited balance of power; State coordinates reform of the electoral system with the OAS.</li> <li>Civil society maintains spaces for participation and free expression.</li> <li>Security and basic rights are guaranteed; limited space for HR defenders.</li> <li>USA congresspersons push bills to block access to multilateral financing.</li> </ul>	<ul style="list-style-type: none"> <li>Central and local governments build legitimacy through inclusive administration.</li> <li>Consensus-based electoral system reforms are made.</li> <li>Civil society expands its spaces for participation and dialogue with the government.</li> <li>Security and rights: Space expands for the work of HR defenders.</li> <li>Greater international insertion: lessening of tension in relations with USA; NICA-Act is not implemented.</li> </ul>
	<b>Economy</b>	
<ul style="list-style-type: none"> <li>Economic growth is stagnant.</li> <li>Foreign investment diminishes due to the reduction in loans and blocking of investors by the NICA-Act.</li> </ul>	<ul style="list-style-type: none"> <li>Economic growth is stable, higher than 4%, but with limited redistribution; 70% of the economy is informal.</li> <li>Foreign investment is stable.</li> <li>Family remittances reduce poverty.</li> </ul>	<ul style="list-style-type: none"> <li>Economic growth higher than 5%.</li> <li>Foreign investment increases and creates more jobs for youth and women.</li> </ul>
	<b>Social domain</b>	
<ul style="list-style-type: none"> <li>Social spending decreases; poverty and social inequality increase.</li> <li>USA government anti-immigrant policies reduce remittances.</li> </ul>	<ul style="list-style-type: none"> <li>Social spending: social investment and the trend in poverty reduction remain stable. Inequitable income distribution.</li> <li>Remittances remain stable.</li> </ul>	<ul style="list-style-type: none"> <li>Fiscal reform: Redistribution measures increase availability for social expenditures, accelerate poverty reduction and reduce inequality.</li> </ul>
	<b>Environment</b>	
<ul style="list-style-type: none"> <li>Extreme climate events increase.</li> <li>Food crises and mass migration to urban areas and abroad.</li> <li>Natural resource deterioration due to uncontrolled extraction.</li> </ul>	<ul style="list-style-type: none"> <li>Extraction model: generates momentum in the short term, but deteriorates natural resources in the long term.</li> <li>Climate change: increase in extreme weather events threatens livelihoods.</li> <li>Awareness exists of climate change and the need for adaptation, but action plans lack financing.</li> </ul>	<ul style="list-style-type: none"> <li>Awareness of climate change and access to international funds strengthen capacity for adaptation.</li> <li>The Bosawas and Indio Maiz Natural Reserves regenerate due to effective protection by the State and surrounding communities.</li> </ul>

<p><b>DETERIORATION</b> Authoritarian State with generalized repression and economic implosion</p>	<p><b>BASELINE SCENARIO</b> Fragile State with high level of insecurity but a few opening spaces</p>	<p><b>IMPROVEMENT</b> State progresses toward Rule of Law, improvements in HR and citizen security</p>
<ul style="list-style-type: none"> <li>Established authoritarianism.</li> <li>Generalized repression; exercise of freedom of expression is penalized.</li> <li>Lack of space for MACCIH and OHCHR-HN to act.</li> <li>Endemic corruption and impunity.</li> </ul>	<p>Political situation, human rights, security</p> <ul style="list-style-type: none"> <li>Challenged election results limit the legitimacy and capacity of the President to act.</li> <li>Concentration and politicization of power.</li> <li>Largely ineffective public services.</li> <li>Pressure to re-establish Rule of Law. High level of impunity and HR violations.</li> <li>MACCIH and OHCHR-HN manage to act with greater independence in combatting corruption/impunity.</li> </ul>	<ul style="list-style-type: none"> <li>Consensus-based electoral reform allows for an electoral process that meets international standards.</li> <li>More effective fight against corruption and impunity.</li> <li>Greater emphasis on a citizen-security approach and a reduced mandate for military police.</li> </ul>
<p><b>Economy</b></p>		
<ul style="list-style-type: none"> <li>Economic isolation and collapse with high unemployment and impact upon household economy.</li> <li>Private sector opposes the political-economic system.</li> <li>High external and internal debt precludes overcoming poverty.</li> </ul>	<ul style="list-style-type: none"> <li>Few sources of employment to integrate youth, social divisiveness and exclusive economic model growing.</li> <li>Private sector divided regarding national situation.</li> <li>High public debt, privatization of public services with dependence on banking system, low private investment due to lack of security.</li> <li>Alliance for Prosperity in the Northern Triangle with little real impact.</li> </ul>	<ul style="list-style-type: none"> <li>More equitable fiscal system.</li> <li>Opening for inclusive, sustainable economic models.</li> </ul>
<p><b>Social domain</b></p>		
<ul style="list-style-type: none"> <li>Exclusion of non-aligned political parties and social organizations.</li> <li>Social unrest with violent incidents; widespread human rights violations.</li> <li>Increase in migration, including the middle and upper classes.</li> </ul>	<ul style="list-style-type: none"> <li>Widespread social instability.</li> <li>Social movements with capacity to generate a counterbalance to the concentration of power; international mobilization to defend human rights.</li> <li>High crime rate without appropriate response from the State.</li> <li>Increase in domestic and international migration and in repatriation from the USA.</li> </ul>	<ul style="list-style-type: none"> <li>Expanded spaces for participation, dialogue and socio-cultural integration.</li> <li>Economy revived lessens pressure to migrate.</li> <li>Social movements propel institutional reforms and generate changes.</li> </ul>
<p><b>Environment</b></p>		
<ul style="list-style-type: none"> <li>Intensification of conflicts over land tenure and natural resources exacerbated by climate change.</li> </ul>	<ul style="list-style-type: none"> <li>High rate of conflicts over land and natural resources continues.</li> <li>Criminalization of the defense of natural resources continues.</li> </ul>	<ul style="list-style-type: none"> <li>Multi-stakeholder dialogues and the presence of international institutions reduce land- and natural resource-related conflicts.</li> <li>Greater participation of local population and governments in natural resource management.</li> </ul>

## Annex IV: Results framework

## Domain 1: Governance and Rule of Law

Switzerland contributes to strengthening the Rule of Law with a focus on inclusive governance and respect for political, civil, economic, social and cultural rights of vulnerable groups.		
D1: NICARAGUA		
(1) Swiss Cooperation portfolio outcomes	(2) Swiss program contribution	(3) National development outcomes
<p><b>Outcome 1.1:</b> Municipal governments in intermediate cities revitalize territorial development, strengthen the urban-rural links and improve the conditions of vulnerable persons in dialogue with the productive sector and social organizations.</p> <p><b>Indicators<sup>1</sup>:</b></p> <p><b>1.1.1:</b> N° of persons, disaggregated by sex, who benefit from the processes and investments for territorial development that result from the partnerships between municipal governments, productive sectors, and social organizations. Baseline (2017): 0 Target value 2019: 25'000 / 2020: 35'000 / 2021: 40'000 (Total 100'000; 50% women)</p> <p><b>1.1.2:</b> : N° of spaces for dialogue, agreements, and public-private actions and investments signed and implemented between municipal governments, productive sectors and social organizations. Baseline (2017): 0 Target value 2019: 5 spaces for dialogue functioning and with cooperation agreements; by 2021: 10 public-private investments underway (2 per city).</p> <p><b>1.1.3:</b> ARI GO1: Municipal governments adopt managerial changes for territorial development, involve the population in decision-making, and take the interests of women and vulnerable groups into account in matters of local development and budgets. Baseline (2017): 0 Target value (2021): 5 municipal governments.</p>	<p><b>Impact hypothesis:</b> Intermediate cities have a vital function in closing development gaps at the national level. To strengthen their role as dynamic markets, service centers and motors for territorial development, SDC promotes a more inclusive governance model and a more comprehensive planning that connects the urban and the rural in functional spaces. Better connected cities with a vision of long-term development make public investment more productive and are more attractive for private investment. Their dynamism leverages territorial development and offers more jobs and better opportunities for both urban and rural vulnerable populations.</p> <p><b>Assumptions:</b> The government maintains the budgetary transfers to municipalities (10% of the national budget), the strategies to consolidate the municipal planning system and the alliance model and promotes the implementation of the Municipal Strategic Development Plan 2018-2022.</p> <p><b>Obstacles and risks:</b></p> <ul style="list-style-type: none"> <li>Centralized public administration.</li> <li>Low level of cohesion in the private sector and societal organizations.</li> <li>Low prices of agricultural products reduce municipalities' fiscal revenue and capacity to invest in territorial development</li> </ul>	<p><b>Municipal Strategic Development Plan 2018-2022:</b> At least 135 of the 153 municipalities are expected to:</p> <ul style="list-style-type: none"> <li>Establish a Model of Partnership, Dialogue and Consensus for the development of public-private projects at the departmental level (page 4).</li> <li>Categorize the territory, ordinate productive areas and regulate community life and its relationship with nature (page 7).</li> <li>Implement research with universities to improve development opportunities and create jobs and work (page 14).</li> </ul> <p><b>National Human Development Plan 2018-2021:</b></p> <ul style="list-style-type: none"> <li>Develop the national and municipal cadaster, articulated with the public registers for the territorial ordering (page 17).</li> <li>Facilitate municipal investments, in partnership with the private sector, productive and commercial sectors, in complementarity with the Central Government (page 38).</li> <li>Strengthen the National Municipal Training System (page 39).</li> <li>Promote the planning of cities, which ensure the access to public services, business areas, access to culture, sports and recreation (page 40).</li> <li>Strengthen the plan for public and private development investment, incorporating integral management criteria for disaster risk reduction and adaptation to climate change (page 41).</li> </ul>

1. These indicators are preliminary and will be revised / defined in the second semester of 2018 when the programs have been further defined.

