



Comprehensive Development Plan
for El Salvador, Guatemala, Honduras
and south-southeast Mexico



United Nations

Volume 1

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and south-southeast Mexico

Volume 1



United Nations

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Foreword

The main purpose of this document is to address the structural causes of northward migration from the countries of northern Central America (El Salvador, Guatemala and Honduras) and south-southeast Mexico. This process is associated with factors such as poverty, inequality, unemployment and the impact of natural disasters. The scale and severity of the situation have only increased with the coronavirus disease (COVID-19) pandemic.

It is therefore urgent to implement concrete strategies, policies and projects to make migration an option, not a necessity imposed by deprivation.

This means undertaking specific actions aimed at achieving economic growth with employment and attaining greater well-being, with a comprehensive vision and in the framework of a new development pattern.

On 1 December 2018, on the occasion of the inauguration of President Manuel López Obrador of Mexico, the Presidents of El Salvador, Guatemala, Honduras and Mexico signed a declaration in which they laid the foundations of understanding for a new relationship between the four countries through a Comprehensive Development Plan. The four signatory countries expressed their willingness to deepen cooperation on development and migration to make human mobility a choice rather than an obligation, and requested technical support from the Economic Commission for Latin America and the Caribbean (ECLAC) in the design and implementation of the initiative.

Although this approach was already relevant at the end of 2018, now, in the light of the difficult lessons learned from the COVID-19 pandemic, it is even more valid and more urgent.

In accordance with this mandate, ECLAC prepared a comprehensive proposal with guidelines for action based on local, national and subregional realities. The aim of the Comprehensive Development Plan is to contribute to ensuring that migration

in these countries is safe, orderly and regular and, at the same time, to tackle its structural causes in order to enhance people's well-being and ensure that human mobility is a free choice.¹

On 20 May 2019, ECLAC submitted a Comprehensive Development Plan proposal centred on three components: analysis of the economic, social and environmental situation; identification of areas of opportunity; and formulation of policy recommendations. These recommendations were grouped under four pillars: (i) economic development; (ii) social well-being; (iii) environmental sustainability, climate change and adaptation, and disaster risk reduction; and (iv) comprehensive management of the migration cycle. The first phase of this initiative was implemented in constant consultation with the national authorities and with contributions from a number of institutions, in particular funds, programmes and specialized agencies of the United Nations system (see the following diagram).

Diagram

Funds, programmes and specialized agencies of the United Nations system that contributed to the Comprehensive Development Plan for El Salvador, Guatemala, Honduras and south-southeast Mexico



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

¹ The objectives of the Comprehensive Development Plan are compatible with those of the Global Compact for Safe, Orderly and Regular Migration: to mitigate the adverse and structural factors that hinder people from building and maintaining sustainable livelihoods in their countries of origin; to reduce the risks and vulnerabilities migrants face at different stages of migration by respecting, protecting and fulfilling their human rights and providing them with care and assistance; to address the legitimate concerns of transit and destination States and communities; to create conducive conditions that enable all migrants to enrich societies; and to facilitate their contributions to sustainable development at local, national, regional and global levels. See United Nations, *Global Compact for Safe, Orderly and Regular Migration* (A/RES/73/195), 2019 [online] <https://undocs.org/en/A/RES/73/195>.

On 12 September 2019, the Secretary-General of the United Nations established a special coordination mechanism, chaired by the Executive Secretary of ECLAC, to facilitate effective and integrated support by the funds, programmes and specialized agencies of the United Nations system to the Governments of the four countries.

This document forms part of that mandate and seeks to streamline the process and to prepare an implementation agenda based on proposals stemming from the countries' needs and the experience of different regional and international institutions, in accordance with international human rights laws, with a view to influencing the implementation of the Sustainable Development Goals (SDGs) and the Global Compact for Safe, Orderly and Regular Migration. The jointly prepared set of proposals is at the heart of this initiative, providing the impetus and realism that the Plan requires.

This document incorporates the contributions to the Comprehensive Development Plan on which the United Nations system is working or that it proposes to take forward. There are both individual actions and actions coordinated between two or more funds, programmes or specialized agencies. Individual actions include: (i) those that are currently being implemented and are related to Comprehensive Development Plan proposals; (ii) actions and programmes that will come into operation in the 2020–2021 period, have financing and possess significant synergies with Comprehensive Development Plan objectives; and (iii) new projects to be incorporated into the set of proposals as they come on stream. In the case of coordinated actions, funds, programmes and specialized agencies at the regional level will form issue-based coalitions around the four Comprehensive Development Plan pillars.

Since its inception, the Comprehensive Development Plan has recognized the importance of the efforts and outcomes of the integration process deployed in Central America, in particular by the regional bodies and institutions of the Central American Integration System (SICA). For decades, Central America has been making significant efforts and has been allocating resources to deepen ties and promote integration between the countries in the subregion, which has resulted in the emergence of various institutions and spaces for dialogue and cooperation. In addition, the Central American regional space has mechanisms for liaising and cooperating with its neighbours, especially Mexico, such as the Tuxtla Mechanism for Dialogue and Coordination, the Mesoamerican Integration and Development Project and the Alliance for Prosperity in the Northern Triangle.² The Comprehensive Development Plan is aligned with these efforts and builds synergies in such areas as cooperation on trade facilitation, energy integration and managing the risk of extreme weather events.

History has shown that the Central American countries are capable of building agreements with innovative integration processes, as well as of entering into cooperation commitments with other Latin American countries, in particular Mexico. This new, ECLAC-coordinated, collective proposal wholeheartedly embraces the spirit of the

² In 1996, the Tuxtla Mechanism for Dialogue and Coordination was formalized as a space for political dialogue, the consolidation of peace and democracy and the promotion of cooperation between Mexico and the Central American countries. Subsequently, the Puebla-Panama Plan, which in 2008 became the Mesoamerican Integration and Development Project, consolidated the spirit of cooperation between Central America and Mexico and Belize, Colombia and the Dominican Republic subsequently joined it. Since 2008, within the framework of the Summit of Heads of State and Government of the Tuxtla Mechanism for Dialogue and Coordination, the Mesoamerican Integration and Development Project has become a space for cooperation that facilitates the exchange of experiences and good practice, consensus- and capacity-building and the identification of resources to tackle regional priorities.

Contadora Act for Peace and Cooperation in Central America and the principles of the Esquipulas Accords, with an emphasis on peace, justice, solidarity, development, international cooperation and respect for the sovereignty of States. Those two eras of diplomacy should serve as inspiration for the new relationship that El Salvador, Guatemala, Honduras and Mexico are seeking to forge in order to address jointly the development challenges of the twenty-first century, including human mobility.

In recent years, human mobility (migration and forced displacement) from northern Central America has been at its most dramatic and complex, with the number of migrants in transit, returnees, unaccompanied minors and asylum-seekers having increased, as has the number of complete families and high-visibility caravans transiting through those countries and Mexico. Faced with this reality, which has raised human mobility to the highest priority on political and development agendas, the United Nations system is seeking to coordinate and generate actions that help to address the migration cycle comprehensively (origin, transit, destination and return), from a perspective that is not only humanitarian, but also economic, social, environmental, and centred around human security and human rights.

In parallel, on 14 August 2019 the nine state governments of Mexico's south-southeast region (Campeche, Chiapas, Guerrero, Oaxaca, Puebla, Quintana Roo, Tabasco, Veracruz and Yucatán) signed the Oaxaca Pact. Within the framework of the National Conference of Governors (CONAGO) and its Commission for the Comprehensive Development of the South-Southeast Region, these states will coordinate to attract growth and development and to mitigate poverty. The Oaxaca Pact provides for the creation and rehabilitation of railway, road connectivity, port and energy infrastructure projects. As the Comprehensive Development Plan is aligned with and complements and boosts the Oaxaca Pact, the Plan's actions in Mexico will focus on these nine states.

On the occasion of the inauguration of President Alejandro Giammattei of Guatemala on 15 January 2020, the ECLAC Executive Secretary reported on the Comprehensive Development Plan's progress to the President of Guatemala and the foreign ministers of El Salvador, Guatemala, Honduras and Mexico. In bilateral meetings with the ECLAC Executive Secretary, the countries' presidents and foreign ministers appointed institutions and officials to prioritize Comprehensive Development Plan projects and programmes in their respective countries. Subsequently, ECLAC officials visited the four countries and worked with the designated officials and their staff to establish linkages between the Comprehensive Development Plan and national development plans, Government plans and national goals and priorities. High-level officials in each country prioritized, selected and developed the initiatives contained in the Comprehensive Development Plan.

The proposals in the Comprehensive Development Plan are innovative responses designed to renew and strengthen the relationship between northern Central America and the states of south-southeast Mexico. The proposals relaunch and scale up regional integration, building on existing achievements.

Effective implementation of the regional, national and local projects in the Comprehensive Development Plan will be a result of the actions of: national and local governments; regional integration institutions; private-sector and civil-society representatives; funds, programmes and specialized agencies of the United Nations system; international financial institutions; and donors of the funds needed to implement this agenda.

Against this backdrop, this document charts a path towards an economically efficient, socially inclusive and environmentally sustainable style of development that meets the pressing demands generated by long- and short-term situations. It fosters economic development in countries of origin to enhance people's well-being, founded on a human security and human rights approach. The proposal identifies innovative responses based on renewing and strengthening the relationship between northern Central America and Mexico, relaunching and scaling up integration. Adopting this perspective, the Comprehensive Development Plan:

- Incorporates a human rights and human security approach (employment, income, education, social protection, public safety and livelihoods).
- Puts people's human rights at the centre.
- Strengthens national efforts and priorities.
- Proposes development policies for lagging areas.
- Values, protects and capitalizes on the subregion's natural wealth and cultural diversity for the benefit of its population.
- Explores synergies and promotes regional integration.
- Includes human mobility within a vision of sustainable development.
- Incorporates a comprehensive view of the migration cycle (origin, transit, destination and return).
- Re-examines matters relating to governance, institution-building and the creation of safe spaces in the cities and places of origin and the transit spaces of migrants in order to analyse and address them.

The pre-pandemic diagnosis already revealed the structural problems posed by economic development, welfare and social protection, environmental degradation and vulnerability to disasters, as well as the strong pressures that all this implies for forced and unsafe migration. As mentioned earlier, all these factors have worsened in the current context, where neither events, nor possible exit scenarios, nor the final toll of this major crisis can be predicted.

The complex reality of human mobility in this subregion stems from economic reasons, violence, the pursuit of family reunification and pressures arising from global warming. It encompasses regular migration, irregular migration, internal displacement and the movement of unaccompanied minors, refugees and asylum-seekers. It is not a short-term phenomenon but rather a structural condition.

As all the indicators show, these structural determinants have worsened and deepened as a consequence of the pandemic, to levels that would have been difficult to predict just a few months ago. It is therefore no exaggeration to point out that a social process with the characteristics of a humanitarian crisis is now compounding the already complex mobility phenomenon.

In his presentation of "Policy Brief: The impact of COVID-19 on Latin America and the Caribbean," António Guterres, Secretary-General of the United Nations, warned that the entire region is experiencing the worst economic, health, social and humanitarian

crisis in a century.³ That is the scale of the challenge that lies ahead. For the four countries involved in the Comprehensive Development Plan, this would lead to a sharp decline in economic growth, a significant increase in poverty and extreme poverty, violence and greater inequality, as the ECLAC COVID-19 Observatory in Latin America and the Caribbean has been pointing out.⁴

Just to give an idea of the depth and momentum of the process we are experiencing, ECLAC has estimated that the economies of all four countries will experience negative growth in 2020: -8.6% in El Salvador, -2.5% in Guatemala, -8.0% in Honduras and -9.0% in Mexico.⁵ This weak economic performance is expected to be accompanied by a sharp increase in poverty throughout this subregion: 6.5 percentage points in El Salvador, 3.0 percentage points in Guatemala, 4.2 percentage points in Honduras and 7.6 percentage points in Mexico.⁶ All this is compounded by the fact that, even before the health crisis, these countries had the highest poverty rates in Latin America and the Caribbean. Historically, several of the nine Mexican states involved in the Comprehensive Development Plan have had the highest poverty rates in the country.

If the outlook was already complex before the pandemic, now it is even more serious, making the need to act even more urgent. There is a real risk that the post-pandemic period will confront us with less dynamic economies, more impoverished populations and more polarized societies— and this risk should not be underestimated.

We therefore consider the human security approach underpinning the Comprehensive Development Plan to be of the greatest importance— only with a comprehensive vision (that places people at the centre and allows them to access essential livelihoods and meet their various human needs, while guaranteeing them a life free from violence and helping to build a culture of peace) will it be possible to achieve development objectives and, in so doing, transform human mobility from a necessity to a free choice.

The COVID-19 pandemic has laid bare our weaknesses and this global event has revealed that a style of development based on deepening inequalities, increasingly insecure social reproduction, environmental degradation and weakened multilateralism and international cooperation is unsustainable.

This awareness underlies the different assumptions that the world will not and should not be the same after the pandemic and that, consequently, it is high time to discuss the foundations of a new regime of accumulation, a different welfare and social protection system, a new global environmental agreement and a global, regional and subregional governance commensurate with the challenges we face as a species and as a planet.

A closer look reveals that these are the objectives defined in the 2030 Agenda for Sustainable Development, whose validity and relevance is evident, although the conditions for achieving them have now become much more complex and adverse. It is important to emphasize that this is a crisis of uncertain outcome.

³ See United Nations, “Policy Brief: the Impact of COVID-19 on Latin America and the Caribbean”, 2020 [online] https://www.un.org/sites/un2.un.org/files/sg_policy_brief_covid_lac.pdf.

⁴ See Economic Commission for Latin America and the Caribbean (ECLAC), “COVID-19 Observatory in Latin America and the Caribbean: economic and social impact”, 2020 [online] <https://www.cepal.org/en/topics/covid-19>.

⁵ See Economic Commission for Latin America and the Caribbean (ECLAC), Preliminary Overview of the Economies of Latin America and the Caribbean 2020 (LC/PUB.2020/17-P), Santiago, 2020.

⁶ See Economic Commission for Latin America and the Caribbean (ECLAC), “Addressing the growing impact of COVID-19 with a view to reactivation with equality: new projections”, *Special Report COVID-19*, No. 5, 2020 [online] https://repositorio.cepal.org/bitstream/handle/11362/45784/S2000470_en.pdf?sequence=1&isAllowed=y.

There is a range of possible futures that depend on the immediate responses of Governments and society to the pandemic, as well as on its long-term consequences. This is the time to consider how to use economic stimulus packages in rebuilding economies and society to support a long-term change towards greater social equality and towards sustainable and inclusive practices. By taking a short-term approach, we are gambling with the long term future. How we recover is just as important as the recovery itself. The following assertion by the United Nations in the policy brief presented by the Secretary-General in July 2020 is therefore of paramount importance:

Recovery from the pandemic should be an occasion to transform the development model of Latin America and the Caribbean while strengthening democracy, safeguarding human rights and sustaining peace, in line with the 2030 Agenda for Sustainable Development.⁷

This can be summed up in the concrete and powerful proposition:

In Latin America and the Caribbean, building back better implies building back with equality.⁸

While these assertions are important for the whole of Latin America and the Caribbean, they are of particular relevance to the four countries involved in the Comprehensive Development Plan because many of the structural problems requiring solutions are both widespread and concentrated in these particular countries.

We start from the premise that signs of exhaustion of the prevailing style of development (including increasing flows of migrants and refugees) were there before the pandemic and that its serious economic and social effects will persist afterwards. COVID-19 has intensified and accelerated a crisis that had been evolving for years.