<p><b>Outcome 1.2:</b> State and societal institutions expand policy dialogue and build consensus to prevent violence, facilitate access to justice and foster social cohesion.</p> <p><b>Indicators<sup>2</sup>:</b></p> <p><b>1.2.1:</b> ARI F1: N° of persons (M/F) belonging to vulnerable groups (women, youth, indigenous and Afro-descendants) empowered to prevent violence, facilitate access to justice and foster social cohesion. Baseline (2017): 0 Target value (2021): To be determined.</p> <p><b>1.2.2:</b> ARI HR2: N° of trainers, managers and communicators from the fields of culture, arts and historical memory who expand the spaces for debate and reflection. Baseline (2017): 0 Target value (2021): To be determined.</p> <p><b>1.2.3:</b> N° of persons empowered by presentations, debates and publications that further reflection, identity and a culture of debate in Nicaragua. Baseline (2017): 0 Target value (2021): To be determined.</p>	<p><b>Impact hypothesis:</b> SDC contributes to strengthen spaces for dialogue, free expression and reflection from the perspective of culture, arts, historical memory and socio-economic research. In these sectors, the country has a variety of stakeholders with a good level of competence that cannot develop their full potential due to a lack of resources and updated training. The SDC contribution strengthens the capacities of social organizations, promotes a culture of debate and fosters social cohesion in the country.</p> <p><b>Assumptions:</b> State strategies to prevent violence and promote social cohesion are maintained.</p> <p><b>Obstacles and risks:</b></p> <ul style="list-style-type: none"> <li>Limited space for cooperation with civil society and the private sector.</li> <li>International cooperation funds for civil society on a downward trend.</li> </ul>	<p><b>Indicator:</b> Complaints solved by the National Police. Baseline (2017): Complaints received: 68'744 / Complaints solved: 61'906 / Effectiveness: 90% Target value: Effectiveness greater than or equal to 90% Source: White Book on Crime Incidence in Nicaragua 2007-2017 (page 37).</p> <p><b>Agenda 2020 of the Supreme Council of the Private Sector:</b> Strengthen and guarantee the essential elements of representative democracy (impartial periodic elections; independence of the branches of government).</p> <p><b>Agreement with the Organization of American States (OAS):</b> Modernization of the electoral system.</p> <p><b>State of Nicaragua accepts Universal Periodic Review (UPR) recommendations, including:</b></p> <ul style="list-style-type: none"> <li>Establish policies to reduce discrimination against women, children and indigenous and Afro-descendant peoples (116.13).</li> <li>Protect freedom of expression, the right to peaceful protest and refrain from all intimidation or repression against citizens exercising their rights (116.20).</li> </ul> <p>Cultural Policy, Government of Unity and National Reconciliation.</p> <p><b>Latinobarómetro:</b> Perception of freedom of expression and participation in Nicaragua: Baseline (2016): 53% positive opinion.</p>
<p><b>(4) Areas of assistance (Swiss program):</b></p> <ul style="list-style-type: none"> <li>Local governance: i) strengthen integrated planning and inclusive governance of intermediate cities, resilience and the links with the rural environment ii) promote inter-municipal alliances between public and private stakeholders for territorial economic development at the departmental level iii) stimulate nationwide debate on a more integral and territorial vision of municipal development;</li> <li>Social cohesion: i) support the research and knowledge management agenda of think tanks for social-economic and environmental issues; ii) empower women and vulnerable groups (youth at risk, indigenous and Afro-descendants) through a common fund; iii) support training and professionalization of the cultural and arts sectors and boost the emergent memory work. In addition, explore opportunities to prevent violence (youth, gender and domestic), strengthen vulnerable groups' access to justice and promote electoral system reforms in order to strengthen democratic institutionalism.</li> </ul> <p>Instruments and modalities: agency contracts, common funds with other donors; competitive funds; contributions to State institutions.</p>	<p><b>(5) Resources, collaborations (Swiss program):</b> Human Resources: Deputy Head of Cooperation 35%, National Program Officers 150%; Financial resources: 35% of bilateral cooperation budget.</p>	<p><b>(6) Management/performance outcomes, including indicators (Swiss program):</b> i) Program management: greater emphasis will be placed on conflict-sensitive management according to OECD principles. ii) Monitoring System: each program is measured with both standardized (ARI) and specific indicators. iii) Knowledge Management: participation in the DDLGN-network; dialogue with Cities Alliance; harmonization and joint actions with other donors.</p>

2. These indicators are preliminary and will be revised / defined in the second semester of 2018 when the programs have been further defined.



D1: HONDURAS		
(1) Swiss cooperation portfolio outcomes	(2) Swiss program contribution	(3) National humanitarian/development outcomes
<p><b>Outcome 1.1:</b> Security operators apply an effective system based on institutional integrity, improve their coordination with justice operators and contribute to a reduction in impunity at the national level and in Region 13 (Gulf of Fonseca) and Region 10 (La Mosquitia).</p> <p><b>Indicators:</b></p> <p><b>1.1.1:</b> N° of criminal cases investigated, prosecuted and with sentence issued that have been processed in the territories in coordination between security and justice operators in compliance with due process. Baseline (2017): Cases in Trial Courts: 1'115 filings and 985 rulings<sup>3</sup>. Target value (2021): Cases in Trial Courts: 1'500 filings and 1'380 (92%) rulings.</p> <p><b>1.1.2:</b> ARI GO3: N° of government institutions and civil society organizations with strengthened capacity to prevent corruption<sup>4</sup>. Baseline (2017): 4 municipalities. Target value (2021): 41 of the 51 municipalities (80%) in the Gulf of Fonseca and La Mosquitia.</p> <p><b>1.1.3:</b> ARI<sup>5</sup>: % of complaints of domestic violence against women, girls and boys received by security and justice officials in R13 and R10 that have been tried and have a sentence issued. Baseline (2017): Cases filed: 1'070; rulings: 1'161 (108%); R10: Cases filed: 71; rulings: 58 (82%). Target value (2021): 20% increase in cases filed. (R13: 1'284; R10: 85); 10% increase in cases tried and sentenced (R13: 1'515; R10: 78).</p>	<p><b>Impact hypothesis:</b> SDC supports the development of the National Police, strengthening institutional integrity and security response based on the community model and respect for human rights. SDC contributes to the systemic construction of the chain of justice (Police, Prosecutor, Judicial Branch), focusing on the Gulf of Fonseca and La Mosquitia regions. The systemic work includes social prevention at the regional and municipal levels through the development and implementation of Local Security Plans. SDC contributes to and accompanies the OHCHR and MACCIH by strengthening their mandates and the construction of a system to combat corruption, impunity and HR violations.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>The reform impetus in the Police is maintained and leads to a purged police force.</li> <li>The MACCIH and OHCHR maintain and/or increase their room for maneuver.</li> </ul> <p><b>Obstacles and risks:</b></p> <ul style="list-style-type: none"> <li>The Military Police expand their operations and fields of action.</li> <li>The legal framework hardens, leaning toward greater repression of citizens' rights.</li> </ul>	<p><b>Ref. SDG 5 / SDG 16.1; 16.3; 16.10,16b</b></p> <p><b>National Vision 2010-2038:</b> Goal 2: A Honduras that develops in democracy, with security and without violence. Meta 2.2: : Reduce crime to a level below the international average. Strategic Guideline N° 6 - Citizen security as a requirement for development:</p> <ul style="list-style-type: none"> <li>Implement a management model of police resources with operational decentralization that identifies the crimes with greatest impact upon the different groups, regions and municipalities of the country. The model should allow the evaluation of the main crimes against citizen security, the affected social groups and the involvement of State and diverse stakeholders, at four levels: international, national, regional and municipal.</li> <li>Strengthen justice operators by providing them with human, physical, technological and financial resources.</li> <li>The Honduran State is implementing reforms to strengthen the citizen security system (MACCIH).</li> </ul> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li>N° of corruption cases in which the MACCIH-OAS provides advice and active collaboration that are jurisdictionally resolved applying established or institutionalized skills and competencies (MACCIH).</li> <li>Reports produced by the MACCIH Criminal Justice Observatory.</li> </ul>

3. Composed only of the Trial Courts of Choluteca, El Paraiso and Francisco Morazán.

4. The complete ARI GO3: "N° of governmental institutions and civil society organizations with strengthened capacity to prevent corruption, money laundering and tax evasion thanks to Swiss support".

5. Original ARI: "At least x% of women and girls report case of sexual violence without being harassed."

<p><b>Outcome 1.2:</b> Human rights defenders freely advocate and defend the rights of freedom of expression, access to information, access to natural resources, and access to justice before the State and private enterprises at the national level and in Region 13 (Gulf of Fonseca) and Region 10 (La Mosquitia).</p> <p><b>Indicators:</b></p> <p><b>1.2.1:</b> N° of cases of criminal prosecution of HR defenders with favorable and expeditious rulings. Baseline (2017): National: 400 defenders prosecuted, 169 acquitted. R13: 100 defenders and activists prosecuted<sup>6</sup>. 39 cases acquitted. R10: 0 cases prosecuted. Target value (2021): 5% increase in acquittals.</p> <p><b>1.2.2:</b> N° of female HR defenders benefitting from differentiated and effective protective measures. Baseline (2017): 5 defenders with specialized protective measures. Target value (2021): 10</p> <p><b>1.2.3:</b> N° of accompaniment processes for alternative, peaceful transformation of conflict over the use of natural resources and land in the territories of indigenous or Afro-descendent peoples and in non-indigenous or Afro-descendent local communities. Baseline (2017): R13: 4 landmark cases. R10: 0 landmark cases. Target value (2021): R13: 8 landmark cases. R10: 1 landmark case.</p> <p><b>1.2.4:</b> ARI HR2: N° of public or civil society organizations (NGOs, trade unions or other associations) that contribute to the government dialogue and fulfill human rights obligations. Baseline (2017): R10: 11; R13: 0 Target value (2021): R10: 15; R13: 3</p>	<p><b>Impact hypothesis:</b> SDC promotes and supports the empowerment and development of civil society organizations and networks with a common approach and the construction of sustained and inclusive dialogues at the national and territorial levels. The territorial-national approach allows it to link up with international and regional systems (OHCHR, MACCIH), as well as build capacities and processes at a territorial level. In addition, SDC promotes dialogue among donors, state agencies, OHCHR and civil society (G-16; formal and semi-formal alliances).</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>The OHCHR and the MACCIH can exercise their roles. The respective agreements with Honduras remain in force and are followed.</li> <li>The international interest in human rights and the national and international solidarity networks continue supporting the cause of defenders and social leaders.</li> <li>The State of Honduras has the political will to implement ILO Convention 169 and to approve and duly enforce FPCC<sup>7</sup>.</li> </ul> <p><b>Obstacles and risks:</b></p> <ul style="list-style-type: none"> <li>Legislative developments regarding new "anti-terrorism"<sup>8</sup> laws affect the freedoms of expression and movement and lead to self-censorship by journalists.</li> <li>With the re-election of the President, it is expected that the political will to protect HR defenders and social leaders will diminish.</li> </ul>	<p><b>Ref. SDG 5 / SDG 16.1; 16.3; 16.10,16b</b></p> <p><b>National Vision 2010-2038:</b> Goal 2: A Honduras that develops in democracy, with security and without violence. Target 2.3: Lower the social conflict index to less than 6. Goal 4: A modern, transparent, accountable, efficient and competitive State. Target 4.5: Raise the ranking of Honduras for governance indicators in the World Bank corruption control index to the 90-100th percentile.</p> <p><b>Public Policy and the National Action Plan on Human Rights:</b> Goal: Achieve the full exercise of HR in Honduras by addressing the structural situations that generate violations of these rights, such as impunity, citizen insecurity, inequalities, historical gaps in governance and the prevalence of cultural values contrary to HR. Components: Acceptance of rights in legislation; acceptance of rights in public policy; culture of HR among public institutions and servants; capacity building in the State; fight against impunity; comprehensive reparations; accountability and transparency; capacity building among HR holders and the promotion of a culture of HR within society. Target: Lower the number of homicides of legal professionals.</p> <p><b>Public Policy against Racism and Racial Discrimination for the Comprehensive Development of Indigenous Peoples and Afro-Hondurans:</b> General objective: Achieve the exercise of HR by indigenous peoples and Afro-Hondurans while maintaining their identity and diversity.</p>
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6. There are defenders who have been accused in as many as four criminal prosecutions.

7. Law on free, prior and informed consultation and consent.

8. The new Penal Code of Honduras grants broad discretion in qualifying acts of "terrorism", and thus substantially constrains the right to peaceful protest.

**(4) Areas of assistance (Swiss program):**

- Contribute to building the social, political, security and justice dimensions of the Rule of Law. The focus upon the police institution expands to the chain of justice, which is complemented by the social prevention of violence at the territorial level. The regional program "HR and Governance" is implemented in a complementary way, which includes political and financial support to MACCIH, as well as the construction of dialogue spaces for promoting human rights, with the private sector and with the IAHRs (Inter-American Human Rights System).
- Promote the construction of peace and coexistence through its social and human rights dimensions: the HR defense organizations and networks – working mostly on issues of political-civic rights and ECSR - are strengthened. The focus is on developing organizational / organizing capabilities, to increase political and operational advocacy and networking through the FDHAS program and through political and financial support for the OHCHR.
- Strengthen HR, including International Labor Organization (ILO) 169 / Access to Justice.
- The Cooperation Strategy creates direct links between the national program and the planned regional program "HR and Governance". The regional program aspires to strengthen the IAHRs, so that there is better protection - and then performance - of the HR defenders. Beyond the protection of HR defenders, the regional-national link allows for the creation of synergies between the IAHRs and the work of human rights organizations in Honduras, particularly those associated with the SDC program.
- Develop a balanced approach between the national and the territorial-municipal in relation to the other two spheres, in particular in territorial governance in the Gulf of Fonseca and Mosquitia regions.

Implementation instruments and modalities: International tender and agency contracts. Contributions to local, national and international institutions aligned with the sector, regional and national strategies and plans. Contributions to civil society organizations and public-private platforms.

**(5) Resources, collaborations (Swiss program):**

Human resources: 210% of Program Officers, International (70%) and National (140%); Financial resources: Indicative 25-30% of bilateral Honduras budget.

Collaboration and partners:

- OHCHR and MACCIH.
- HR defenders and populations whose rights are particularly infringed upon: community leaders, opposition leaders, indigenous and Afro-descendent populations.
- Women, children, youth, journalists and social communicators.
- Justice operators such as SEDS and the National Police; Public Ministry and the Judicial Branch at the national and territorial levels, national and territorial decision makers.
- Local governments, groupings of municipalities, grass-roots organizations and populations linked through Local Security Plans.

**(6) Management/performance outcomes, including indicators (Swiss program):** SDC supports and drives G-16 and international community initiatives for "state building and peace building". SDC systematically applies the CSPM approach and implements exchange-learning with the partners, emphasizing themes such as psychosocial aspects, gender, social inclusion, governance, security, and Outcome Monitoring System. In addition to the previously-mentioned outcome indicators, this Strategy contains output indicators that will be reported annually. These indicators refer to activities in various domains.

D1: REGIONAL GOVERNANCE AND HUMAN RIGHTS		
(3) Regional humanitarian / development outcomes	(2) Swiss program contribution	(1) Swiss Cooperation portfolio outcomes
<p><b>Ref. SDG 5.5; 5.c / SDG 16.3; 16.5; 16.6; 16.10; 16b</b></p> <p><b>National Vision 2010-2038:</b></p> <p><b>Declaration on Security in the Americas</b> (Approved by the OAS Special Conference on Security on 28 October 2003):</p> <ul style="list-style-type: none"> <li>Respect for human rights and fundamental freedoms and good governance are essential for the stability, peace, and political, economic, social development of the states of the hemisphere.</li> <li>We reaffirm our commitment to the fight against both passive and active corruption, which constitutes a threat to the security of our States and undermines public and private institutions and society's trust, does enormous economic damage, compromises stability, erodes the Rule of Law, and weakens the ability of governments to respond to other security threats.</li> </ul> <p><b>Actions by the Inter-American Cooperation Program to Combat Corruption (MESICIC/OAS):</b></p> <ul style="list-style-type: none"> <li>Promote cooperation, the exchange of information and the development of joint activities in areas related to transparency in public management and the fight against corruption with other international organizations such as UN, OECD, Council of Europe, IDB, WB and IMF.</li> <li>Encourage the participation and contributions of civil society in activities related to transparency in public administration and the fight against corruption.</li> </ul> <p><b>Ref. SDG 5</b> (Achieve gender equality and empower women and girls) and <b>SDG 16</b> (Promote peaceful and inclusive societies).</p>	<p><b>Impact hypothesis:</b> SDC promotes compliance by the States with international human rights law and IAHRs resolutions and judgments, as well as their incorporation in judgments issued by national judicial bodies. SDC contributes to the integral implementation of ILO Convention 169 and the realization of free, prior and informed consultation and consent in the authorization process for granting concessions in the territories of indigenous or Afro-descendant peoples. SDC supports the CICIG and the MACCIH in combating corruption, dismantling organized crime networks and confronting impunity, while strengthening public institutions of justice and security in the fulfillment of their mandates. In addition, SDC promotes the reform of national legal systems and the due enforcement of laws.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>The justice actors in the Northern Triangle maintain their independence and have sufficient funding to fulfill their roles and responsibilities.</li> </ul> <p><b>Obstacles and risks:</b></p> <ul style="list-style-type: none"> <li>Powerful stakeholders use their influence to prevent national and international justice actors from fulfilling their roles.</li> </ul> <p><b>Impact hypothesis:</b> SDC contributes to processes of dialogue and consensus among representatives of the State, private enterprise, indigenous and Afro-descendant peoples and social activists, based on international human rights standards, thus contributing to the prevention and resolution of conflicts over the access, management and use of water resources. SDC strengthens the capacities of</p>	<p><b>Outcome R1.1:</b> Compliance with international standards: Actors of the justice system in the Northern Triangle serve with greater knowledge and effectiveness in compliance with international standards on corruption and impunity in cases of violation of civil, economic, social and cultural rights and improve the protection of and access to natural resources according to ILO Convention 169.</p> <p><b>Indicators:</b></p> <p><b>1.1.1:</b> N° of reparation measures and guarantees of non-repetition contained in Inter-American Court of Human Rights judgements that have been carried out by the States. Baseline (2017): sentences 7%, measures 40% Target value (2021): sentences 40%, measures 70%</p> <p><b>1.1.2:</b> % of compliance by the States with the ECSR-related recommendations of the UN treaty and special procedure bodies and the bodies of the IAHRs. Baseline (2017): To be determined. Target value (2021): To be determined.</p> <p><b>1.1.3:</b> N° of regional spaces of research and advocacy that improve the level of knowledge and analysis of the implications of ILO Convention 169 for its effective observance. Baseline (2017): 0 Target value (2021): 3</p> <p><b>1.1.4:</b> N° and type of recommendations complied with by the States within the framework of MESICIC. Duly resolved cases of high impact in corruption in which CICIG and MACCIH provide advice or collaboration. Baseline (2017): 1 Target value (2021): 12</p> <p><b>Outcome R1.2:</b> Dialogue about human rights: representatives of formal groups and social movements of HR defenders, indigenous and Afro-descendant peoples, and the public and private sectors dialog regarding civil, economic, social and cultural rights, focusing upon water resources, in compliance with international legal frameworks and standards and implement their first agreements.</p>