Although common challenges are observed across the subregion, the magnitude of the effects will differ and, to a large extent, will reflect each country's response to containing the health crisis and tackling the consequences of a socioeconomic crisis exacerbated by the external shock stemming from a crisis in the economic and environmental model. The effects will also be influenced by such factors as each country's economic structure, institutions and history and the way in which it is integrated into the global economy.

However, one cannot fail to note that it is very difficult to find solutions and ways forward solely within the framework of national structures. Deepening international cooperation and strengthening integration are crucial to designing a new development model. The Comprehensive Development Plan therefore brings together the four countries as a subregion that needs to strengthen its ties, cooperation and integration, particularly with south-southeast Mexico.

It is important to reassess the role of integration at a time of far-reaching changes that are shaking the foundations of the economy, society and international relations. These changes call for more and better integration and a framework of respect for multilateralism and international rules that facilitate achievement of the SDG targets and the economic and social development of small economies such as

⁷ United Nations, "Policy Brief: the Impact of COVID-19 on Latin America and the Caribbean", 2020 [online] https://www.un.org/sites/un2.un.org/files/sg_policy_brief_covid_lac.pdf.

⁸ United Nations, "Policy Brief: the Impact of COVID-19 on Latin America and the Caribbean", 2020 [online] https://www.un.org/sites/un2.un.org/files/sg_policy_brief_covid_lac.pdf.

those in Central America. Such changes also pose challenges for large economies such as Mexico's, with respect to their relations and integration policies with the rest of Latin America, Central America and the Caribbean, specifically with El Salvador, Guatemala and Honduras.

Reinterpreting the role of integration begins with identifying the changes and challenges that will face the subregion after the COVID-19 pandemic. The position of the countries in the subregion is doubly weak in the new environment: on the one hand, they are very open economies that have succeeded in becoming deeply integrated into global production processes through trade and investment; on the other hand, they are small economies with little room for manoeuvre. This makes integration and multilateralism necessary and vital paths for the subregion.

To state that the pandemic has exposed structural problems is also to acknowledge that any analysis of its consequences and implications should not be limited to its short-term effects. These effects are varied and, in many respects, serious. However, at this critical juncture, the focus should not be solely on short-term effects and impacts. It is also necessary to resist the temptation to consider the pandemic as a blip or brief hiatus, rather than as the manifestation of an extreme situation demanding a shift in direction, a turning point in the face of what is increasingly considered as a crossroads facing our civilization. In the short term, it is essential to envision and remember the long term.

When delivering the 18th Nelson Mandela Annual Lecture on 18 July 2020, the Secretary-General of the United Nations made a powerful appeal, in light of the consequences of COVID-19, to tackle the inequality pandemic, to build a new social contract and to endow society with a new global deal for what can be called a new era.

In the words of the Secretary-General:

COVID-19 is a human tragedy. But it has also created a generational opportunity.

An opportunity to build back a more equal and sustainable world.

The response to the pandemic, and to the widespread discontent that preceded it, must be based on a New Social Contract and a New Global Deal that create equal opportunities for all and respect the rights and freedoms of all.

This is the only way that we will meet the goals of the 2030 Agenda for Sustainable Development, the Paris Agreement and the Addis Ababa Action Agenda— agreements that address precisely the failures being exposed and exploited by the pandemic.

A New Social Contract within societies will enable young people to live in dignity; will ensure women have the same prospects and opportunities as men; and will protect the sick, the vulnerable, and minorities of all kinds.⁹

⁹ United Nations, "Secretary-General's Nelson Mandela Lecture: "Tackling the Inequality Pandemic: a New Social Contract for a New Era" [as delivered]", 18 July 2020 [online] <https://www.un.org/sg/en/content/sg/statement/2020-07-18/secretary-generals-nelson-mandela-lecture-%E2%80%9Ctackling-the-inequality-pandemic-new-social-contract-for-new-era%E2%80%9D-delivered>.

In the same spirit, he makes an urgent appeal:

Let's face the facts. The global political and economic system is not delivering on critical global public goods: public health, climate action, sustainable development, peace.

The COVID-19 pandemic has brought home the tragic disconnect between self-interest and the common interest; and the huge gaps in governance structures and ethical frameworks.

To close those gaps, and to make the New Social Contract possible, we need a New Global Deal to ensure that power, wealth and opportunities are shared more broadly and fairly at the international level.

A new model for global governance must be based on full, inclusive and equal participation in global institutions.

Without that, we face even wider inequalities and gaps in solidarity —like those we see today in the fragmented global response to the COVID-19 pandemic.¹⁰

All the signs are that the pandemic is bringing us to the end of a way of producing, exchanging, distributing and consuming, to the exhaustion of a style of development, of the regime of accumulation. That is what we mean when we say that we are facing a new era.

In the subregion, the regime of accumulation (the set of norms, institutions, regulations and social relations around which the processes of production, circulation, distribution and consumption are structured during a historical period and with a certain technology base) has been characterized by a number of factors, with differences and nuances between countries, including: high concentration of property, wealth and income; strong trends towards financialization; growing and, in some cases, disadvantageous integration into the global economy and hyperglobalization; great structural heterogeneity; a marked trend towards primarization, extractivism and low production diversification; strong prevalence of capital over labour and deterioration of the functional distribution of income; high market power of companies and propensity for oligopolization; persistence of rentier and concentration practices; large overlap between political power and economic power; weak and inadequate taxation, with many regressive components; lax environmental regulations; a highly fossil fuel-reliant energy mix; and inadequate, fragmented, hierarchical welfare and social protection systems prone to commodification and residualism.

This is the structure underpinning the culture of privilege, which, in recent years (as demonstrated by the COVID-19 pandemic) has shown increasingly that it leads to poor economic growth, high inequality, persistent poverty and environmental degradation, four factors that constitute structural causes of human mobility. That is why the future needs to be different— and so does the style of development.

The three dimensions of the 2030 Agenda for sustainable development (economic, social and environmental) are interrelated and interdependent. That is why a comprehensive development proposal is being discussed. The environmental dimension should not

¹⁰ United Nations, “Secretary-General’s Nelson Mandela Lecture: “Tackling the Inequality Pandemic: a New Social Contract for a New Era” [as delivered]”, 18 July 2020 [online] <https://www.un.org/sg/en/content/sg/statement/2020-07-18/secretary-generals-nelson-mandela-lecture-%E2%80%9Ctackling-the-inequality-pandemic-new-social-contract-for-new-era%E2%80%9D-delivered>.

continue to be considered as an externality but as an integral part of the economic and social model, that is to say, a component just as important as the other two. Therefore it is not enough to consider solely the impact of the style of growth on the environment; we must also examine how the environmental dimension can be turned into a new engine of economic growth and development, in what ECLAC has called a big push for sustainability. As stated in the 2030 Agenda, the environmental dimension forces us to rethink and redefine existing models of production and consumption and their interrelationships. Simply put, development either will or will not be sustainable.

It should be made clear that the COVID-19 pandemic and other epidemic crises that have been experienced in recent times are related to such factors as the destruction of tropical forests, trade in wild species and patterns of intensive agrifood production with high concentration and confinement of animals. Faced with the urgent need for a speedy economic recovery, there is also the risk of pursuing growth at any cost without incorporating, or discounting, the imperative of sustainability. Here, too, in short-term decisions we are gambling with the long term.

One of the many lessons learned from COVID-19 to date is that it has revealed the limitations and weaknesses of social policies and social protection systems in ensuring people's well-being and guaranteeing their rights, eliminating and preventing poverty and providing a set of certainties and assurances to enable people to fulfil their life plans and aspirations. The pandemic has exposed the precarious conditions in which tens of millions of people in the subregion live, in terms of work and income, effective access to fundamental rights (starting with health), safe water and adequate housing, all of which are basic conditions to meet health recommendations.

The welfare regime is considered as the set of relationships, norms, institutions, rights and regulations that embody the social compact during a historical period, through which access to well-being is (or is not) provided, or is provided to differing degrees, by a complex and interdependent interaction between the State, the market, households, communities and non-state public actors.

The key elements for defining the nature of a welfare regime are: the degree to which the basic requirements of human needs are recognized as rights; the degree of universality in effective access to and accreditation of the quality of services, entitlements and benefits; the degree of de-commodification and de-familiarization of welfare components; substantive equality between women and men; de-feminization of social service provision and access; the degree of alignment between the existing level of economic development and people's standard of well-being; compliance with the principles of progressivity and maximum mobilization of resources; guaranteed attention to requirements at the different stages in the life cycle and the creation of intergenerational equity; consistency with the changing structure of social risks; strong recognition for social and cultural diversity; and the degree to which it does (or does not) reduce inequality, poverty, precariousness, discrimination, exclusion, hierarchization and stratification.

The pandemic has exposed the deep-seated weaknesses and failings of prevailing welfare and social protection systems in this subregion, which, with major differences between countries, are characterized by weak or, at best, fragmented universalism owing to the persistence of corporate schemes and to a growing trend, in recent

decades, towards commodification and residualism. Key aspects of welfare, such as care, also continue to be highly feminized and family-based, with a rigidly gendered division of labour.

They have been exposed as regimes that: have failed to facilitate steady progress towards social equality and poverty eradication; in essence, are not founded on a rights-based approach; and maintain wide social, gender, ethnic, territorial and age-group gaps. Taken as a whole, they lead to inadequate enjoyment of social rights, low social mobility, high levels of precariousness and limited social protection, as the COVID-19 pandemic has highlighted.

All this shows that the economic, social and environmental factors behind the escalation of migration, refugee and internal displacement processes not only persist but have worsened. Recent information on deteriorating living conditions in the Central America Dry Corridor and other regions points not only to the intensification of human mobility but also, as noted earlier, to a burgeoning humanitarian crisis.

Therefore, the central tenet of the Comprehensive Development Plan is the need for a new type of development for the subregion from the perspective of sustainability, human security and human rights. The Plan comprises 29 policy recommendations and 114 specific project proposals grouped into the aforementioned four pillars: economic development; social well-being; environmental sustainability, climate change and adaptation, and disaster risk reduction; and comprehensive management of the migration cycle

Following the rationale of the 2030 Agenda, the Comprehensive Development Plan considers the four pillars as interdependent, which is why it has been designed as a coordinated set of proposals rather than as a collection of initiatives. It aims to serve as a link between the short term and the long term, between the fastest possible improvement in people's living conditions and the creation of a new style of development, a different welfare and social protection regime, guaranteed sustainability and human mobility consistent with the rights-based approach. The Plan is therefore also part of this subregion's contribution to compliance with the Global Compact for Safe, Orderly and Regular Migration.

As stated earlier, this Comprehensive Development Plan is the result of rich dialogue, lively interaction and deep deliberation between ECLAC, the funds, programmes and specialized agencies of the United Nations system and the national Governments of El Salvador, Guatemala, Honduras and Mexico, as well as the subnational governments of the nine states of south-southeast Mexico involved in the Plan. Although the presidents of the four countries commissioned ECLAC to draw up the document in December 2018, the end product is the result of a collective effort involving multiple actors, where many voices were heard and a wide range of contributions were collected. All this enhanced the Comprehensive Development Plan and made it more all-encompassing.

To operationalize the Comprehensive Development Plan, this document makes project proposals available to the Governments of the countries, Central American regional integration institutions, funds, programmes and specialized agencies of the United Nations system, international financial institutions and potential donors, to initiate implementation of this cooperation and development strategy for El Salvador, Guatemala, Honduras and south-southeast Mexico.

It is no exaggeration to say that we are at a turning point. The decisions made during these crucial months are likely to determine the path countries will take in the coming years, if not longer. Diagnosis, recommendations and inputs, as well as proposals prepared jointly with Governments, are the backbone of the Comprehensive Development Plan for El Salvador, Guatemala, Honduras and south-southeast Mexico.

However, they are just means to achieving the key aims: to improve economic performance; to enhance social well-being; to guarantee sustainability; and to ensure voluntary human mobility with full respect for human rights. After the pandemic, it will be crucial to strive to rebuild better, in a different way and, above all, with equality at the centre.

Alicia Bárcena

*Executive Secretary of the Economic Commission
for Latin America and the Caribbean (ECLAC)*

*Coordinator of the Special Coordination Mechanism
to support implementation of the Comprehensive Development Plan
of the Northern Countries of Central America and Mexico*

General and specific objectives

Create a sustainable development space across El Salvador, Guatemala, Honduras and south-southeast Mexico
Enhance well-being and make migration a choice rather than an obligation



Promote initiatives to improve economic performance, attract investment, increase trade, foster income generation and boost the creation of decent, worthwhile work, first and foremost in the territories that are more predisposed to migration



Promote universal access to social rights and well-being for equality



Promote sustainability, resilience to climate change and comprehensive risk management, to mitigate the impact of climate change as a driver of migration

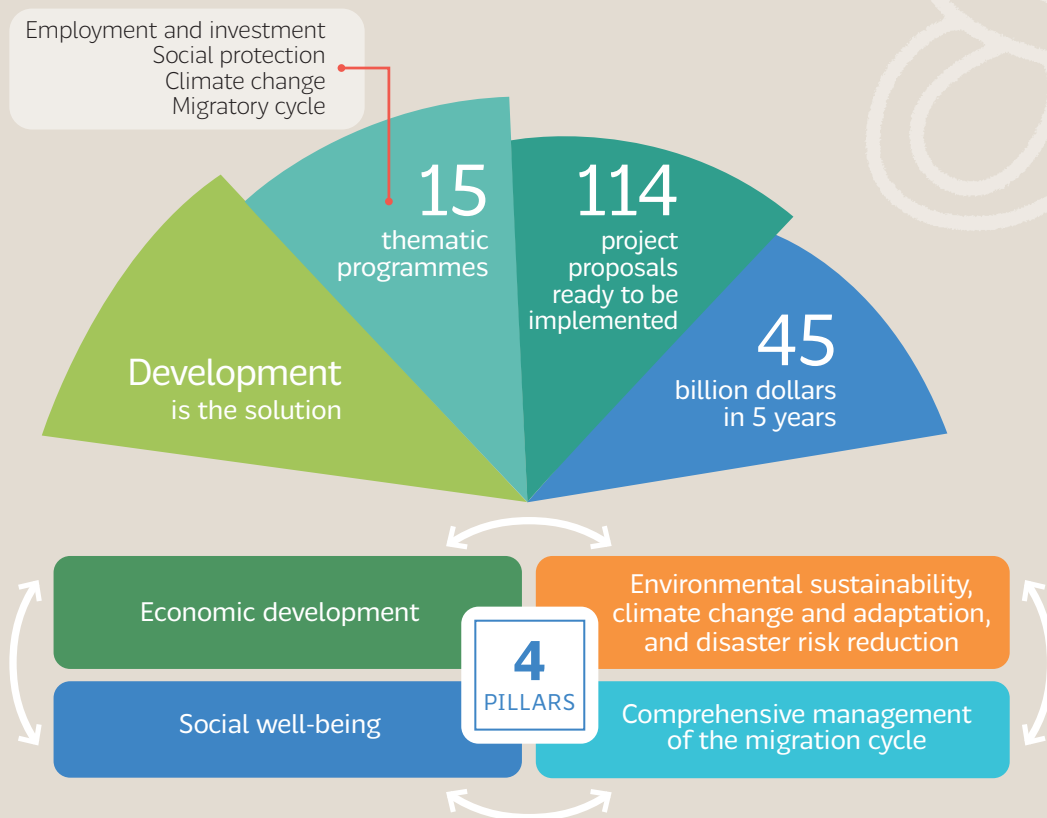


Guarantee the fundamental rights, care, protection, security and dignity of people throughout the migration cycle (origin, transit, destination and return), fostering safe, orderly and regular migration