<p><b>SDG 16:</b></p> <p><b>Target 16.3:</b> Promote the Rule of Law at the national and international levels and ensure equal access to justice for all.</p> <p><b>Target 16b:</b> Promote and enforce non-discriminatory laws and policies that favor sustainable development.</p> <p><b>Target 16.7:</b> Ensure responsive, inclusive, participatory and representative decision-making at all levels.</p> <p><b>Alliance for Prosperity in the Northern Triangle:</b> Insecurity and violence will be addressed comprehensively. Prevention, citizen participation, the construction of safe spaces and support for vulnerable populations will be strengthened, ensuring access to justice for all and effectively guaranteeing rights and responsibilities. The alliance with the private sector, cooperation partners and civil society is vital.</p> <p><b>Strategic actions:</b></p> <ul style="list-style-type: none"> <li>Promote public-private dialogues regarding the implementation and monitoring of the alliance through the advisory councils in each country.</li> </ul> <p><b>Global Compact on Migration/Refugees (UN)</b></p> <p><b>Strategic actions:</b></p> <ul style="list-style-type: none"> <li>Initiative Integral Regional Framework on Protection and Solutions (Marco Integral Regional para la Protección y Soluciones - MIRPS).</li> </ul>	<p>CSOs, and indigenous and Afro-descendant peoples for their proactive participation in regional advocacy consultation and dialogue processes. SDC contributes so that the state institutions take ownership of their ECSR obligations and fulfill their role as guarantors of these rights, especially ILO Convention 169. Familiarity with and appropriation of the UN Guiding Principles on Businesses and Human Rights is promoted within the private sector, so that they act in accordance with these principles.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Key stakeholders agree to dialogue on a topic of common interest, such as the water issue.</li> </ul> <p><b>Obstacles and risks:</b></p> <ul style="list-style-type: none"> <li>Powerful stakeholders use their influence to prevent the decisions from being implemented.</li> </ul> <p><b>Impact hypothesis:</b> SDC is strengthening the capacities of public institutions, CSO and community organizations that are offering protection services to migrants and returnees. By promoting safe environments the conditions for a successful (re-)integration of migrants, displaced and repatriated persons and especially children and youth are improving.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>There is political will to implement a regional protection framework for migrants, repatriated and displaced persons.</li> <li>The international support to resolve the humanitarian crisis of migrants, repatriated and displaced persons in the Northern Triangle is maintained.</li> </ul> <p><b>Obstacles and risks:</b></p> <ul style="list-style-type: none"> <li>High levels of insecurity limit the outreach of humanitarian actors.</li> <li>The increasing number of forced repatriations from the USA exceed the protection capacities of the countries of the Northern Triangle.</li> <li>The massive influx of migrants from other regions (Haiti, Cuba, Africa, etc.) generates a protection crisis and tensions under the countries of Central America.</li> </ul>	<p><b>Indicators:</b></p> <p><b>1.2.1:</b> N° of agreements among governments, private enterprise and civil society jointly agreed upon and implemented. Baseline (2017): 0 Valor objetivo (2021): 3</p> <p><b>1.2.2:</b> N° of representative organizations of women, HR defenders, indigenous and Afro-descendant peoples, and private sector organizations actively incorporated in dialogue processes. Baseline (2017): 0 Target value (2021): 5</p> <p><b>1.2.3:</b> N° of policies, strategies and plans related to access to natural resources developed at the regional level. Baseline (2017): 1 Target value (2021): 3</p> <p><b>Outcome R1.3:</b> Migration and protection: public and private humanitarian actors apply effective measures to protect migrants, repatriated and internally displaced persons with special focus on children and youth in the Northern Triangle.</p> <p><b>Indicators:</b></p> <ul style="list-style-type: none"> <li><b>1.3.1:</b> ARI HA4: N° of persons of the protection system (state officials, teachers, parents and comunal organizations) reached by programs supported by Switzerland that contribute to the reduction of violence and the promotion of safe environments for migrants, displaced and repatriated persons. Baseline (2017): 0 Target value (2021): 900 (70% women)</li> <li><b>1.3.2:</b> N° of children and youth (migrants, displaced and repatriated persons affected by other situations of violence with access to measures of protection offered by SDC supported projects. Baseline (2017): 0 Target value (2021): 1'400 (52% women)</li> </ul>
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**(4) Areas of assistance (Swiss program):**

- Support processes of sustained, effective and reliable dialogue among private businesses, governments, human rights defenders, and indigenous and Afro-descendant peoples at the regional level.
- Strengthen the inter-American judicial system in the fight against transnational corruption and in the application of human rights, including freedom of expression and the issue of dealing with the past.
- Strengthen regional exchanges and concerted actions among actors of the judicial system e.g. CICIG and MACCIH and the Attorney General of El Salvador in the fight against organized crime.
- Promote a culture of respect for human rights by the State and private businesses in the design and implementation of projects related to the exploitation or concession of natural resources or located in indigenous and Afro-descendant territories.
- Promote access to protect youth and children exposed to violence with flexible education models and measures of protection.
- Support the UN system and other international organizations with a protection mandate with experts of the Humanitarian Aid (secondments).

Implementation instruments and/or modalities: SDC will provide most of its support through contributions to existing initiatives. However SDC will also consider agency contracting through tender when pertinent. Secondments to UN agencies (e.g. UNHCR) and other international institutions with a protection mandate (e.g. CICR).

**(5) Resources, collaboration (Swiss program):**

Human resources: 10% Chief of International Cooperation Honduras and 60% Regional Human Rights and Governance Program Officer. Migration and protection: Deputy Head of International Cooperation/Responsible for Humanitarian Aid and National Programme Officer Nicaragua- Domain 3.  
Financial resources: +/-10% of Central America budget; focus on the Northern Triangle countries with indirect effect on the Central American region. Migration and protection: CHF 1.5 mio. / 2 mio. per year – funds of the Swiss Humanitarian Aid.

Collaborations and partnerships:

- International Commission against Impunity in Guatemala (CICIG) and Mission to Support the Fight against Corruption and Impunity in Honduras (MACCIH).
- Offices of the United Nations High Commissioner for Human Rights in Honduras and in Guatemala (OHCHR).
- Inter-American Commission on Human Rights (IACHR) and Inter-American Court on Human Rights (I/A Court HR).
- Center for Justice and International Law (CEJIL).
- Organization of American States (OAS) and International Labor Organization (ILO).
- UN Working Group on Business and Human Rights; NGOs such as Interpeace; development banks such as IDB, CABI and WB.
- Norwegian Refugee Council (NRC), ICRC, UNHCR, UNICEF, IOM.

Consultation with: Embassies of Switzerland in Guatemala, Costa Rica and Washington; Division of Human Security (DSH) and other Swiss governmental departments.

## Domain 2: Employment and inclusive economic development

### Switzerland promotes the economic inclusion of disadvantaged groups and regions by strengthening value chains and fostering employment and income through inclusive governance processes.

<p><b>Outcome 2.1:</b> Vulnerable groups improve their income and employment and become integrated in sustainable and inclusive economic processes in which economic, social and cultural rights are respected.</p> <p><b>Outcome 2.2:</b> Public and private stakeholders integrate youth into the labour force, enhance their competitive capacity, and promote changes in the framework conditions at the national and territorial levels (policy, regulations and incentives).</p>	<p style="text-align: center;"><b>D2: N I C A R A G U A</b></p>	<p style="text-align: center;"><b>(3) National development outcomes</b></p>
<p><b>(1) Swiss Cooperation portfolio outcomes</b></p> <p><b>Outcome 2.1:</b> Vulnerable groups improve their income and employment and become integrated in sustainable, inclusive processes in which economic, social and cultural rights are respected.</p> <p><b>Indicators:</b></p> <p><b>2.1.1:</b> ARI E1: N° of farm families, members of the cacao value chain (25% women) and family entrepreneurship (50% led by women) increase their incomes by the end of the strategy.</p> <p>Baseline (2017): 1'200 families linked to the cacao chain or family entrepreneurship. Annual cacao-related income: \$350.</p> <p>Target value (2021): 5'000 cacao farmers (an additional 3'800) increase their incomes by at least 10% annually, and 3'500 family entrepreneurship increase their incomes by at least 15%.</p> <p><b>2.1.2:</b> ARI EV: N° of youth with new professional competence and % with access to employment or self-employment.</p> <p>Baseline (2017): 15'000 youth trained</p> <p>Target value (2021): 25'000 additional youth trained, of whom 1'000 have specialized training (50% women); 30% employed and 30% self-employed.</p>	<p><b>(2) Swiss program contribution</b></p> <p><b>Impact hypothesis:</b> SDC strengthens family economy actors (small farmers, SMEs) with an emphasis on women and youth to participate in the dynamics of territorial development through their associations, together with government actors and the private sector. In dialogue with the government, tools are developed (credit mechanisms, good agricultural and business practices, a systemic approach in vocational training) that serve as a reference for national policies, strategies and programs.</p> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Fragile public institutions, with limited technical capacity and efficiency.</li> <li>• Scattered, isolated sub-sector strategies and policies.</li> <li>• Limited space to work with private stakeholders as co-investors or intermediaries.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Government interest in replacing social programs (donations) with more sustainable mechanisms.</li> <li>• National interest in promoting the cacao sector through foreign investment; European market requires certification.</li> <li>• Growing demand for skilled labor in the construction sector.</li> <li>• Technical training high on the agenda of COSEP (Supreme Council of the Private Sector).</li> </ul>	<p><b>Outcome 2.1:</b> Vulnerable sectors improve their in-country employment and income conditions.</p> <p>Source: National Human Development Plan, Target 3.10 Productive sector prioritizing the family, community and cooperative economies.</p> <p><b>Indicator 2.1.1 a:</b> Increase in national cacao exports. Baseline (2017): 3'160 MT Target value (2021): 10'000 MT</p> <p>Source: National Center for Export Processing -CETREX</p> <p><b>Indicator 2.1.1 b:</b> Cacao certification systems implemented. Baseline (2017): 33% of the 2016 exports. Target value (2021): 50% of exported cacao is certified.</p> <p>Source: National cacao strategy (in development).</p> <p><b>Indicator 2.1.2:</b> Increase in employability of youth in training. Baseline (2017): 340'000 youth with vocational training in different sectors (80% services; 15% industry and 5% agriculture). Target value (2021): Annual average of 350'000 youth with vocational training.</p> <p>Source: National Vocational Training Plan 2020; Commitments of Good Governance, 2017-2021.</p>