Geographic coverage of the Comprehensive Development Plan for El Salvador, Guatemala, Honduras and south-southeast Mexico



Comprehensive Development Plan for El Salvador, Guatemala, Honduras and south-southeast Mexico



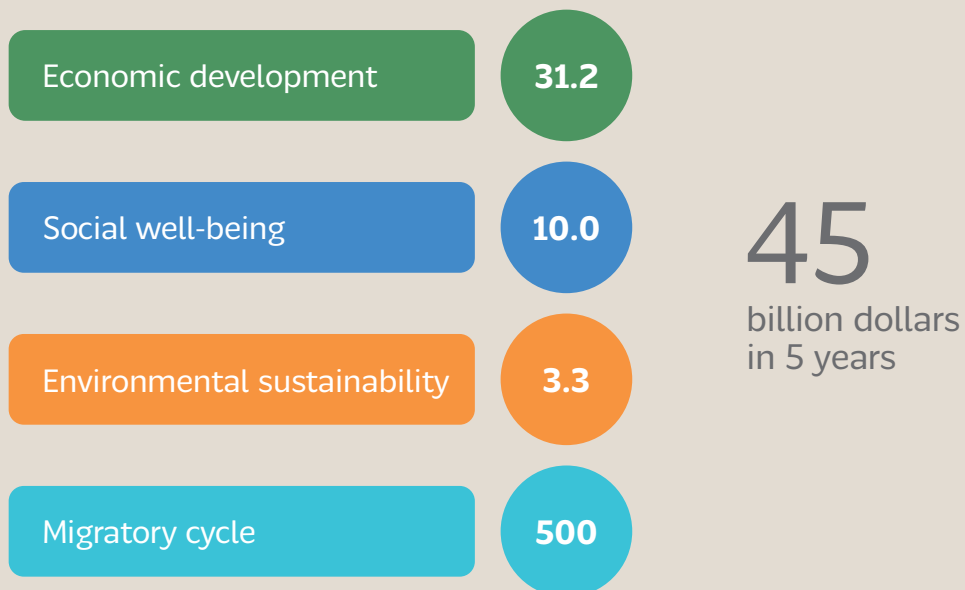
An innovative plan

- Driving force: the political commitment of the four governments
- Joined up proposal by the entire United Nations system
- Economic, social and environmental sustainability
- Territorial dimension that recognizes historical and cultural affinities
- Human security approach
- Rapid response in a period of high uncertainty
- Synergies between ongoing initiatives and new proposals

Actions at all levels: examples of project proposals



Resource mobilization billion dollars



Pillar 1 **promoting economic development**

5 programmes and 49 proposals



Enabling infrastructure

22

proposals



Territorial development

11

proposals



Promoting trade and regional integration

3

proposals



Macroeconomics for development

1

proposal



Productive development

12

proposals

Pillar 2 **moving towards social well-being**

5 programmes and 27 proposals



Social and labour inclusion

10

proposals



Lifelong health

2

proposals



Life-skills

4

proposals



Violence prevention and culture of peace

8

proposals



Comprehensive child development

3

proposals

Pillar 3 **response to climate change**

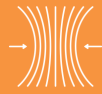
3 programmes and 16 proposals



Knowledge, data and tools generation

2

proposals



Resilience-building to prevent disaster displacement

6

proposals



Climate change and nature-based solutions

8

proposals

Pillar 4 **a comprehensive management of the migration cycle**

2 programmes and 22 proposals



Comprehensive national responses

8

proposals



Regional actions

14

proposals

A coordinated response by the United Nations system



UNITED NATIONS

ECLAC

Special Coordination Mechanism



UNHCR
The UN Refugee Agency



UN WOMEN
United Nations Entity for Gender Equality and the Empowerment of Women



UNODC
United Nations Office on Drugs and Crime



IOM
UN MIGRATION



Food and Agriculture Organization of the United Nations



UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION



UNAIDS
JOINT UNITED NATIONS PROGRAMME ON HIV/AIDS



unicef



UNOPS



WFP
World Food Programme



UN environment programme



UNISDR
United Nations Office for Disaster Risk Reduction



unesco



UNDP



Pan American Health Organization



World Health Organization
REGIONAL OFFICE FOR THE AMERICAS



IFAD
Investing in rural people



UN HABITAT
FOR A BETTER URBAN FUTURE



UNITED NATIONS HUMAN RIGHTS
OFFICE OF THE HIGH COMMISSIONER



UNFPA



Development Coordination Office



EL SALVADOR



UNITED NATIONS
GUATEMALA



UNITED NATIONS
HONDURAS



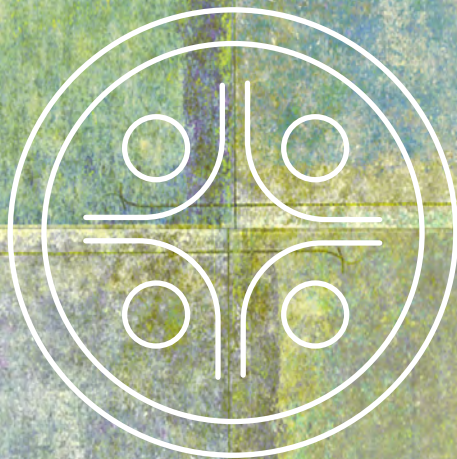
UNITED NATIONS
MEXICO

An initiative aligned with the 2030 Agenda for Sustainable Development



Seeking synergies and coordinated actions with the countries at the centre and the support of the subregional integration institutions





**I. PRIORITY AREAS FOR
PROMOTING DEVELOPMENT IN
NORTHERN CENTRAL AMERICA AND
SOUTH-SOUTHEAST MEXICO**





Priority areas for promoting development in northern Central America and south-southeast Mexico

It is recognized that the northern countries of Central America (El Salvador, Guatemala and Honduras) and Mexico have heterogeneous economic and demographic characteristics. In 2018, Mexico's population was nearly four times greater than that of northern Central America as a whole. In terms of total land area, El Salvador has the smallest area (21,041 square kilometres), while Mexico has the largest (1,964,375 square kilometres).

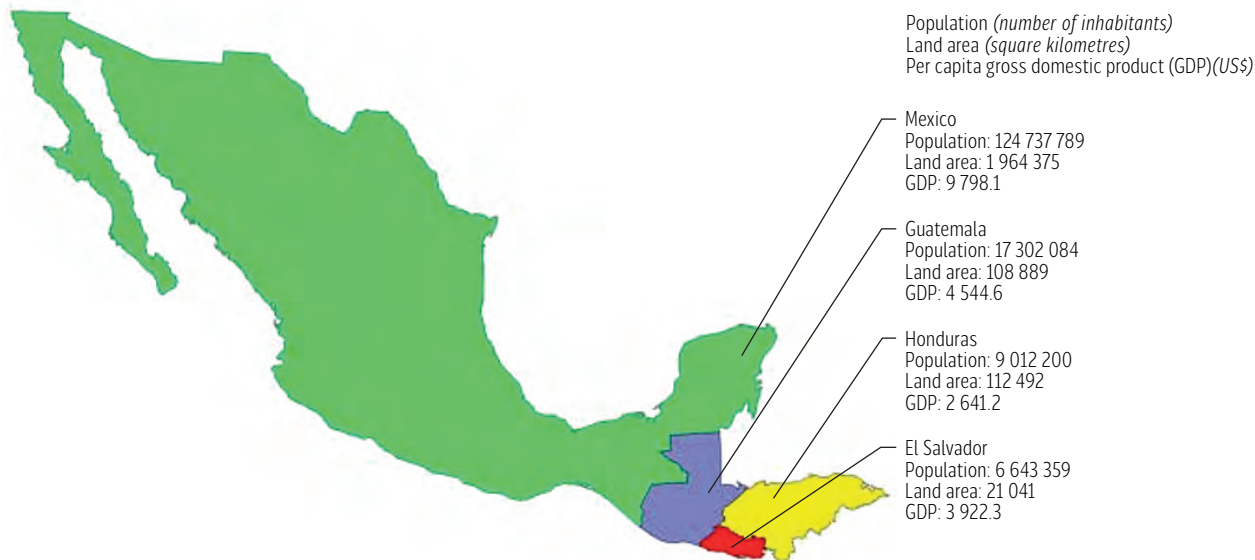
The above figures are reflected in significant differences in population density, ranging from 63.7 inhabitants per square kilometre in Mexico to 315.7 inhabitants per square kilometre in El Salvador. With regard to per capita income, Mexico's is 2.5 times that of El Salvador, 2.2 times that of Guatemala and 3.7 times that of Honduras (see map I.1.A).

As mentioned earlier, in Mexico the Comprehensive Development Plan is concentrated in nine states in the south-southeast: Campeche, Chiapas, Guerrero, Oaxaca, Puebla, Quintana Roo, Tabasco, Veracruz and Yucatán. These states, which in 2017 had a combined population of 34.7 million (28.1% of the country's total population), also have heterogeneous economic and demographic characteristics. The states with the largest number of inhabitants are Veracruz (8.2 million), Puebla (6.3 million) and Chiapas (5.4 million), while the least populated state is Campeche, with 935,000 inhabitants (see map I.1.B).

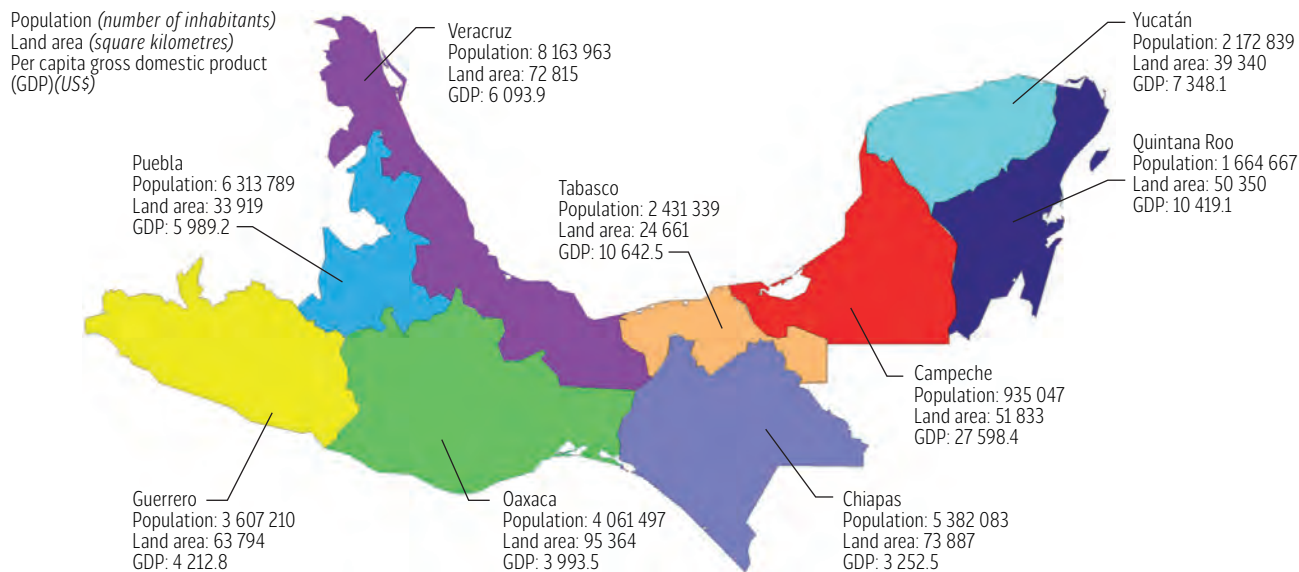
Map I.1

Northern Central America and Mexico and states of south-southeast Mexico: main dimensions

A. El Salvador, Guatemala, Honduras and Mexico



B. States of south-southeast Mexico



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

The nine states cover a combined area of 505,963 square kilometres (25.7% of Mexico's total land area): Oaxaca is the largest state (95,364 square kilometres) and Tabasco, the smallest (24,661 square kilometres).

Mexico's per capita gross domestic product (GDP) is 1.3 times higher than the average for the nine states in the south-southeast. Guerrero, Oaxaca and Chiapas have the lowest per capita income, while Campeche, Quintana Roo and Tabasco have the highest (see map I.1.B).

A. An economic model with mixed results and persistent structural lags

1. The economic model of northern Central America and Mexico is characterized by macroeconomic stability and trade opening

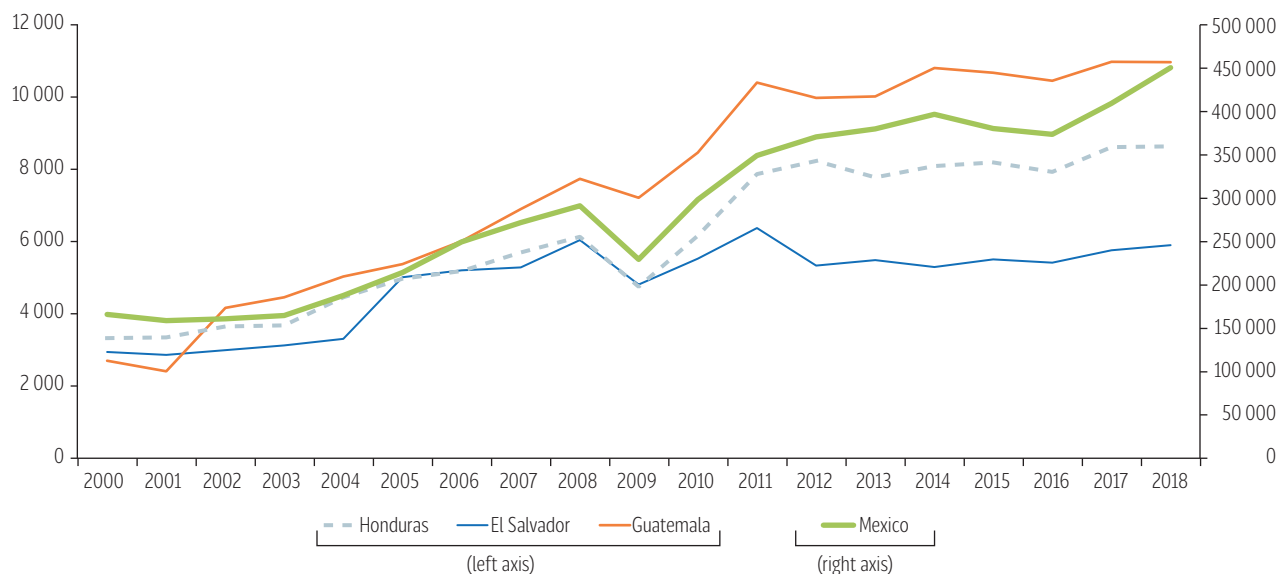
It has been more than three decades since the northern countries of Central America abandoned the model of import substitution industrialization, with an important role for the State, and began the transition towards a model based on trade opening, with strong export incentives, financial liberalization and reduced State involvement in the economy, including company privatization and private-sector development.

The current paradigm has been characterized by the attraction of foreign-owned companies that set up export platforms for agro-industrial and manufactured products and, more recently, also for business services, largely targeted at the United States market.

Between 1990 and 2008, merchandise exports from El Salvador, Guatemala and Honduras grew significantly, at an average annual rate of 9.5%, 10.8% and 11.3%, respectively. Merchandise exports from Mexico grew by 12.5% over the same period. Following the global financial and economic crisis, however, the average annual growth rate of exports slowed to 3.9% in El Salvador, 3.3% in Guatemala and 4.1% in Honduras, between 2010 and 2018, while in Mexico, exports grew by 8.2% over the same period (see figure I.1).

Figure I.1

Northern Central America and Mexico: total merchandise exports, 2000–2018
(Millions of dollars)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

As exports from the states of south-southeast Mexico are oriented strongly towards primary products, especially hydrocarbons, export growth is determined largely by the evolution of international prices. Mexico's excellent export performance has been driven mainly by the states in its northern, central and Bajío regions, which have entered various global supply chains.¹

Between 2007 and 2014, the combined exports from the nine states of south-southeast Mexico averaged 20.6% of the country's exports. Between 2015 and 2017, their share fell to 10.9%, owing to a drop in international prices for primary products, especially hydrocarbons. In 2017, they totalled US\$ 41.964 billion.

Between 2007 and 2017, the combined exports from the states of south-southeast Mexico decreased at an average annual rate of 2.2%, in contrast to 4% annual growth nationwide. The only states to have recorded growth during this period were Puebla (6.8%), Guerrero (5.2%) and Veracruz (2.3%), while the rest experienced sharp falls, in particular Campeche (7.9%) and Chiapas (4%).

Continuous flows of foreign direct investment (FDI) have been a direct result of the new model. Between 2000 and 2018, they averaged 3.4% of GDP in northern Central America and 2.7% in Mexico.

The new model has also been characterized by macroeconomic stability. Between 2000 and 2018, inflation in northern Central America and Mexico was below 10% a year consistently (except for two years in Honduras), despite periods of global economic volatility and significant international price hikes for primary products (see figure I.2).

Figure I.2

Northern Central America and Mexico: annual changes in the consumer price index, December 2000 to December 2019 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

^a Preliminary figures.

¹ The Bajío (lowlands) is a geographic, historical, economic and cultural region of northwest-central Mexico, lying mostly north of the Lerma River. This region includes part of the states of Aguascalientes, Jalisco (central region and Jalisco highlands), northern Michoacán, Guanajuato, Querétaro, San Luis Potosí and Zacatecas.

The level of other macroeconomic variables, such as interest rates and current account deficit, remained low and relatively stable over the same period.

In 2017, FDI flows to the states of south-southeast Mexico totalled US\$ 4.103 billion. Between 2011 and 2017, they averaged 14.2% of the national total. As a percentage of GDP, FDI in the nine states averaged 1.8% during the same period, below the 2.8% national average. The states where FDI accounted for the highest percentage of GDP, over the same period, were Oaxaca (3%), Quintana Roo (2.9%), Puebla (2.6%) and Guerrero (2.3%), while the states where FDI accounted for the lowest percentage of GDP were Campeche and Chiapas, with 0.8% each.

Inflation in the states of south-southeast Mexico has been very similar to the national average. Between 2000 and 2018, the annual change in the consumer price index averaged 4.7% (the national average was 4.6%).

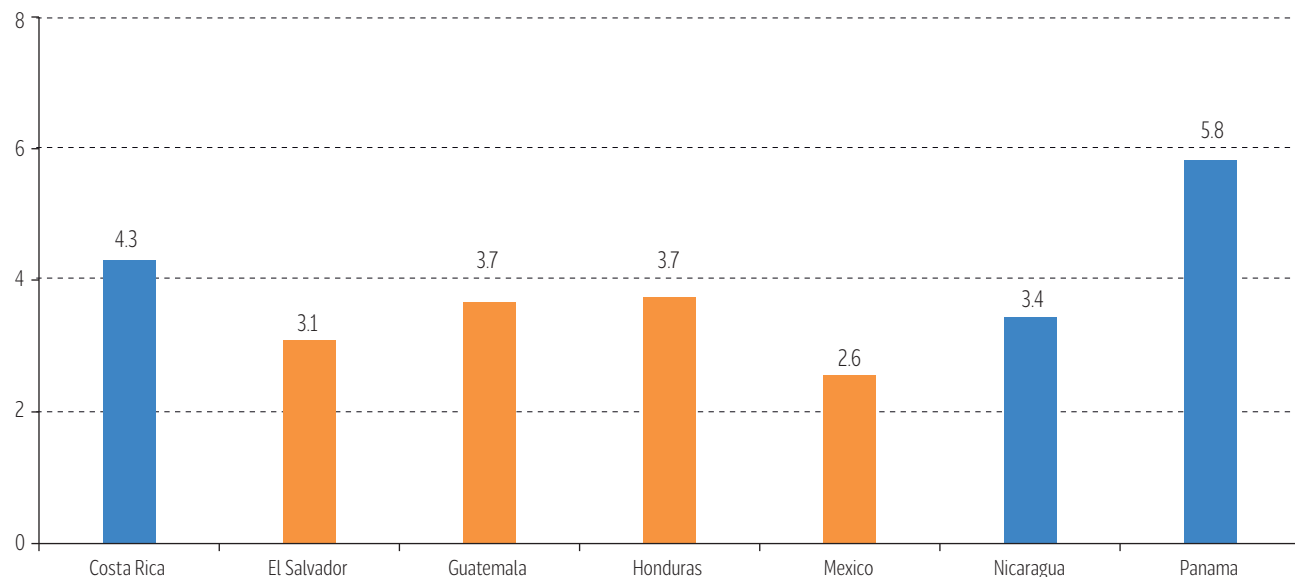
2. The model has generated modest rates of economic growth, although in recent years rates have exceeded the regional average

Economic growth rates in northern Central America and Mexico have been modest in recent years. Between 1991 and 2018, the Mexican economy expanded at an average annual rate of 2.5%, while average annual growth in the northern countries of Central America was 3.5%.

Growth rates in northern Central America contrast with those of other Central American countries, such as Costa Rica (4.3%) and Panama (5.8%) (see figure I.3).

Figure I.3

Central America and Mexico: average annual growth rate of gross domestic product (GDP), 1991–2018 (Percentages)



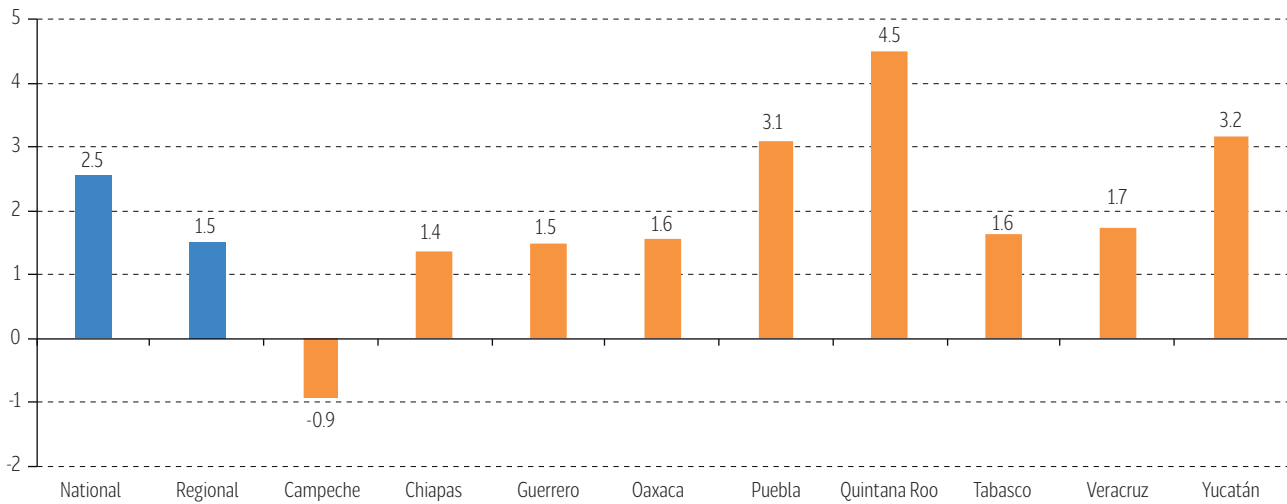
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

However, in recent years (2014–2018) the growth rate of northern Central America and Mexico outstripped average annual growth in Latin America and the Caribbean as a whole (0.4%).

Between 1990 and 2017, the combined GDP of the nine states of south-southeast Mexico grew at an average annual rate of 1.5% (1 percentage point below the national average). Average growth in Quintana Roo, Yucatán and Puebla was the highest, while in Campeche it fell (see figure I.4).

Figure I.4

States of south-southeast Mexico: average annual growth rate of gross domestic product (GDP), 1990–2017 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

3. Moderate economic growth rates have been associated with low productivity growth and weak linkages between the export sector and the rest of the economy

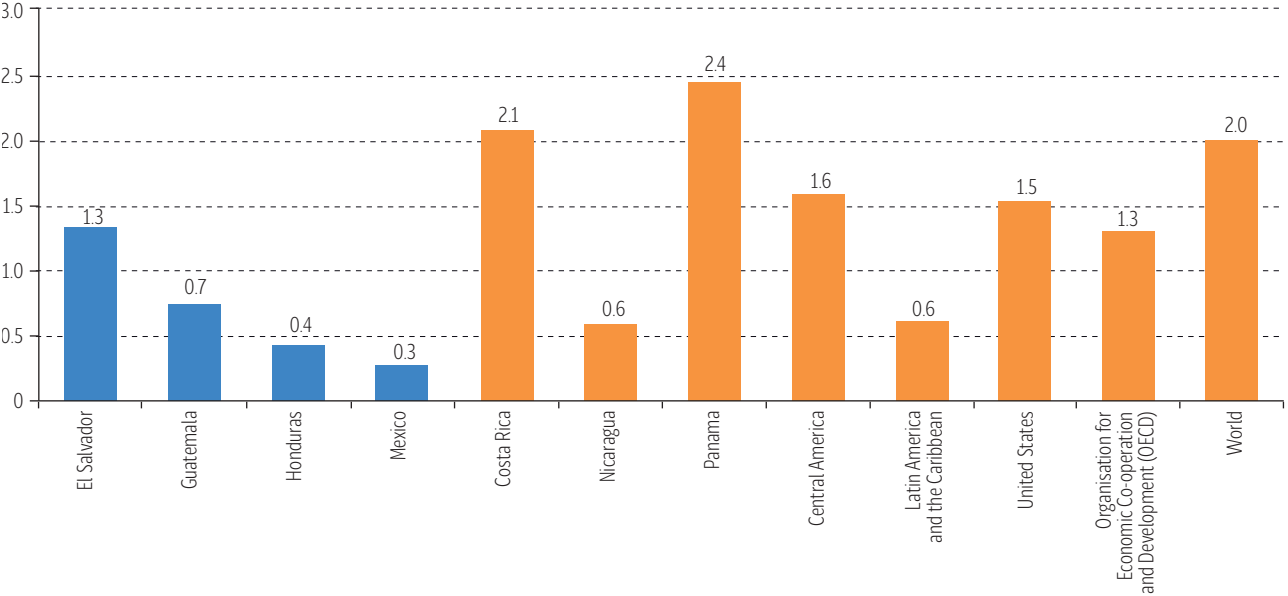
The modest growth in GDP is linked closely with low labour productivity growth. During the period under review, the average growth rate was 1.3% in El Salvador, followed by 0.7% in Guatemala, 0.4% in Honduras and 0.3% in Mexico (see figure I.5).

These values compare negatively with average productivity growth over the same period in Central America (1.5%), the world 2.0% and the United States (1.5%).

Between 2006 and 2017, labour productivity grew at an average annual rate of 0.03% in the nine states of south-southeast Mexico, compared with a national average of 0.38%.

Investment in both science and technology and innovation, two key drivers of productivity growth, has remained low.

Figure I.5
Central America, Mexico and selected countries: average productivity growth rates, 1992–2018
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

Research and development spending as a percentage of GDP has remained virtually unchanged over the past 15 years. According to the latest data available, Mexico earmarks 0.53% of its GDP for research and development, El Salvador 0.13%, Guatemala 0.03% and Honduras 0.02%, far less than world leaders in the field, such as Sweden (3.26%) and the Republic of Korea (4.23%). In the specific case of northern Central America, the Economic Commission for Latin America and the Caribbean (ECLAC) has highlighted significant weaknesses in national innovation systems and very few regional linkages.²

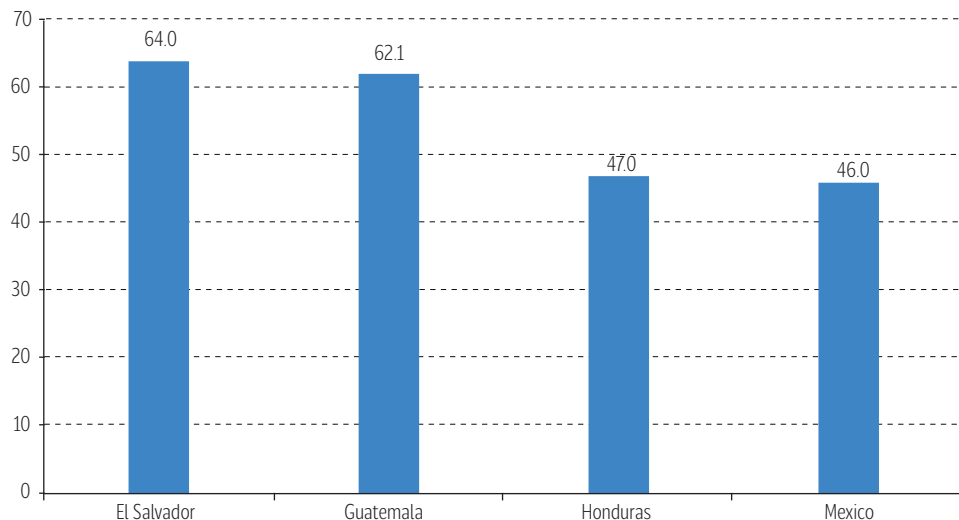
In spite of the many public efforts to strengthen production linkages between domestic companies and export-oriented transnational companies, domestic value added continues to be low.

Indicators of Latin America’s input-output matrix show that the domestic value added incorporated into manufacturing exports in Honduras and Mexico is less than 50%, meaning that more than half the intermediate products and services needed to produce and export these products are imported (see figure I.6).

² See R. Padilla (ed.), *Sistemas de innovación en Centroamérica: fortalecimiento a través de la integración regional*, ECLAC Books, No. 118 (LC/G.2559-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2013.

Figure I.6

Northern Central America and Mexico: domestic value added incorporated into exports in the secondary sector, 2011
(Percentage of total gross exports)



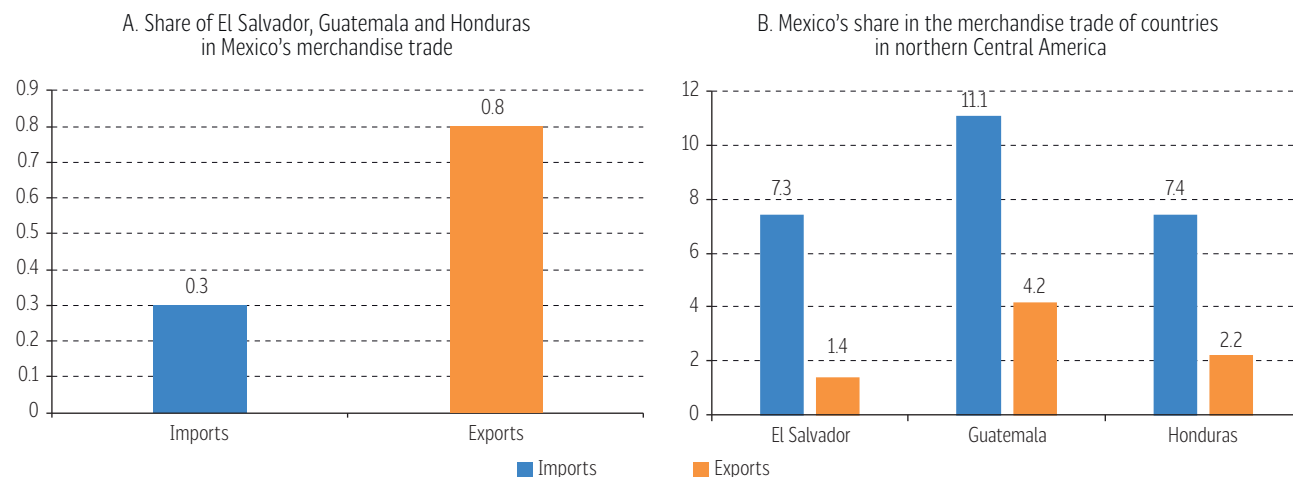
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

The main destination for exports is the United States: while El Salvador and Guatemala send 34% of their exports to the United States and Honduras sends 40%, Mexico's sends an even larger share (76.5%).