9. These indicators are provisional and will be revised when the program has been further defined.

<p><b>Outcome 2.2:</b> Public and private stakeholders integrate youth in the labor force, improve their competitive capacity and promote changes in framework conditions at the national and territorial levels (policies, regulations and incentives).</p> <p><b>Indicators:</b></p> <p><b>2.2.1:</b> N° of public-private partnerships favoring small producers and entrepreneurs (preferably in Las Segovias and Las Minas) and within the framework of the cacao value chain and vocational training.</p> <p>Baseline (2017): 1 (construction sector) Target value (2021): 5 (1 in construction, 1 in industry, 2 in cacao, 1 in Las Segovias).</p> <p><b>2.2.2:</b> ARI EV2: N° of instructors (M/F) of vocational training who have been professionalized according to the new curriculum guidelines of the National Center for Teacher Training.</p> <p>Baseline (2017): 0 Target value (2021): 750 (50% women) teachers and instructors from public and private centers.</p>	<p><b>Impact hypothesis:</b> In dialogue with the public and private sectors and guided by market demand, SDC contributes to improve the quality and diversity of the supply of vocational training in order to: a) enhance the employability of youth and b) strengthen the productivity of the local economy based on better qualified personnel in key sectors and value chains. A system of vocational training and oriented to the labor insertion stimulates the local economy and contributes to reduce poverty.</p> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• External political pressures impede access to international loans and reduce public investments.</li> <li>• Weak institutionalism: lack of clear and inclusive strategies, limited access to information.</li> </ul> <p><b>Opportunities:</b></p> <ul style="list-style-type: none"> <li>• Partnership, Dialogue and Consensus Policy lends itself to influencing public policy and sector decisions through the strengthening of private stakeholders in dialogue with the government (cacao sector).</li> <li>• Government openness to addressing private sector demands regarding vocational training.</li> </ul>	<p><b>Outcome 2.2:</b> Public and private stakeholders concretize the alliance model with vulnerable zones and sectors.</p> <p>Source: National Human Development Plan: Target 3.1 Economic growth and macroeconomic stability with increased employment and poverty reduction).</p> <p><b>Indicator 2.1:</b> Improvement of Nicaragua's position in the Doing Business index (emphasizing the category "Starting a Business" for its proximity to the simplification of procedures). Baseline (2017): 127th of 190 countries with emphasis on the "Starting a Business" indicator (current ranking 128/190). Target value (2021): 120th of 190 countries, with emphasis on the "Starting a Business" indicator, current ranking 120/190.</p> <p>Source: Doing Business, World Bank Group.</p> <p><b>Indicator 2.2:</b> Training supply aligned with the requirements of the Nicaraguan productive sectors. Baseline (2017): incipient mechanism. Target value (2021): Mechanism established that aligns technical education with the companies' strategic needs.</p> <p>Source: COSEP Agenda 2020.</p>
<p><b>(4) Areas of assistance (Swiss program):</b></p> <ul style="list-style-type: none"> <li>• Value chains: PDP/PPDC in cacao chain, greater linkage with regional dynamics (markets, knowledge management platforms).</li> <li>• SME: expand market access and the formation of associations among enterprises of vulnerable women and youth. At the regional level, explore options to link SME to the State procurement market.</li> <li>• Vocational training: ensure the continuous improvement of the quality of public and private training to respond to the needs of companies, small businesses, among others and in priority sectors, such as construction and agro-industry. A new program will be prepared in 2018.</li> <li>• Gender equity: partnerships with civil society and the private sector to promote the economic empowerment of women, strengthen the access of women land owners to financing and support the development of childcare services, depending on opportunities.</li> </ul>	<p><b>(5) Resources, collaborations (Swiss program):</b></p> <ul style="list-style-type: none"> <li>• Human resources: 30% of Deputy Head of Cooperation; 190% of National Program Officers; Financial resources: 30% of Nicaragua bilateral budget.</li> <li>• Modalities: contribution to government entities with transfer of funds and close follow-up through technical assistance units, supervisory missions, project regulations (similar to multilateral donor modalities); loan funds as trust funds rather than direct transfers or bonds. PDP to be developed in Phase 2 of cacao with the support of headquarters.</li> <li>• International tendering of a new vocational training project with greater involvement of the private sector.</li> </ul>	<p><b>(6) Management/performance outcomes, including indicators (Swiss program):</b></p> <p>Portfolio management will include:</p> <ul style="list-style-type: none"> <li>• Promotion of a multi-stakeholder approach, particularly during the new phases and intervention, expanded space for partnerships with the private sector.</li> <li>• Baseline formulation with ex ante impact evaluations will make it possible to identify the effects attributable to the programs (with the use of control groups).</li> <li>• Knowledge management: coordination with other domains (insertion of DRR/CCA in chains), and exchange of experiences and joint missions with domain 2 in Honduras.</li> </ul>

D2: HONDURAS		
(1) Swiss Cooperation portfolio outcomes	(2) ) Swiss program contribution	(3) National development outcomes
<p><b>Outcome 2.1:</b> Vulnerable groups improve their income and employment and are integrated in sustainable, inclusive economic processes that respect their economic, social and cultural rights.</p> <p><b>Indicators:</b></p> <p><b>2.1.1:</b> N° of smallholder families (who are) members of value chains (cacao, cashew, shrimp and others to be determined) who increase their annual income by at least 4%<sup>10</sup>.  <u>Baseline (2017):</u> 3'000 families  <u>Target value (2021):</u> 10'000 families (additional 7'000).</p> <p><b>2.1.2:</b> % of value chain stakeholders and companies that implement standards for the respect of economic, social and cultural rights.  <u>Baseline (2017):</u> 30% of stakeholders  <u>Target value (2021):</u> 60% of stakeholders (additional 30%).</p> <p><b>2.1.3:</b> N° of vulnerable women who achieve the minimum wage due to respect for labor rights in the value chains.  <u>Baseline (2017):</u> 500 women  <u>Target value (2021):</u> 3'000 women (additional 2'500).</p> <p><b>2.1.4:</b> N° of smallholder families (30% headed by women) that expand their productive area and possess land titles.  <u>Baseline (2017):</u> 100 families  <u>Target value (2021):</u> 500 families (additional 400).</p>	<p><b>Impact hypothesis:</b> SDC contributes to the government's giving priority to vulnerable groups in the Gulf of Fonseca and La Mosquitia regions. Incentives and mechanisms are created so that public and private stakeholders address the causes of conflicts and territorial fragilities from the angle of territorial socio-economic inclusion. SDC supports the government in strengthening territorial governance and regulating public-private investment. This facilitates changes in the economic model, at least in the territories of the southern zone and La Mosquitia, by making it more transparent and inclusive. SDC strengthens the enforcement of ILO Convention 169.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>• Farmers and small businesses link with large companies to increase value chain productivity and competitiveness.</li> <li>• Government maintains the focus of developing La Mosquitia and Gulf of Fonseca regions and strengthens the capacity of the Ministry of Agriculture and Livestock and the General Directorate of Fisheries.</li> <li>• The Master Plan for Investment and Economic Development Projects signed by Honduras, Nicaragua and El Salvador respects ILO Convention 169 and incorporates territorial socio-economic inclusion.</li> </ul> <p><b>Obstacles and risks:</b></p> <ul style="list-style-type: none"> <li>• The macroeconomic situation declines, which frightens away private investment.</li> <li>• The high level of legal and citizen insecurity limits foreign investment.</li> <li>• Recurrent droughts and tropical storms affect the competitiveness of Honduras.</li> </ul>	<p><b>Ref. SDG 5, SDG 16 and SDG 8</b></p> <p><b>SDG 8 Targets:</b> Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.</p> <p>Target 8.2: Achieve higher levels of economic productivity through diversification, technological upgrading and innovation, including through a focus on high-value added and labor-intensive sectors.</p> <p><b>National Vision 2010-2038:</b></p> <p>National level: A productive Honduras, generating opportunity and dignified employment, which takes advantage of its resources in a sustainable manner and reduces environmental vulnerability.</p> <p>Target 1.2: Reduce the number of households living in poverty by at least 6%.</p> <p>Territorial level: Regional Development Plan for the Gulf of Fonseca. Pillar III Sustainable Economic Development and Social Infrastructure.</p> <p>Target: N° of families that increase their annual income by at least 4%, according to the territorial baseline.</p> <p><b>Development Alliance for La Mosquitia:</b></p> <p>Goal 3: Promote inclusive economic development to create jobs and income and to reduce poverty.</p> <p>Target: N° of families that increase their annual income by at least 4%, according to the territorial baseline.</p>

10. This indicator is directly related to ARI E1: and persons (MF) who have increased their income from agriculture: crops and livestock. For the ARI calculation, we consider that for each farm family, at least one person has increased income.

<p><b>Outcome 2.2:</b> Public and private stakeholders integrate youth in the labour force, improve their competitive capacity and promote changes in framework conditions at the national and territorial levels (policies, regulations and incentives).</p> <p><b>Indicators:</b></p> <p><b>2.2.1:</b> N° of youth (at least 30% women) employed or self-employed and inserted in economic processes.  <u>Baseline (2017):</u> 1'500 youth  <u>Target value (2021):</u> 10'000 youth (8'500 additional).</p> <p><b>2.2.2:</b> % of key positions in the decision-making structures of the businesses (cooperatives) that are held by women.  <u>Baseline (2017):</u> 10% of key positions held by women.  <u>Target value (2021):</u> 35% of key positions held by women.</p> <p><b>2.2.3:</b> N° of value chain stakeholders who undertake their role and are strengthened in the prevention of corruption and tax evasion<sup>11</sup>.  <u>Baseline (2017):</u> 10 chain stakeholders  <u>Target value (2021):</u> 40 chain stakeholders (30 additional).</p>	<p><b>Impact hypothesis:</b> SDC helps the government and territorial public and private stakeholders seek joint solutions that are adapted to the reality of farm families and address the causes of conflicts such as lack of access to land or water, gender- or ethnic-based exclusion, lack of governance, and lack of technical financial services. This contributes to Honduras generating more decent jobs that respect international standards and help mitigate the causes of migration.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>• The government gives priority to large investments in the southern zone and La Mosquitia without regard for indigenous institutions or ILO Convention 169.</li> <li>• Honduras continues with the worst index for business-friendly regulations in Central America.</li> <li>• The government continues imposing a tax burden that limits the growth of small and medium businesses.</li> </ul> <p><b>Obstacles and risks:</b></p> <ul style="list-style-type: none"> <li>• The government gives priority to large investments in the southern zone and La Mosquitia without regard for indigenous institutions or ILO Convention 169.</li> <li>• Honduras continues with the worst index for business-friendly regulations in Central America.</li> <li>• The government continues imposing a tax burden that limits the growth of small and medium businesses.</li> </ul>	<p><b>Ref. SDG 5 (targets), SDG 16 and SDG 8</b></p> <p><b>SDG 8 Targets:</b></p> <p>Target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value.</p> <p>Target 8.6 By 2020, reduce to 5% the proportion of youth not in employment, education or training.</p> <p><b>National Vision 2010-2038:</b></p> <p>National level: Goal 3: A productive Honduras that generates opportunities and decent jobs, uses its resources sustainably, and reduces environmental vulnerability.</p> <p>Target 3.1: Reduce the open unemployment rate to 2% and the invisible underemployment rate to 5% of the employed population.</p> <p>Target 4.1: Raise the Global Competitiveness Index ranking of Honduras to 80.</p> <p>Territorial level: Regional Development Plan for the Gulf of Fonseca. (Pillar III: Sustainable Economic Development and Social Infrastructure).</p> <p>Targets: 10% improvement in the territorial competitiveness index in the Gulf of Fonseca region.</p> <p><b>Development Alliance for La Mosquitia:</b></p> <p>Target 3: Promote inclusive economic development to create jobs and income and to reduce poverty.</p> <p>Targets: 10% improvement in the territorial competitiveness index in La Mosquitia region.</p>
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11. This indicator is related to ARI G03: Governmental institutions and civil society organizations with strengthened capacity to prevent corruption, money laundering and tax evasion. The data collected will be used to inform ARI and annually report the ARI.

**(4) Areas of assistance (Swiss program):**

This domain works in coordination with the other domains, particularly in territorial governance in the Gulf of Fonseca and La Mosquitia. The lines of work are:

- Support value chain committees to deepen the psycho-social approach (PSA) and increase productivity, competitiveness and the labor insertion of youth at risk of social exclusion and that of returned emigrants.
- Strengthen shared governance in the cacao, fishing, cashew and shrimp value chains and other productive chains as a key element in the path "out of fragility."
- Increase productivity and competitiveness in the cacao, fishery, cashew, shrimp and other agricultural product value chains.
- Regulate public-private investment at the territorial level in the Gulf of Fonseca and La Mosquitia regions.
- Support the improvement of the business climate in the southern area and La Mosquitia and boost public-private partnerships under the win-win model and within the context of ILO Convention 169.
- Promote labor insertion, self-employment and income generation for youth at risk of social exclusion giving priority to the value chains.
- Strengthen the role of academia and promote territorial baselines as a reference for the agreed-upon investment.
- Facilitate the incorporation of DRR and CCA in the value chains.

Implementation instruments and modalities: International tender/agency contract processes combined with contribution to local, national and international institutions that are aligned with sector, regional or national strategies or plans. Contributions to civil society organizations and public-private platforms.

**(5) Resources, collaborations (Swiss program):**

Human resources: 140% National Program Officers; Financial resources: 35-40% of the bilateral Honduras budget with at least 70% of the investment in prioritized territories.

Partners:

- Rule-setting organizations for the value chains: Vocational Training Institute (INFOP), Ministry of Agriculture and Ranching (SAG), Division of Science and Technology (DICTA), General Division of Fisheries (DIGEPESCA), Ministry of Economic Development (SDE).
- Support organizations for the value chains: National Agricultural University (UNA), FHIA, FUNDER, APROCACAHU, local NGOs, SINATEC, Escuela Agrícola Panamericana.
- Territorial councils of Tawahka, Bakiasta, Bamiasta, Batiasta, Katinasta, MASTA, Tawahka Federation.
- Cacao, fishery, cashew and shrimp production groups and value chain committees.
- Local governments in the lower basin of the Patuca River in La Mosquitia and Choluteca.

**(6) Management/performance outcomes, including indicators (Swiss program):** SDC maintains its commitment to "cooperation effectiveness". It supports and drives G-16 and international community initiatives for "state building and peace building." In addition, SDC systematically applies the CSPM approach and implements exchange-learning with the partners, emphasizing themes such as psychosocial aspects, gender, social inclusion, governance, and security, and outcome monitoring. In addition to the previously-mentioned outcome indicators, this Strategy also contains output indicators that will be reported annually. These indicators refer to activities that cover various domains.

### Domain 3: Climate Change, DRR and natural resources

Vulnerable population increases its resilience to climate change and disasters while strengthening governance in the sustainable and equitable management of natural resources.		
<b>Outcome 3.1:</b> Vulnerable and excluded populations, particularly women and youth, adopt sustainable practices of water, soil and forest management in selected territories.		
<b>Outcome 3.2:</b> Public, social and private stakeholders reduce disaster risks and manage natural resources and resource-related conflicts through the strengthening of territorial governance and capacity building.		
<b>D3: N I C A R A G U A</b>		
<b>(1) Swiss Cooperation portfolio outcomes</b>	<b>(2) Swiss program contribution</b>	<b>(3) National humanitarian / development outcomes</b>
<p><b>Outcome 3.1:</b> Vulnerable and excluded populations, particularly women and youth, adopt sustainable practices of water, soil and forest management in selected territories.</p> <p><b>Indicators:</b></p> <p><b>3.1.1:</b> ARI FS4: N° of farmers who consistently use climate change adaptation technologies and increase their annual on-farm production volumes. Baseline (2017): 8'000 farmers (2'160 women) Target value (2021): At least 10'000 additional farmers, of whom 30% are women.</p> <p><b>3.1.2:</b> N° of hectares with forestry management (eco-forestry, silvo-pastoral, agro-forestry) and soil conservation. Baseline (2017): 30,000 ha Target value (2021): Additional 11,000 ha</p> <p><b>3.1.3:</b> ARI HA5: N° of persons benefited by locally implemented CCA/DRR measures. Baseline (2017): 19'000 persons Target value (2021): 30'000 persons</p>	<p><b>Impact hypothesis:</b> Switzerland promotes public policies for disaster risk management and climate change and contributes to the population becoming increasingly aware, knowledgeable and skilled. This leads our target group to: introduce behaviour changes in the family, social environmental and production settings; incorporate new CCA technologies and practices; increase its resilience; and reduce the negative CC impacts.</p> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>National NGOs and civil society have few resources, reduced capacity, and no common agenda.</li> <li>Centralized decision-making weakens government institutions; partners have insufficient budgets and difficulties for efficient execution.</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>National and sector strategies establish clear targets and update them regularly.</li> <li>Active participation of the public and private sectors.</li> </ul>	<p><b>Outcome 3.1.a:</b> Increase agricultural production through the development of good production practices, fair financing, and quality technical assistance. Source: National Human Development Plan 2012-2016.</p> <p><b>Indicators:</b></p> <p>Farmers receiving technical assistance and the transfer of agricultural technologies. Source: Commitments for good governance 2017-2021 Baseline (2016): 94'666 Target value (2021): Additional 56'947</p> <p><b>Outcome 3.1.b:</b> Increase the impact areas of the national reforestation campaign with community and student participation. Source: National Human Development Plan 2012-2016. N° of hectares reforested in the frame of the national reforestation campaign. Source: Commitments for good governance 2017-2021. Baseline (2016): 161'177 ha Target value (2021): Additional 116'038 ha</p> <p>N° of families with guaranteed support in disaster situations. Baseline (2017): average of 5'000 families per year (without major disasters). Target value (2021): 20'000 families</p>

<p><b>Outcome 3.2:</b> Public, social and private stakeholders reduce disaster risks and manage natural resources and resource-related conflicts through the strengthening of territorial governance and capacity building.</p> <p><b>Indicators:</b></p> <p><b>3.2.1:</b> N° of micro-watersheds in which public and private stakeholders participate in resolving problems or conflicts related to natural resource use and CC. Baseline (2017): 0 Target value (2021): 30</p> <p><b>3.2.2:</b> N° of youth (male/female) and girls/boys in rural and peri-urban areas participating in environmental protection, disaster risk reduction and climate change adaptation initiatives. Baseline (2017): 32'500 Target value (2021): 30'000 additional</p> <p><b>3.2.3:</b> % of public investment (PI) projects that integrate DRR/CCA analysis and measures. Baseline (2017): 15% of all PI projects Target value (2021): 50%</p> <p><b>3.2.4:</b> ARI CC2: N° of locally-based strategies and plans that promote sustainable management of natural resources (water, forests, soil). Baseline (2017): 0 Target value (2021): 2 watershed management plans on municipal and 38 on communal level.</p>	<p><b>Impact hypothesis:</b> The dialogue platforms, methodologies, instruments and good practices promoted by Switzerland strengthen effective natural resource management and reduce disaster risks and environmental conflicts.</p> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Limited capacity for efficient resource management and high degree of dispersion impede the formulation of a joint strategic vision.</li> <li>The revocation of the forestry ban could diminish the effectiveness of the watershed management measures.</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Government strengthens inclusion policy of diverse stakeholders.</li> <li>Civil society and private sector stakeholders interested in participating in government-promoted platforms.</li> <li>The government carries out reforestation, natural regeneration and fire control efforts.</li> </ul>	<p><b>Outcome 3.2:</b> Build capacity to environmental protection, disaster prevention and the promotion of values. Source: National Human Development Plan 2012-2016.</p> <p><b>Indicators:</b></p> <p>Watersheds with watershed committees established or with organizational structures (to be confirmed in the National Plan for Water Resources, August 2017). Baseline (2017): To be determined. Target value (2021): To be determined.</p> <p>N° of participants in the national reforestation campaign. Source: Commitments for good governance 2017-2021. Baseline (2016): 2'966'905 Target value (2021): 2'000'000 additional</p> <p>Protection and recovery of water sources. Source: Commitments of Good Governance 2017-2021. Baseline (2016): 363 Target value (2021): 538</p>
<p><b>Outcome 3.2:</b> Public, social and private stakeholders reduce disaster risks and manage natural resources and resource-related conflicts through the strengthening of territorial governance and capacity building.</p> <p><b>Indicators:</b></p> <p><b>3.2.1:</b> N° of micro-watersheds in which public and private stakeholders participate in resolving problems or conflicts related to natural resource use and CC. Baseline (2017): 0 Target value (2021): 30</p> <p><b>3.2.2:</b> N° of youth (male/female) and girls/boys in rural and peri-urban areas participating in environmental protection, disaster risk reduction and climate change adaptation initiatives. Baseline (2017): 32'500 Target value (2021): 30'000 additional</p> <p><b>3.2.3:</b> % of public investment (PI) projects that integrate DRR/CCA analysis and measures. Baseline (2017): 15% of all PI projects Target value (2021): 50%</p> <p><b>3.2.4:</b> ARI CC2: N° of locally-based strategies and plans that promote sustainable management of natural resources (water, forests, soil). Baseline (2017): 0 Target value (2021): 2 watershed management plans on municipal and 38 on communal level.</p>	<p><b>Impact hypothesis:</b> The dialogue platforms, methodologies, instruments and good practices promoted by Switzerland strengthen effective natural resource management and reduce disaster risks and environmental conflicts.</p> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>Limited capacity for efficient resource management and high degree of dispersion impede the formulation of a joint strategic vision.</li> <li>The revocation of the forestry ban could diminish the effectiveness of the watershed management measures.</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>Government strengthens inclusion policy of diverse stakeholders.</li> <li>Civil society and private sector stakeholders interested in participating in government-promoted platforms.</li> <li>The government carries out reforestation, natural regeneration and fire control efforts.</li> </ul>	<p><b>Outcome 3.2:</b> Build capacity to environmental protection, disaster prevention and the promotion of values. Source: National Human Development Plan 2012-2016.</p> <p><b>Indicators:</b></p> <p>Watersheds with watershed committees established or with organizational structures (to be confirmed in the National Plan for Water Resources, August 2017). Baseline (2017): To be determined. Target value (2021): To be determined.</p> <p>N° of participants in the national reforestation campaign. Source: Commitments for good governance 2017-2021. Baseline (2016): 2'966'905 Target value (2021): 2'000'000 additional</p> <p>Protection and recovery of water sources. Source: Commitments of Good Governance 2017-2021. Baseline (2016): 363 Target value (2021): 538</p>
<p><b>(4) Areas of assistance (Swiss program):</b></p> <ul style="list-style-type: none"> <li>Dissemination of CCA/DRR technologies and good practices in the agricultural and livestock sector.</li> <li>Strengthen capacity for DRR/CCA integration in public investment processes.</li> <li>Build capacity among selected universities to mainstream DRR/CCA in key fields of study and fostering the linkage with specialized centers, such as INETER or ETHZ.</li> <li>Water resource management focusing upon water governance and watershed protection. Strengthening of watershed and drinking water committees to strengthen the resilience and sustainability of water and sanitation investments.</li> <li>Mainstream a gender perspective and assertive gender actions in the programs. Baselines and impact assessments incorporate the discrete perceptions of men and women and other vulnerable groups.</li> </ul>		
<p><b>(5) Resources, collaborations (Swiss program):</b></p> <ul style="list-style-type: none"> <li>Human resources: 100% Assistant Head of Cooperation; 210% National Program Officers; Financial resources: 35% of bilateral Nicaraguan budget.</li> </ul>		
<p><b>(6) Management/performance outcomes, including indicators (Swiss program):</b> Challenge: Integrate water and sanitation elements in watershed management and other water-centred projects.</p>		