Despite their geographic proximity, trade between Mexico and northern Central America is a small proportion of total trade and is heavily skewed in Mexico's favour. In 2017, just 0.12% of Mexico's total imports came from Guatemala, 0.10% from Honduras and 0.04% from El Salvador. In contrast, 11.1% of Guatemala's total imports came from Mexico, compared with 7.3% of El Salvador's total imports and 7.4% those of Honduras.

Figure I.7

Trade between Mexico and northern Central America, 2014–2018
(Percentages)

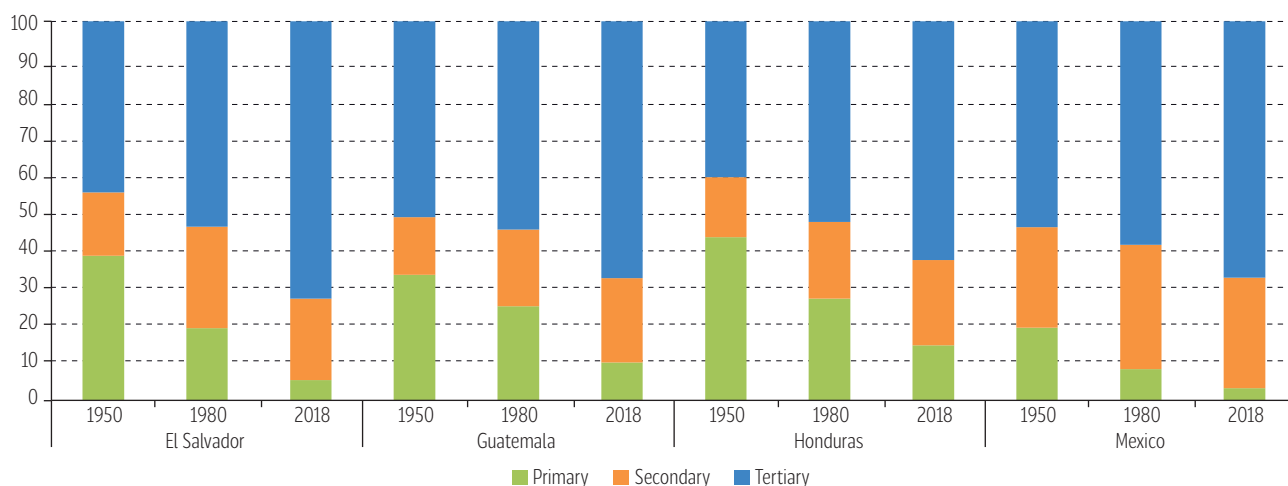


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

4. Structural change is focused on activities with low productivity growth

Northern Central America and Mexico have undergone profound structural change in recent decades. The importance of the primary sector declined drastically in all four countries, to the benefit of the secondary and tertiary sectors (see figure I.8).

Figure I.8
Northern Central America and Mexico: gross domestic product (GDP) by sector, 1950, 1980 and 2018 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

Structural change has also occurred in the states of south-southeast Mexico, characterized by outsourcing of economic activity. While in 1990, the tertiary sector contributed 42.2% of GDP, in 2017 it contributed 56.1%. In 2017, the primary sector had the largest share of GDP in Chiapas and Oaxaca (6.8% and 6.1%, respectively), the secondary sector continued to have a large share in Campeche’s economy, mainly because of its oil industry (85%), and the tertiary sector had a large share in Quintana Rods economy (88.3%), owing to tourism (see table I.1).

Despite this structural change, productivity growth has been sluggish, as mentioned earlier. ECLAC concludes that, in Mexico’s case, structural change has been accompanied by a displacement of employment from sectors with relatively high productivity growth into activities with low, or even negative, productivity growth.³

Nor has structural change has been accompanied by environmental protection, employment with rights and better social conditions for the population. In other word, structural change has been far from progressive.

³ See R. Padilla Pérez and F. Villarreal, “Structural change and productivity growth in Mexico, 1990–2014”, *Structural Change and Economic Dynamics*, vol. 41, June 2017.

Table I.1

States of southern Mexico: structure of gross domestic product (GDP) by sector, 1990 and 2017
(Percentages)

	1990			2017		
	Primary	Secondary	Tertiary	Primary	Secondary	Tertiary
National total	4.0	38.9	57.1	3.3	31.0	65.6
Southern Mexico	4.1	53.7	42.2	3.8	40.1	56.1
Campeche	0.4	93.5	6.1	1.0	85.0	14.0
Chiapas	8.5	38.0	53.6	6.8	21.1	72.0
Guerrero	5.8	14.8	79.4	5.5	17.6	76.9
Oaxaca	6.6	25.9	67.5	6.1	22.4	71.4
Puebla	6.3	31.0	62.7	4.1	35.2	60.7
Quintana Roo	1.6	16.0	82.4	0.8	10.9	88.3
Tabasco	1.9	72.4	25.7	1.7	64.7	33.6
Veracruz	6.2	38.9	54.9	5.4	31.0	63.6
Yucatán	6.0	22.9	71.1	3.7	27.2	69.1

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

Note: Calculated on the basis of constant 2013 prices.

The shift in employment towards sectors with low productivity growth is associated closely with growth in low-value-added service activities, such as small-scale commerce. According to ECLAC estimates of informal employment rates in countries of the region, the rate is 55.8% in El Salvador, 57% in Guatemala, 53.9% in Honduras and 45.8% in Mexico.

In 2017, 64.1% of people in work (non-agricultural) in El Salvador had an informal job (more than 1.4 million people). The share was 65.9% in Guatemala (3 million people) and 73.3% in Honduras (1.8 million people). In the nine states of south-southeast Mexico, around 2.2 million Mexicans had informal jobs (non-agricultural) in the second quarter of 2019. The state with the most informal employment as a share of total employment (non-agricultural) is Oaxaca, with 75.4%. It is followed by Guerrero (72.7%), Puebla (66.1%), Chiapas (65.6%), Veracruz (61.5%) and Tabasco (60.4%). All these states have percentages above the national average of 52%.

Strikingly, a large proportion of informal employment is in the formal sector (formal economic units) and in households. According to International Labour Organization (ILO) estimates, based on household surveys, 6.6% of people with informal jobs in El Salvador work in the formal sector of the economy and 5.4% in households. In Guatemala, the shares are 14.1% and 4.7%, respectively, while in Honduras they are 13.5% and 4.8%, respectively.

Informal employment does not affect all population groups equally. Women and young people tend to be more exposed to it than men and adults. In El Salvador in 2017, the incidence of informal employment among 15–24-year olds was 69.4%, while among those over the age of 25 it was 63%. In Guatemala, the incidence was 78.8% among young people and 61.7% among those over the age of 25, while in Honduras it was 83.2% and 70.4%, respectively.

Levels of informal employment are also higher among women than among men. In El Salvador, while 72% of women workers (non-agricultural) have an informal job, this drops to 56.6% among men. A gap is also seen in Guatemala (69.3% among women and 63.2% among men), Honduras (76.9% and 69.7%, respectively) and Mexico (56.3% and 48.8%, respectively). In the states of south-southeast Mexico, which have the highest rates of informal employment, there is also a significant gender gap. In Oaxaca, for example, 80.8% of women are in informal employment, compared with 69.3% of men.

There are also geographical differences. In less urbanized areas of Mexico, the informal employment rate is 59.7% for men and 69.4% for women, while in more urbanized areas, the rate is 41.9% for men and 46.9% for women.

Using a different methodology from that employed for the above estimates, Mexico's National Institute of Statistics and Geography (INEGI) estimates that 69.2% of the employed population in the states of south-southeast Mexico worked in the informal sector in 2017.⁴ Chiapas and Oaxaca have the highest rates of informal employment and Quintana Roo the lowest (see table I.2).

Table I.2
States of south-southeast Mexico: informal employment rate, 2017
(Percentages)

South-southeast Mexico	68.7
Campeche	63.6
Chiapas	79.3
Guerrero	78.8
Oaxaca	81.5
Puebla	73.4
Quintana Roo	47.8
Tabasco	67.3
Veracruz	69.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

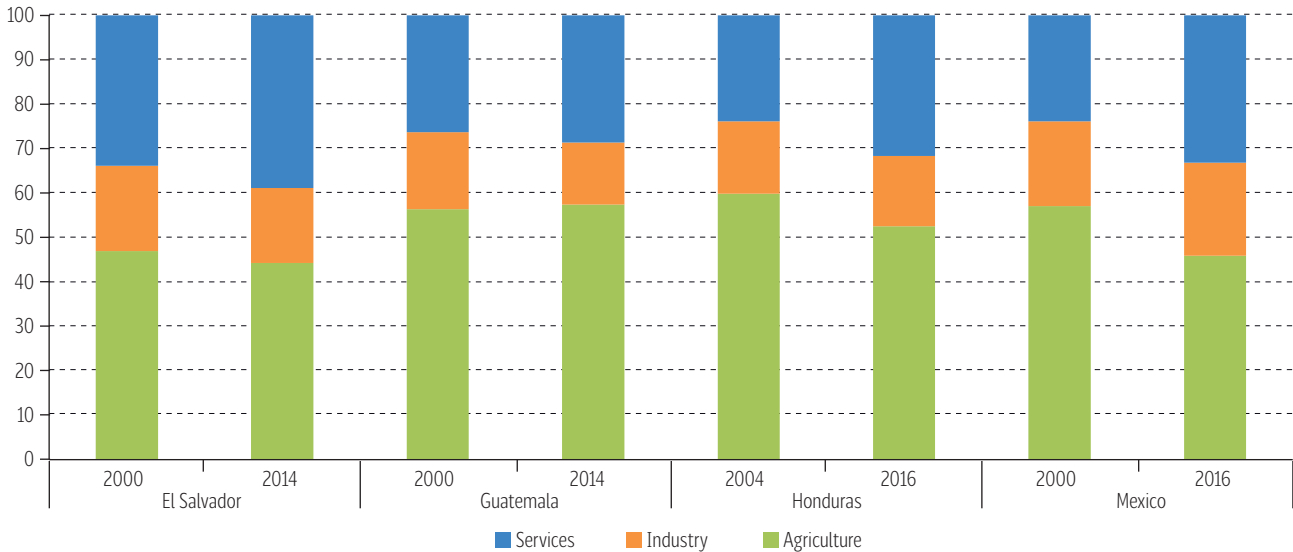
In recent decades, rural areas have also undergone major changes in terms of productive activities and interaction with urban areas, as well as access to and use of new technology.

In spite of the differences between the northern countries of Central America, there is a general trend towards diversification of economic activities in rural areas, with growing importance of manufacturing and services (see figure I.9).

⁴ According to the methodology of the National Institute of Statistics and Geography (INEGI), informal workers include those working in unregistered microbusinesses, own-account workers in subsistence agriculture and workers without social security coverage whose services are used by registered economic units.

Figure I.9

Northern Central America and Mexico: rural employed population by sector of economic activity, selected years
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

According to data from population censuses, the rural population engaged in farming in the states of south-southeast Mexico⁵ decreased from 67% to 59% between 2000 and 2010.⁶

The agrarian structure is highly polarized, characterized by growing concentration of land ownership. On the one hand, family farming accounts for the vast majority of farming activities (95% in Central American countries). On the other hand, medium- and large-scale farms compete with large oligopolistic agribusiness companies oriented mainly towards the export market.

5. Public and private investment is insufficient

Investment is a key factor that correlates positively with economic growth. However, investment ratios in northern Central America and Mexico are below those of other Central American economies and other regions of the world.

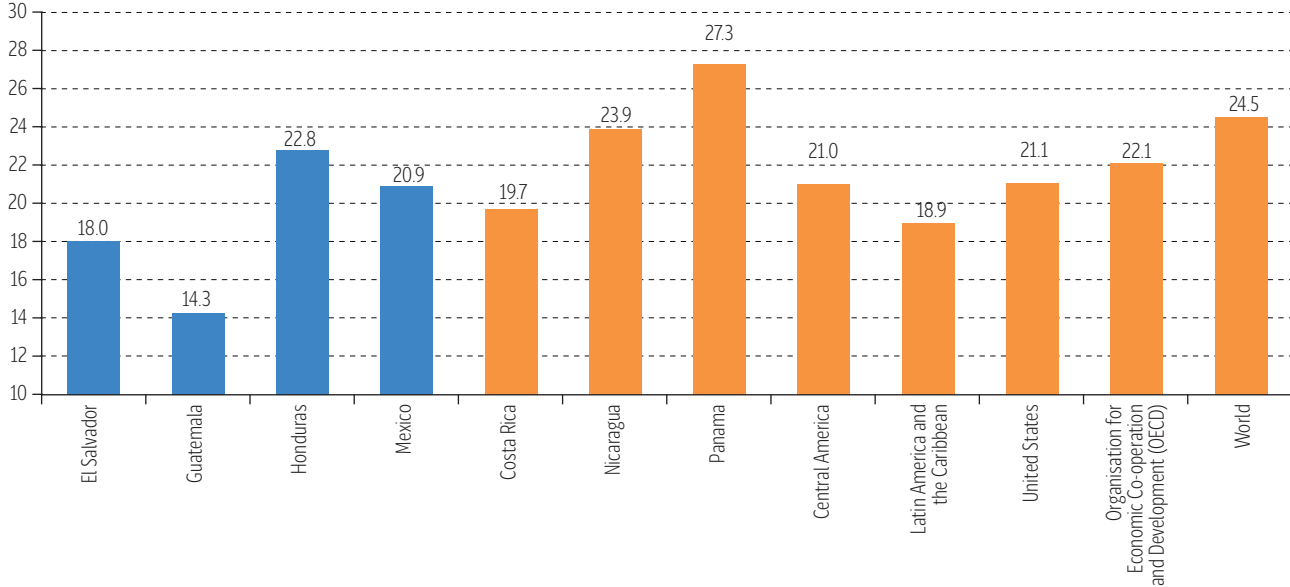
Over the period 1990–2018, average total investment for northern Central America and Mexico as a whole was 19% of GDP, identical to the Latin American and Caribbean average for the same period (19% of GDP) but below that of Nicaragua (23.9%) and Panama (27.3%) (see figure I.10).

Public investment in northern Central America and Mexico, as a percentage of GDP, averaged 3.5% over the period 1990–2018, while private investment averaged 15.5% of GDP. This performance has hinged upon a strategy of public spending restraint, to the detriment of investment (see figure I.11).

⁵ Puebla is not included in this data for the rural population engaged in farming because this state was not included in the original source of information.