D3: HONDURAS		
(1) Swiss cooperation portfolio outcomes	(2) Swiss program contribution	(3) National Humanitarian / development outcomes
<p><b>Outcome 3.1:</b> Vulnerable and excluded populations, particularly women and youth, adopt sustainable practices of water, soil and forest management in selected territories.</p> <p><b>Indicators:</b></p> <p><b>3.1.1:</b> Nº of vulnerable families that participate in the management of sustainable practices and protective works for natural resource protection, CCA and DRR respecting ILO Convention 169 in the Gulf of Fonseca and La Mosquitia regions. Baseline (2017): 5'000 families Target value (2021): 10'000 families (an additional 5'000).</p> <p><b>3.1.2:</b> % of value chain stakeholders and five watershed councils that incorporate DRR/CCA and implement environmental standards. Baseline (2017): 10% Target value (2021): 50%</p> <p><b>3.1.3:</b> % of increase in families and communities holding land titles, desegregated by gender. Baseline (2017): 0% Target value (2021): 20%</p> <p><b>3.1.4:</b> % of local level public and private investment projects (municipal, private businesses, and others) that integrate DRR/CCA analysis and measures. Baseline (2017): 10% Target value (2021): 50%</p>	<p><b>Impact hypothesis:</b> SDC supports rural and semi urban families and private companies in the use of technologies and works that improve both their standards of living and the sustainable use of natural resources. SDC facilitates the incorporation of DRR and CCA in the value chains.</p> <p>Switzerland contributes to the strengthening and enforcement of the legal frameworks (including ILO Convention 169) in water, forests and soil favoring vulnerable groups.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>• CC, DRR, water and forests are current topics and have specific national and sector policies. Droughts, floods and other threats raise the awareness and participation levels of the populace.</li> <li>• The water issue is relevant for the general population and productive sectors, including private enterprise, which promotes a territorial water governance perspective enforcing the regulations for watershed bodies.</li> <li>• The platform for shared governance in La Mosquitia and the development pact for the Gulf of Fonseca are implemented effectively.</li> </ul> <p><b>Obstacles and risks:</b></p> <ul style="list-style-type: none"> <li>• Central and local governments with inadequate budgets and limited absorption capacity.</li> <li>• Institutions that are inefficient and/or dependent upon external resources weaken sustainability.</li> <li>• Paternalistic or clientelism-based policies limit participatory spaces.</li> </ul>	<p><b>Sustainable Development Goals SDG: 5, 6, 13, 15 and 16</b> (regarding water, ecosystems, climate change).</p> <p><b>National Vision 2010-2038:</b> <u>Goal 3:</u> A productive Honduras that generates opportunities and decent jobs, uses its resources sustainably, and reduces environmental vulnerability.</p> <p><u>Target 3.4:</u> Attain 400'000 hectares of agricultural land with irrigation systems meeting 100% of food security.</p> <p><u>Target 3.5:</u> Raise the water usage rate from 5% to 25%.</p> <p><u>Target 3.6:</u> 1.5 million hectares of land with forest vocation in process of ecological restoration.</p> <p>Territorial level: Development Plan for Region 13, Gulf of Fonseca</p> <p>Strategic Goal: Improve the living conditions of the families and inhabitants of Region 13, by strengthening the conditions and services of the public assistance infrastructure (health and education) and reducing the vulnerability and poverty conditions in the region.</p>

<p><b>Outcome 3.2:</b> Public, social and private stakeholders reduce disaster risks and manage natural resources and resource-related conflicts through the strengthening of territorial governance and capacity building.</p> <p><b>Indicators:</b></p> <p><b>3.2.1:</b> Nº of territorial dialogue<sup>12</sup> institutions functioning as spaces for diverse stakeholders to reach concerted agreements regarding access to and use of natural resources, climate change and risk management in the Gulf of Fonseca and La Mosquitia. Baseline (2017): 1 Target value (2021): 5 (4 additional)</p> <p><b>3.2.2:</b> % of key positions in the territorial councils and watershed bodies occupied by women. Baseline (2017): 5% Target value (2021): 35% (an additional 30%)</p> <p><b>3.2.3:</b> Nº of conflicts related to natural resources access and use, resolved through consensus building with indigenous and rural communities in La Mosquitia and Gulf of Fonseca regions. Baseline (2017): 0 Target value (2021): 6</p> <p><b>3.2.4:</b> Nº of companies that implement environmental protection standards and sustainable natural resource (water, forest and soil) management in the two territories. Baseline (2017): 5 Target value (2021): 30 (an additional 25)</p>	<p><b>Impact hypothesis:</b> SDC facilitates the coordination and application of legal frameworks/international agreements through the watershed councils, which are spaces for convergence among community, private, donor, and public sectors to address the main causes of environmental vulnerability and conflicts in compliance with ILO Convention 169.</p> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>• The political will exists to harmonize the legal framework and consolidate institutions for natural resource management with a decentralization approach.</li> <li>• Other development actors, i.e. USAID, EU, Japan, Spain, WB, IDB, support the government in initiatives that are complementary or similar to those of SDC.</li> <li>• Honduras has access to the green funds.</li> <li>• ILO Convention 169 respect for the rights of indigenous peoples and the prior, free and informed consent are applied.</li> </ul> <p><b>Obstacles and risks:</b></p> <ul style="list-style-type: none"> <li>• Government institutions are politicized and have limited coordination with NGOs and other donors.</li> <li>• National and sector strategies for natural resource access and sustainable management are not implemented.</li> </ul>	<p><b>Sustainable Development Goals SDG: 5, 6, 15, and 16</b> (regarding water, ecosystems, climate change).</p> <p><b>Water, Forest and Soil Master Plan of Honduras, 2017-2030.</b></p> <p>Strategic Actions :</p> <p>National level: A1.1.1: Strengthening of the watershed councils, municipal APS councils, water boards and other local bodies related to forest, soil and water management.</p> <p>A.1.1.2: Social participation in integrated natural resource planning and management.</p> <p>A.1.1.4: Risk management and climate change (Disaster inventory and vulnerability assessment).</p> <p>Territorial level: Development Plan for Region 13, Gulf of Fonseca: Strategic Goal VI: Promote actions for the effective protection of the region's environment and natural resources to ensure their sustainable, equitable and responsible development. Climate change vulnerability reduction will be promoted to protect existing resources.</p>
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12. The territorial dialogue is a governance instrument designed to enhance citizen participation in the formulation of territorial development policies. This dialogue focuses on the local and regional levels.

<p><b>(4) Areas of assistance (Swiss program):</b> This domain works in coordination with the other two domains, particularly in the territorial governance in the Gulf of Fonseca and Mosquitia. The lines of work are:</p> <ul style="list-style-type: none"> <li>• Contribute to political advocacy that facilitates and opens a harmonized, inclusive legal framework for governance of natural resources, emphasizing the Water Act.</li> <li>• Promote the integration of the private sector and its decisive role in the processes of territorial dialogue and agreement under norms and rules.</li> <li>• Strengthen shared governance and reduce conflicts related to natural resources; promoting participation and empowerment of the population.</li> <li>• Promote the innovation and dissemination of technologies and works for climate change adaptation and disaster risk reduction. Integrate DRR-CC and natural resources management in the territorial water governance approach in prioritized basins.</li> <li>• Strengthen capacity and knowledge management to integrate DRR and CCA in public and private investment at national and territorial level.</li> </ul> <p>Implementation, instruments and modalities: International tender/ mandate combined with contributions to local, national and international institutions aligned with the sector, regional and national strategies and plans. Contributions to civil society organizations and public-private platforms.</p>
<p><b>(5) Resources, collaborations (Swiss program):</b> Human resources: 120% National Program Officers; Financial resources: +/25-30% of bilateral Honduras budget with at least 80% of the investment in the two prioritized territories.</p> <p>Partners:</p> <ul style="list-style-type: none"> <li>• MiAmbiente; COPECO; ICF; SAG, SINAGER; Divisions of Water Resources and Climate Change, Ministry of Education; Presidential Commission on Climate Change; SEN and others related to environmental issues.</li> <li>• Local governments, groupings of municipalities and AMHON.</li> <li>• Watershed bodies and territorial councils in La Mosquitia, regional councils, business chambers and productive chains.</li> <li>• Universities, farmer associations and/or community structures, NGOs and international cooperation.</li> </ul>
<p><b>(6) Management/performance outcomes, including indicators (Swiss program):</b> SDC maintains its commitment to "cooperation effectiveness". It supports and drives G-16 and international community initiatives for "state building and peace building". In addition, SDC systematically applies the CSPM approach and implements exchange-learning with partners, emphasizing themes such as psycho-social aspects, gender, social inclusion, governance, security, and outcome monitoring. In addition to the previously-mentioned outcome indicators, this strategy also contains output indicators that will be reported annually. These indicators refer to activities from various domains.</p>

D3: REGIONAL		
(1) Swiss cooperation portfolio outcomes	(2) Swiss program contribution	(3) National humanitarian / development outcomes
<p><b>Outcome R3.1:</b> Public, private and civil society stakeholders, particularly in the Gulf of Fonseca, have developed the capacity to sustainably manage water resources, to reduce water-related conflicts and to participate in the decision-making required to adapt economic activities to climate change.</p> <p><b>Indicators:</b> To be determined when the project is in a more advanced planning stage.</p> <p><b>Outcome R3.2:</b> Regional bodies and their national counterparts have strengthened capacity to save lives and reduce disaster-related economic loss and damage.</p> <p><b>Indicators:</b></p> <p>3.2.1: ARI-HAG: N° of persons in the region who have developed CCA/DRR capacities. Baseline (2017): 28'000 Target value (2021): 39'000</p> <p>3.2.2: N° of decision-making bodies that receive the earthquake warning and communicate it to their populace. Baseline (2017): 0 Target value (2021): 3</p>	<p><b>Impact hypothesis:</b> The knowledge management, capacity building and policy dialogue promoted by Switzerland in the region will contribute to: the integration of DRR/CCA in joint (binational and trinational) plans, the allocation of financial resources, improved natural resource management, and reduced damage from the impact of climate change in disasters.</p> <p><b>Risks:</b></p> <ul style="list-style-type: none"> <li>• Delays in the implementation of the master plan for the development of the Gulf of Fonseca.</li> <li>• Specific interests of the countries that impede coordinated work in the region.</li> <li>• An increase in conflicts related to access to and use of natural resources.</li> </ul> <p><b>Assumptions:</b></p> <ul style="list-style-type: none"> <li>• Nicaragua, Honduras and El Salvador work in coordination to develop the Gulf of Fonseca.</li> <li>• CCA and DRR issues continue to be relevant to the research and teaching agendas of the region.</li> <li>• The specialized university programs in DRR and CCA have adequate quality and depth.</li> </ul>	<p><b>Outcome 3.1:</b> The capacity of the Central American region to confront the challenges of climate change and variability has improved. Source: Regional Strategic Environmental Framework 2015-2020.</p> <p><b>Indicators:</b> To be determined</p> <p><b>Outcome 3.2:</b> The regional, national and local systems for joint disaster response have been enhanced and updated. Source: Regional DRR Plan 2014-2018.</p> <p><b>Indicator:</b> N° of training and exchange-of-experience activities to strengthen national disaster response teams (PDRR). Baseline (2017): 10 Target value (2021): 10 additional</p>
<p><b>(4) Areas of assistance (Swiss program):</b></p> <ul style="list-style-type: none"> <li>• Water resource management, ecosystem conservation and ecosystem services.</li> <li>• Consolidating capacity of the regional system for disaster prevention.</li> <li>• Mainstreaming DRR/CCA in selected academic fields and selected public universities.</li> <li>• Knowledge management</li> <li>• Consolidation of local emergency teams and GIAR.</li> </ul> <p>Mainstreaming of a gender focus in all the lines of work and assertive gender actions in the programs. Baselines and impact assessments incorporate the discrete perceptions of men and women and other vulnerable groups.</p>	<p><b>(5) Resources, collaborations (Swiss program):</b> Human resources: 35% Head of Regional Cooperation; 170% National Program Officers; Financial resources: CHF 1.6 - 3.4 mio/year for 2018-2021 (South Cooperation and Swiss Humanitarian Aid funds).</p>	<p><b>(6) Management/performance outcomes, including indicators (Swiss program):</b> Challenge: Complementarity and synergies with national projects.</p>

## Annex V: Financial planning

Includes projects funded by South Cooperation Department as well as Swiss Humanitarian Aid. Please note that the financial planning is indicative and subjected to strategic decisions and annual budgets.

Domains of intervention	Total CHF ('000)	Geographical focus			%
		Honduras bilateral projects	Nicaragua bilateral projects	Regional projects	
Domain 1 – Governance and Rule of Law	54'015	17'300	21'950	14'765 <sup>13</sup>	31.9%
Domain 2 – Employment and inclusive economic development	47'639	27'531	18'448	1'660	28.2%
Domain 3 – Climate change, DRR and natural resources	61'702	16'373	28'132	17'197	36.5%
Other interventions (Small projects)	5'754	3'468	2'286		3.4%
<b>TOTAL in '000 CHF</b>	<b>169'110</b>	<b>64'672</b>	<b>70'816</b>	<b>33'622</b>	
<b>TOTAL in %</b>		<b>38%</b>	<b>42%</b>	<b>20%</b>	<b>100.0%</b>

Funding source	Total CHF ('000)	%
South Cooperation Department	149'110	88.2%
Swiss Humanitarian Aid	20'000	11.8%
<b>TOTAL</b>	<b>169'110</b>	<b>100.0%</b>

## Annex VI: List of abbreviations

Aguasan	Water and Sanitation Program (SDC)
ARI	Aggregated Reference Indicators
CABEI / BCIE	Central American Bank of Economic Integration
CC	Climate change
CCA/ACC	Climate Change Adaptation
CCAD	Central American Commission of the Environment and Development
CEJIL	Center for Justice and International Law
CEPRENAC	Coordination Center for the Prevention of Natural Disasters in Central America
CICIG	International Commission against Impunity in Guatemala
COPECO	Permanent Commission of Contingencies, Honduras
CSO	Civil Society Organizations
DAC-OECD	Development Assistance Committee – Organisation for Economic Co-operation and Development
DLGN	Decentralization and Local Governance Network
DRR	Disaster Risk Reduction
ECSR	Economic, Cultural and Social Rights
EU	European Union
FDHAS	Strengthening of Civil-Political-Economic Rights and Social Audit, Honduras
FIDEG	International Foundation for the Global Economic Challenge, Nicaragua
FPICC	Free, Prior and Informed Consent and Consultation
FUNIDES	Nicaraguan Foundation for Economic and Social Development
G-16	Group of 16 donor countries and organizations, Honduras
HR	Human Rights
I/A Court HR	Inter-American Court of Human Rights
IACHR/CIDH	Inter-American Commission on Human Rights
IAIP	Institute of Access to Public Information, Honduras
ICF	Institute of Forest Conservation, Honduras
IDB/BID	Inter-American Development Bank
IEEPP	Institute of Strategic Studies and Public Policy, Nicaragua
ILO	International Labor Organization
INE	National Institute of Statistics, Honduras
IUDPAS	University Institute for Democracy, Peace and Security, Honduras
JICA	Japan International Cooperation Agency
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersexual Persons

13. Regional projects include the amount of 5.7 mio.CHF for projects directly financed by the headquarters of Swiss Humanitarian Aid.

MACCIH	Mission to Support the Fight against Corruption and Impunity in Honduras
MiAmbiente	Secretariat of Energy, Natural Resources, the Environment and Mines, Honduras
MINREX	Ministry of Foreign Relations, Nicaragua
NGOs	Non-Governmental Organizations
NRC	Norwegian Refugee Council
OAS	Organization of American States
OHCHR-HN	Office of the United Nations High Commissioner for HR in Honduras
OMS	Outcome Monitoring System
PABS	Water, Forest and Soil Master Plan, Honduras
PAP	Alliance for Prosperity Plan of the Northern Triangle
PGCC	Community-based Watershed Management Program – Goascoran, Honduras
PGHTGF	Territorial Water Governance Program–Gulf of Fonseca, Honduras
PGLIM	Local Governance and Municipal Investment Project
PNDH	National Human Development Plan
PPDP	Public Private Development Partnership
PRAC	Regional Program for Central America
PROCACAO	Regional Support Program for the Cacao Value Chain
PROJOVEN	Professional Training Program for Youth at Risk of Exclusion; Honduras
RRNN	Natural Resources
SAG	Secretariat (Ministry) of Agriculture and Livestock, Honduras
SDE	Secretariat (Ministry) of Economic Development, Honduras
SE-CAC	Executive Secretariat of the Central American Agriculture and Livestock Council
SEPOL	On-line Police Statistical System, Honduras
SICA	Central American Integration System
SIDH	Inter-American System for the Protection of Human Rights
SURCOMPITE	Project for the Regional Development of the Gulf of Fonseca, Honduras
TAU	Technical Assistance Unit
TRI	Thematic Reference Indicators
TSC	High Court of Auditors, Honduras
TSE	Supreme Electoral Tribunal, Honduras
UN	United Nations
UNDP	United Nations Development Programme
UPR	Universal Periodic Review of Human Rights
USA	United States of America
USAID	United States Agency for International Development



Third plenary session of the governance platform in the Honduran Mosquitia: dialogue and consensus building between partners of the State, private enterprise and civil society are crucial for inclusive and transparent governance - a model successfully promoted by the Swiss Agency for Development and Cooperation.

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