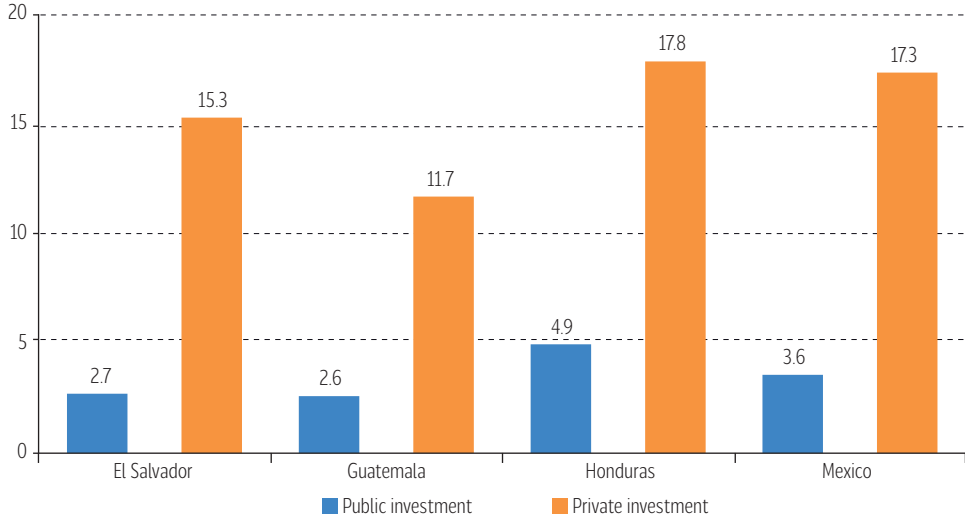
⁶ See F. Contreras, “Dinámica laboral en los hogares rurales en México”, *Hogares y trabajadores en México en el siglo XXI*, B. García, E. Pacheco and J. Najera (eds.), Mexico City, El Colegio de México, 2017.

Figure I.10
Northern Central America, Mexico and selected regions: average total investment, 1990–2018
(Percentage of gross domestic product)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank and official statistics.

Figure I.11
Northern Central America and Mexico: average public and private investment, 1990–2018
(Percentage of gross domestic product)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

In 2017, total investment in the nine states of south-southeast Mexico averaged 21.9% of GDP.

6. Poor financial inclusion stands in the way of fast economic growth

Financial inclusion is defined as the population’s access to a wide range of financial services tailored to their needs, offered by a variety of regulated providers.

Financial inclusion can provide opportunities for achieving the Sustainable Development Goals (SDGs), by providing the means for making and receiving payments, as well as for accumulating assets safely, leveraging available assets to invest in education, health and productive activities, and mitigating risk.

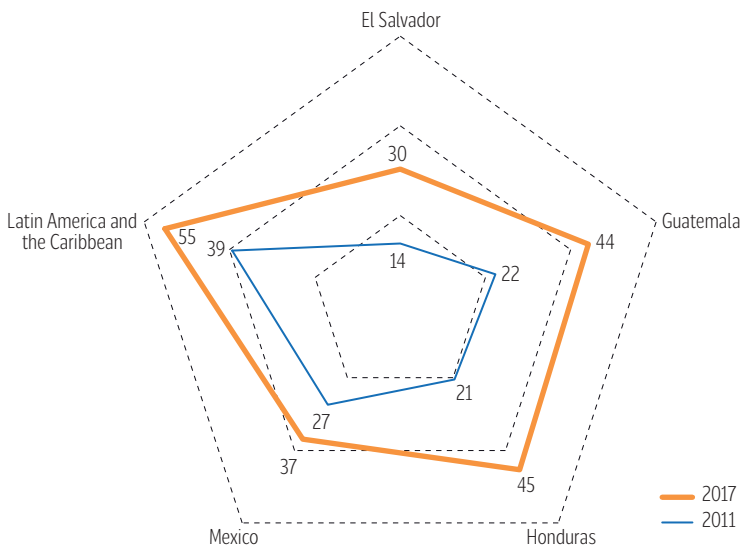
Despite significant progress in access to financial services in recent years, Mexico and northern Central America lag behind the Latin American average.

Mexico is one of the countries in the region with the highest percentage of over 15-year-olds excluded from the financial system (58.7 million people).

According to Mexico’s National Survey of Financial Inclusion (ENIF), in 2018 the proportion of adults who did not use at least one regulated financial product in Mexico’s southern region was 32.4% and in its south-central and eastern region it was 39.7%, both of which exceed the 31.7% national average.⁷

In El Salvador, just 24% of women over the age of 15 have an account in a formal financial institution. While this rises to 42% in Guatemala, it is still below the 52% average for Latin America and the Caribbean (see figure I.12).

Figure I.12
Northern Central America: population with access to an account in a regulated financial institution, 2011 and 2017
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

⁷ The data from the 2018 National Survey of Financial Inclusion are classified by region. The southern region includes the states of Campeche, Chiapas, Guerrero, Oaxaca, Tabasco, Quintana Roo and Yucatán. The south-central and eastern region includes the states of Mexico, Hidalgo, Morelos, Puebla, Tlaxcala and Veracruz. See National Banking and Securities Commission/National Institute of Statistics and Geography (CNBV/INEGI), National Survey of Financial Inclusion (ENIF) 2018 [online database] <http://en.www.inegi.org.mx/programas/enif/2018/>.

More than half the financially excluded population states that their main reason for not having an account in a regulated financial institution is the perception of not having sufficient income. In Guatemala, the proportion is 63%.

With regard to savings, although 78.5% of Mexicans claimed to have saved in the 12 months prior to being interviewed, only 15.2% answered that they had saved exclusively with regulated financial institutions.

According to the regional classification of the National Survey of Financial Inclusion, in Mexico's southern region, the proportion of adults who save is 79.7%, while the proportion claiming to have saved formally is 15.3%. In its south-central and eastern region, the proportion of adults who do not save increases to 23.2%, while the proportion who save in formal institutions is just 12%.

High levels of exclusion are also seen in the countries of northern Central America: of the 40% of northern Central Americans who reported having saved recently, only 11% of Salvadorans, 12% of Guatemalans and 15% of Hondurans saved with a regulated financial institution.⁸

There is a significant gender gap in financial inclusion in the countries involved in the Comprehensive Development Plan. The widest gap is seen in El Salvador, where it is 14% (men have greater inclusion), while in Honduras and Mexico the gap is around 8% and in Guatemala 4%.⁹

This limits not only the amount of savings allocated to education, health and productive activities but also possibilities for accessing and using other financial services, such as credit and insurance.

7. Labour income accounts for a dwindling share of value added but a growing share of capital, which increases inequality and reduces purchasing power and growth in domestic demand

Since the 1970s, there has been a downward trend in labour income as a share of GDP throughout the world. In Latin America, starting in the mid-2000s, there was a slight recovery in the share of labour income, which continued even after the global financial crisis.

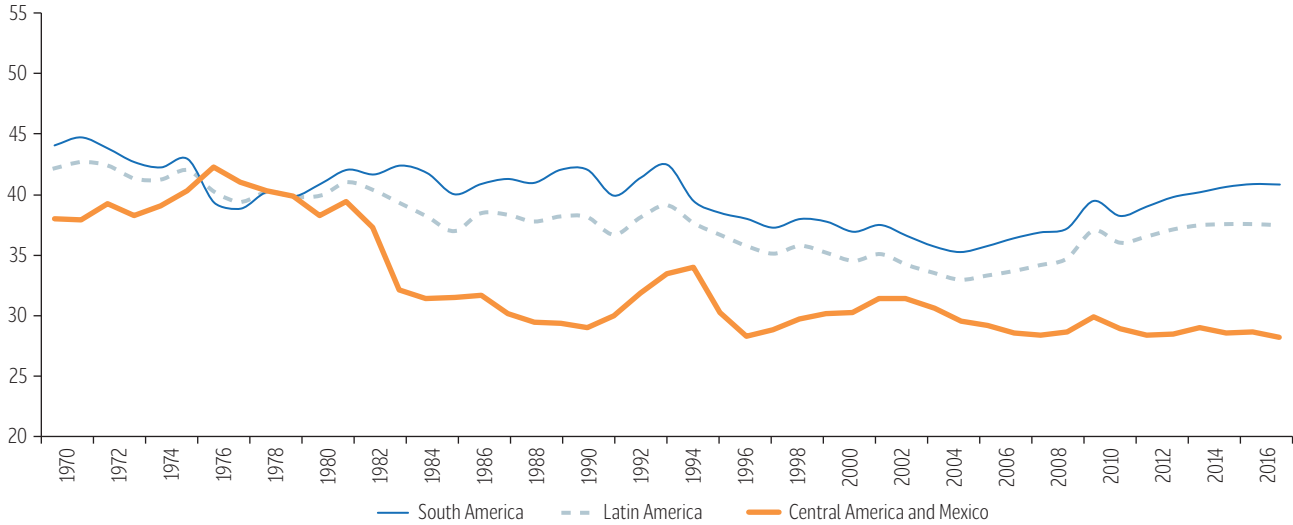
However, this recovery did not extend to Mexico and Central America where, according to the latest data, the labour income share of GDP is less than 30% (see figure I.13).

⁸ The information for northern Central America comes from A. Demirgüç-Kunt and others, "The Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution", Washington, D.C., World Bank, 2018, while the information for Mexico comes from National Banking and Securities Commission/National Institute of Statistics and Geography (CNBV/INEGI), National Survey of Financial Inclusion (ENIF) 2018 [online database] <http://en.www.inegi.org.mx/programas/enif/2018/>.

⁹ See World Bank, Global Financial Inclusion Database [online] <https://datacatalog.worldbank.org/dataset/global-financial-inclusion-global-findex-database>.

Figure I.13

Latin America (15 countries)^a: share of wages in gross domestic product (at market prices), weighted average for the total region and subregions, 1970–2016 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.
^a Average weighted by current GDP in dollars.

ECLAC estimates, based on the functional distribution of national income by sector and the relative importance of these sectors at state level, suggest that the proportion of value added distributed as remuneration to wage workers in the states of south-southeast Mexico is 25.7%, below the 29% national average.

This stems from a low labour income share in Campeche (9.4%) and Tabasco (18.4%), which reflects the greater relative importance of extractive activities, where just 6.2% of the national value added is distributed as remuneration to wage workers. In the other states in the south-southeast, where the main economic activity is services, labour income as a share of GDP is above the national average.

The decrease in the labour share of income implies that wages are growing at a slower rate than average labour productivity. In the case of Mexico and Central America, this is unfolding in a context of slow labour productivity growth.

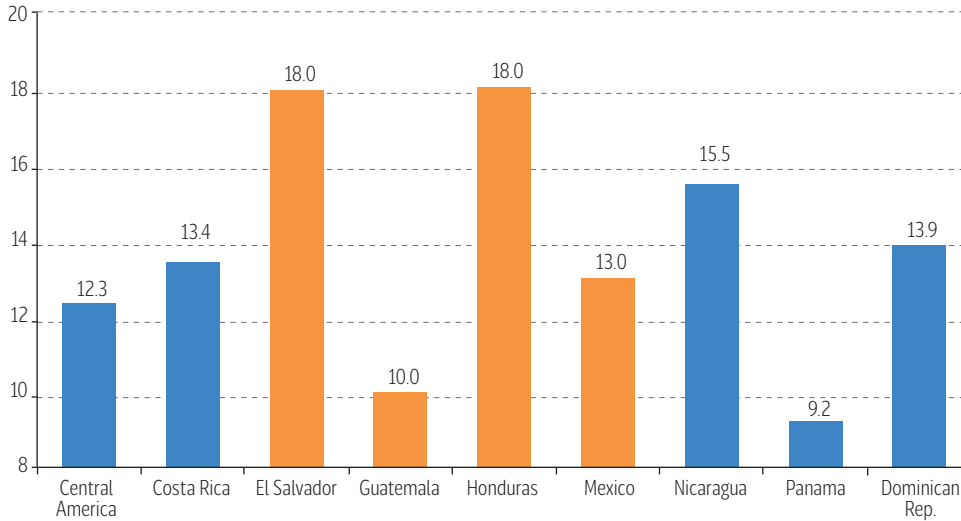
The negative trend in labour income as a share of GDP is reflected in greater income inequality because stagnant wage growth is concentrated in the lower-income population.

As ownership of capital is concentrated in the higher-income segments of the population, the larger proportion of income they receive in rents from physical and financial assets exacerbates the already high economic inequality. This income concentration impacts on the purchasing power of wage workers, undermining growth in domestic demand.

8. Tax collection rates are low and marked by high avoidance and evasion

Tax revenues collected as a percentage of GDP in Guatemala and Mexico are among the lowest in the region and the world, with 10% and 13%, respectively, collected in 2018. Tax revenues collected in both El Salvador and Honduras accounted for 18% of GDP (see figure I.14). The averages for the countries of Latin America and the Organization for Economic Co-operation and Development (OECD) were 15.6% of GDP and 34.2% of GDP, respectively.

Figure I.14
Northern Central America and Mexico: tax revenues, 2018
(Percentage of gross domestic product)



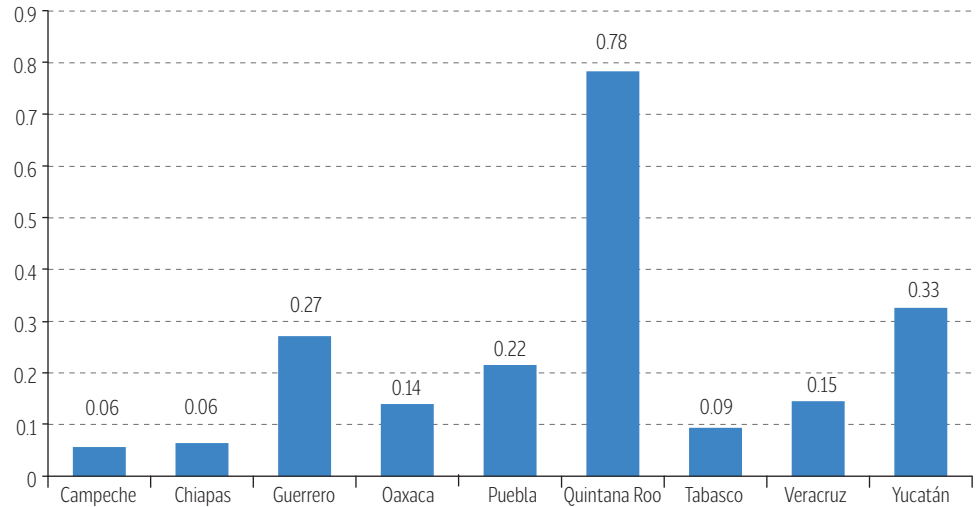
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

In 2017, tax collection rates in the states of south-southeast Mexico were extremely low, equivalent to 2.1 percentage points of state GDP as a whole. In 2017, tax revenues accounted for between 0.06% and 0.78% of each state’s GDP. This points to a weak tax system and heavy reliance on cash transfers from the Federal Government (see figure I.15).

In some countries, there is a steady increase in public debt, with a resulting increase in interest payments. El Salvador’s total non-financial public sector debt-to-GDP ratio was 72.8% in 2018, which is bordering on a problematic level of debt sustainability. In Guatemala, public debt was 21.5% of GDP, the lowest of all countries in northern Central America and Mexico (see figure I.16).

Figure I.15

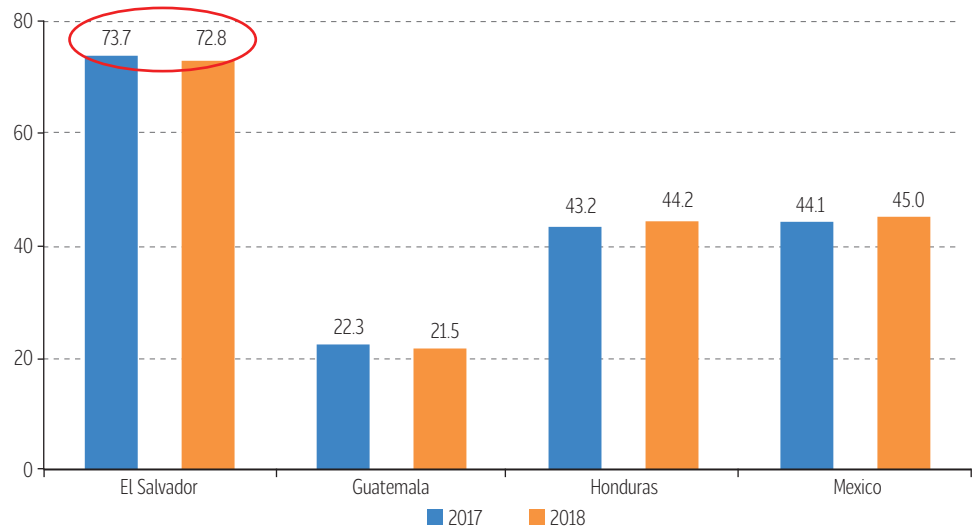
States of south-southeast Mexico: tax revenues, 2017
(Percentage of state gross domestic product)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

Figure I.16

Northern Central America and Mexico: total public debt, 2017 and 2018
(Percentage of gross domestic product)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official statistics.

In 2017, indebtedness in the states of south-southeast Mexico was equivalent to 0.83% of state GDP as a whole. Although this figure seems relatively low, if debt is considered as a percentage of tax revenue, indebtedness ranged from 7.7% in Yucatán to 179.7% in Campeche.

In 2018, debt service averaged 3.9% of GDP in the northern countries of Central America and Mexico. In Guatemala, Honduras and Mexico, it accounted for around 2.2% of GDP, while in El Salvador it was equivalent to 9.3% of GDP.

In addition, the fastest-growing (export-oriented) sectors enjoy big tax incentives. Loss of tax revenue, as a result of exemptions from income, value added, foreign trade, social security and other taxes, accounted for 3.8% of GDP in El Salvador, 2.3% in Guatemala and 3.9% in Mexico in 2017.¹⁰

Most export manufacturing activities are covered by export promotion regimes that offer generous tax incentives, in terms of tariffs, taxes on income and assets and municipal and other taxes. In 2017, the share of merchandise exports under special regimes was 49.4% in Honduras and 38.5% in Mexico, with lower values in Guatemala and El Salvador (34.3% and 20%, respectively).

B. High and persistent poverty and inequality, in a context of demographic pressures and chronic violence

1. Progress in social development in recent years has been insufficient

In northern Central America, primary education coverage (population aged 15–19 having completed primary education) is over 80%, with the exception of Guatemala where it is 62% among men and 57% among women. In Mexico, primary education coverage is 96.4% for men and 97.4% for women.

The infant mortality rate has fallen to 11.9 per 1,000 live births in El Salvador, 27 per 1,000 in Guatemala and 30 per 1,000 in Honduras, from levels close to 50 per 1,000 in the mid-1980s. However, rates are still far higher than those of developed countries.

Another indicator that has shown some improvement, although it is still at a high level, is the percentage of the population living in extreme poverty. Progress has been greatest in El Salvador, where the rate has dropped to 8.3% in 2017 (from 17.5% in 2000), and in Honduras, with a rate of 18.8% in 2016 (compared with 27.3% in 2000). In Guatemala, there has been less of a decrease (15.4% in 2014, compared with 16.9% in 2000).

In terms of diet, food production exceeds the population's requirements by 18% in El Salvador, 16% in Guatemala, 19% in Honduras and 32% in Mexico. Better distribution of income and food production would therefore suffice to fulfil the right to a healthy and varied diet.

However, despite efforts to reduce them, the levels of many forms of violence remain high, including: disappearances, with more than 58,000 missing persons in northern Central America between 2010 and 2018; gender-based violence, with 40,000 rapes reported in northern countries of Central America between 2010 and 2017; child-specific violence; and a strong presence of armed criminal groups.¹¹

¹⁰ Economic Commission for Latin America and the Caribbean (ECLAC), *Fiscal Panorama of Latin America and the Caribbean, 2019* (LC/PUB.2019/8-P), Santiago, 2019.

¹¹ See United Nations Development Group, "Snapshot of the situation. Northern countries of Central America: protection concerns", New York, 2019, unpublished.

The homicide rate per 100,000 inhabitants in northern Central America decreased in 2017 compared with 2015, while Mexico shows the opposite trend. However, very high levels persist: in 2018, the average homicide rate in northern Central America was 1.5 times higher than the Latin American average and these countries are still among the world leaders for death by violence.

Femicide rates in the northern countries of Central America and Mexico are among the highest in the world: 898 per 100,000 women in Mexico, 232 in El Salvador, 235 in Honduras and 172 in Guatemala.¹² This represents only a small portion of violent deaths of women, as most cases are not registered as femicides but as murders.

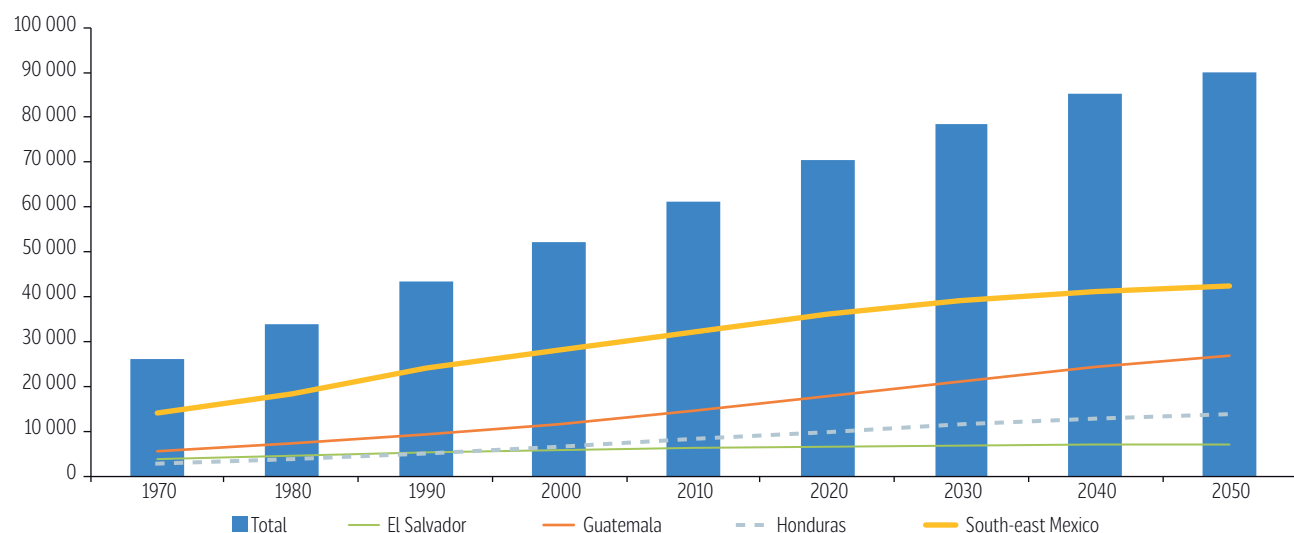
2. Northern countries of Central America and the states of south-southeast Mexico face demographic pressures

Between 1950 and 1975, population growth in northern Central America was high and its population increased at an average annual rate of 2.8%. When a population grows that fast, it doubles every 25 years. As a result, the number of inhabitants in these three countries increased from 6.9 million in 1950 to 13.7 million in 1975. Although the rate of growth slowed thereafter, it is estimated that the population will have reached 34.3 million by 2020 and 47.6 million by 2050.

According to projections from the National Population Council (CONAPO), the combined population of the states of south-southeast Mexico will have risen to 39.1 million by 2030 and 42.3 million by 2050. While their growth rate will gradually decline in the future, it will continue to be above the Mexican average (see figure I.17).

Figure I.17

Northern Central America and south-southeast Mexico: population, 1970–2050
(Thousands of inhabitants)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, World Population Prospects 2019 [online database] <https://population.un.org/wpp/>; National Population Council (CONAPO), "Proyecciones de la Población de México y de las Entidades Federativas, 2016–2050" [online] <https://datos.gob.mx/busca/dataset/proyecciones-de-la-poblacion-de-mexico-y-de-las-entidades-federativas-2016-2050>.

¹² See Economic Commission for Latin America and the Caribbean (ECLAC), "Femicide or feminicide" [online] <https://oig.cepal.org/en/indicators/femicide-or-feminicide>.

The high population growth in northern Central America between 1950 and 1975 was the result mainly of a reduction in mortality rates (especially among minors), while fertility rates remained constant at above 6 children per woman.¹³ As the demographic transition progressed in these countries, fertility began to decline (to between 2.2 children per woman and 3.2 children per woman, that is to say, close to the population replacement level). In the states of south-southeast Mexico, the crude death rate in 2020 will be similar to the national rate (6 per 1,000 inhabitants). The average fertility rate will be the replacement level of 2.1 children per woman, albeit with variations between federal entities. With 77 pregnancies per 1,000 young people aged 15-19 in 2018, Mexico is the OECD country with the highest teenage pregnancy rate.

In the years of high population growth, the public policy challenge was to serve the child population, focusing on maternal and child health and primary education. In 1970, children under 15 years of age accounted for 45.6% of the population in El Salvador, 45.8% in Guatemala, 47.7% in Honduras and 46.5% in Mexico. As a result of demographic change, in 2020 their share will shrink to 26.5% in El Salvador, 33.3% in Guatemala, 30.5% in Honduras and 25.5% in Mexico. In the states of south-southeast Mexico, children under 15 years of age accounted for 27.8% of the population in 2019, although the child population in Chiapas and Guerrero is higher than the Mexican average (25.5%).

The largest age group in the countries and federal entities is 15-49 years, with a share in 2020 estimated at 52.6% in El Salvador, 53.5% in Guatemala, 55.1% in Honduras and 53% in Mexico. This last figure is very similar to the average for the states of south-southeast Mexico (52.3%) in 2019.

The age distribution of their population provides northern Central America and Mexico with both challenges and opportunities because, unless timely action is taken, persistent socioeconomic inequalities could prevent them from capitalizing on demographic opportunities (see figure I.18). The demographic dividend currently being enjoyed by northern Central America and the states of south-southeast Mexico, offers opportunities owing to the heavy concentration of people in the working-age group, especially the 15-49 age group. To harness the potential of this segment of the population to the full, it is vital to create decent employment and reduce existing income lags among both men and women. It is also necessary to invest in young people who find it difficult to complete their education, acquire the skills required by the labour market and join the market under the right conditions.¹⁴

Children under the age of 15 (representing one third of all the inhabitants of northern Central America and south-southeast Mexico) create a growing demand for quality education, nutrition, care and the chance to grow and develop in safe and supportive settings.¹⁵ Investing in this age group would promote equality and, at the same time, would prepare the future workforce for their countries' development.

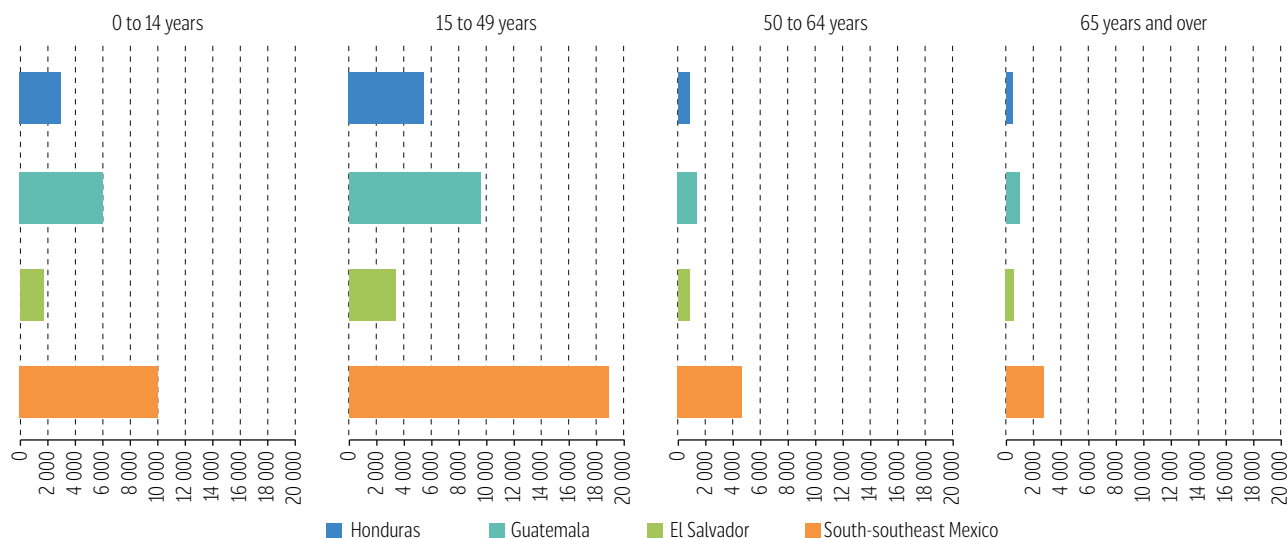
¹³ Corresponding to the total fertility rate, that is to say, the average number of children that women of reproductive age (15 to 49 years) would have if fertility conditions were to remain constant.

¹⁴ See Economic Commission for Latin America and the Caribbean (ECLAC), *The social inequality matrix in Latin America* (LC/G.2690(MDS.1/2)), Santiago, 2016.

¹⁵ See Economic Commission for Latin America and the Caribbean (ECLAC), *The social inequality matrix in Latin America* (LC/G.2690(MDS.1/2)), Santiago, 2016.

Figure I.18

Northern Central America and south-southeast Mexico: population by age group, 2020
(Thousands of inhabitants)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, World Population Prospects 2019 [online database] <https://population.un.org/wpp/>; National Population Council (CONAPO), “Proyecciones de la Población de México y de las Entidades Federativas, 2016–2050” [online] <https://datos.gob.mx/busca/dataset/proyecciones-de-la-poblacion-de-mexico-y-de-las-entidades-federativas-2016-2050>.

Demographic transition in northern Central America and Mexico is driving the growing demand for personal care services (for persons who are older, sick or have disabilities), without the countries responding with national care policies. The majority of this unpaid work falls on women, which limits their labour force participation and wastes the dividend they represent for national economies.

Population dynamics are also at work at household level. The national trend in northern Central America and Mexico is towards a decrease in the average size of households. Around 2016, household sizes stood at 3.7 members in El Salvador and Mexico, 4.4 in Honduras and 4.8 in Guatemala. However, this average masks major differences when segmented by income. According to income quintile, the poorest households in all countries have on average more members (4.9), while those in the highest quintile have fewer members (3.3). There are also differences within countries. In the federal entities of south-southeast Mexico, the average number of household members ranges from 4.2 in Chiapas to 3.4 in Quintana Roo.¹⁶

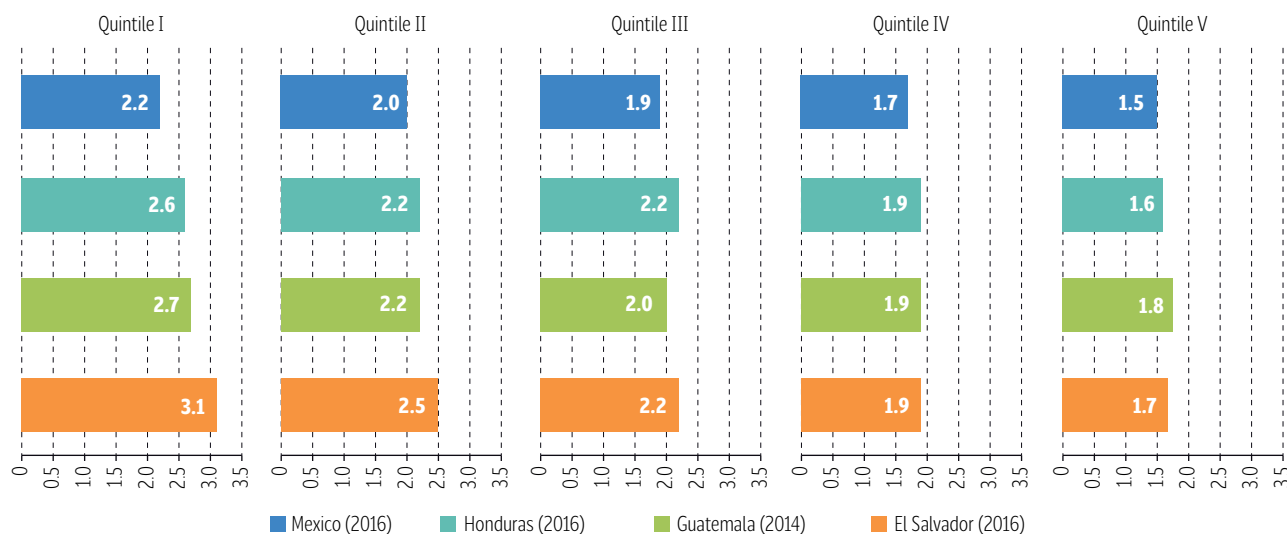
The age composition of households is diverse. The average number of children under the age of 12 per household is 1.5 in all four countries under study. Most household members are in early adulthood, with an average age of 28.8 in all four countries. The youngest households are found in Honduras (average age 27.5 years) and Guatemala (average age 25.6 years). In contrast, in El Salvador and Mexico, the average age of household members exceeds 31 years.

¹⁶ See National Institute of Statistics and Geography (INEGI), “Encuesta Intercensal 2015” [online] <https://www.inegi.org.mx/programas/intercensal/2015/>.

The decline in the number of children in households affects the economic dependency ratio, which has also decreased in recent decades and, as countries are still at the incipient stage (Guatemala), moderate stage (Mexico and Honduras) or moderate to advanced stage (El Salvador) of population ageing, they do not yet face the challenges that countries in the region’s Southern Cone currently do. However, emerging needs are heterogeneous and demonstrate households’ vulnerability depending on their members’ stage of life: children are concentrated in the poorest households, whereas older persons are concentrated in the richest households (see figure I.19). Household composition has also diversified. Currently, 1 in 10 Mexican households is a single-parent household; 1 in 10 is a single-person household and 1 in 10 is a household comprising a couple with no children. Together, these three types of household make up 30% of the total.¹⁷

Figure I.19

Northern Central America and Mexico: household dependency ratio by income quintile, around 2016
(Number of dependents per worker)



Source: World Bank, Socio-Economic Database for Latin America and the Caribbean (SEDLAC) [online] <https://datacatalog.worldbank.org/dataset/socio-economic-database-latin-america-and-caribbean>.

3. Explosive and disorderly urbanization with great inequalities

Urbanization in the northern countries of Central America is an ongoing process, unlike in Mexico, which has a level of urbanization close to that of high-income countries. In 2018, the urban population ratio was 72% in El Salvador, 51% in Guatemala, 57% in Honduras and 80% in Mexico.¹⁸

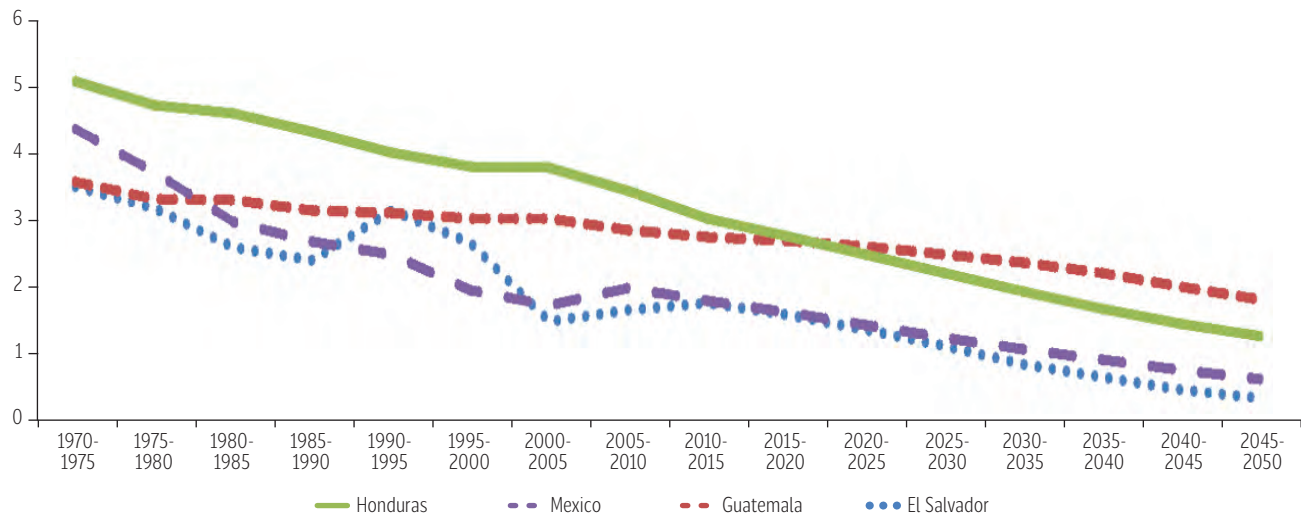
¹⁷ See El Colegio de México/United Nations Entity for Gender Equality and the Empowerment of Women (UN-Women), “El progreso de las mujeres en el mundo 2019–2020: familias en un mundo cambiante. Ficha México”, Mexico City, 2019.

¹⁸ United Nations, *World Urbanization Prospects 2018: Highlights* (ST/ESA/SER.A/421), New York, Department of Economic and Social Affairs (DESA), 2019, p. 26.

The annual growth rate of the urban population over the period 2015–2020 will average 2.1% and, despite the fact that the rural population of Guatemala and Honduras currently makes up nearly half their total population, both countries will experience rapid urbanization in the future. In El Salvador and Mexico, declining fertility will be the biggest factor influencing growth in the urban population’s share of the total population (see figure I.20).

Figure I.20

Northern Central America and Mexico: average annual growth rate of the urban population, 1970–2050 (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, World Urbanization Prospects 2018 [online database] <https://population.un.org/wup/>.

In the states of south-southeast Mexico, the urbanization process is heterogeneous. In 2015, the urban population ratio in Yucatán and Quintana Roo was 84.5% and 88.9%, respectively, which is even higher than the national average. In Oaxaca and Chiapas, the urban population ratios are around 50%, similar to Guatemala’s ratio (see map I.2).

Urbanization in the subregion takes the form of explosive expansion of capital-city suburbs, secondary cities and road corridors between urban centres. Nowadays, the inhabitants of northern Central America live in cities of very different sizes: 4 large metropolises (with over 1 million inhabitants), 20 cities with between 100,000 inhabitants and 1 million inhabitants and 80 cities with 15,000-100,000 inhabitants. In 2015, the population of south-southeast Mexico was concentrated in towns with fewer than 500 inhabitants (33.5%) and in cities with over 100,000 inhabitants (31.6%).

A factor common to the three northern Central American countries is that urbanization does not stem from a process of industrialization but from a weakening of traditionally rural production structures and strong growth in the informal economy. Another phenomenon observed is high urbanization from population displacement and migration to tourist areas, as is happening in the state of Quintana Roo in south-southeast Mexico.

Map I.2

Northern Central America and south-southeast Mexico: urban population, 2018
(Percentages)

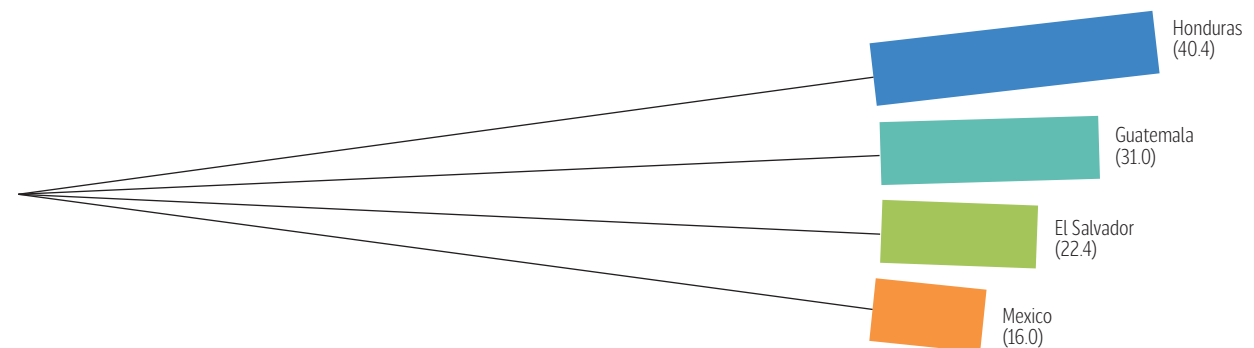


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, World Urbanization Prospects 2018 [online database] <https://population.un.org/wup/>; National Institute of Statistics and Geography (INEGI), Encuesta Intercensal 2015 [online database] <https://www.inegi.org.mx/programas/intercensal/2015/>.

Much of the urban population in these countries is living in precarious housing and in poverty. In 2016, 31% of Guatemala’s urban population was living in slums, informal settlements or inadequate housing, compared with 40.4% in Honduras. This drops to 22.4% in El Salvador and 16% in Mexico (see figure I.21).

Figure I.21

Northern Central America and Mexico: proportion of urban population living in slums, informal settlements or inadequate housing, 2016
(Percentages)



Source: United Nations, Global SDG Indicators Database [online] <https://unstats.un.org/sdgs/indicators/database/>.

The main consequence of sociospatial segregation in cities, together with overcrowded housing, deterioration of public spaces and services and growing disparities between residential areas and informal settlements, is to deprive millions of people of decent living conditions, forcing them to live in environments characterized by increased social

conflict and deterioration of the social fabric. Indeed, large-scale urban growth, without adequate planning, access to services such as education, employment or security, or consolidated institutions, can create an environment of insecurity and violence.¹⁹ According to data on homicides in cities, a significant proportion of homicides are committed in urban centres, a phenomenon that does not necessarily affect only the largest cities. In Honduras, for example, the city with the highest homicide rate is La Ceiba, followed by San Pedro Sula and Tegucigalpa.²⁰

Gangs are one of the most important aspects of social conflict in urban areas. In 2018–2019, the Attorney General of El Salvador started a total of 7,412 criminal proceedings for gang-related organized crime.²¹ Nationwide in Mexico, 31.9% of the population had seen or heard violent gangs (*pandillas*) in the country's main urban areas during the third quarter of 2019.²²

4. The development model of northern countries of Central America and Mexico has failed to create sufficient employment, especially for young people

In the northern countries of Central America, roughly 700,000 young people reach working age (15 years) each year and, in Mexico, they number around 2.3 million. While not all these young people either wish or need to work at this stage in their lives, there is an expectation that they will eventually do so, making it necessary for the labour market to have the capacity to offer them decent jobs.

Annual net job creation in northern Central America is an estimated 580,000 jobs and, in Mexico, around 1.6 million.²³ This job creation continues to be less than what is needed, especially for young people, and is very precarious owing to high informal employment rates in these countries. The unemployment rate among 15–24-year olds is higher than the national average. In Guatemala in 2016, 9.8% of 15–24-year olds were unemployed, with a lower incidence (1.6%) among people aged 25 and over. This was also true of El Salvador (9.8% among 15–24-year olds and 3.1% among people aged 25 and over). In Honduras and Mexico, the gap between the two age groups is 5.5 and 4.4 percentage points, respectively (see figure I.22). In the states of south-southeast Mexico, people aged 15–29 have unemployment rates close to 5% but with great disparities. For instance, in the states of Guerrero and Oaxaca, the unemployment rate is below 3%, while in the state of Tabasco, the rate exceeds 12% (see figure I.23). Furthermore, women's labour force participation rate remains very low.

¹⁹ See United Nations Office on Drugs and Crime (UNODC), "Homicide, development and the Sustainable Development Goals", *Global Study on Homicide 2019*, Vienna, 2019 [online] https://www.unodc.org/documents/data-and-analysis/gsh/Booklet_4.pdf.

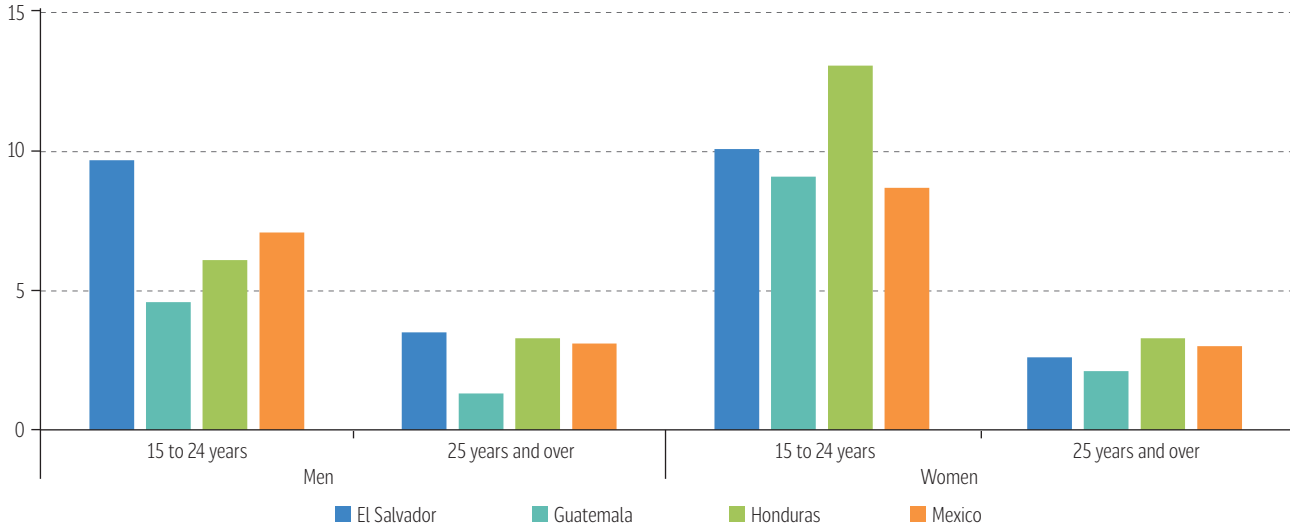
²⁰ See United Nations Office on Drugs and Crime (UNODC), "Homicide in cities", DATAUNODC [online database] <https://dataunodc.un.org/data/homicide/Homicide%20in%20cities>.

²¹ See Attorney General's Office, *Memoria de labores 2018–2019*, San Salvador, 2019 [online] <http://www.fiscalia.gob.sv/wp-content/uploads/memorias-pdf/Memoria-de-Labores-2018-2019.pdf>.

²² See National Institute of Statistics and Geography (INEGI), National Survey on Urban Public Safety (ENSU) [online database] <http://en.www.inegi.org.mx/programas/ensu/default.html#Tabulados>.

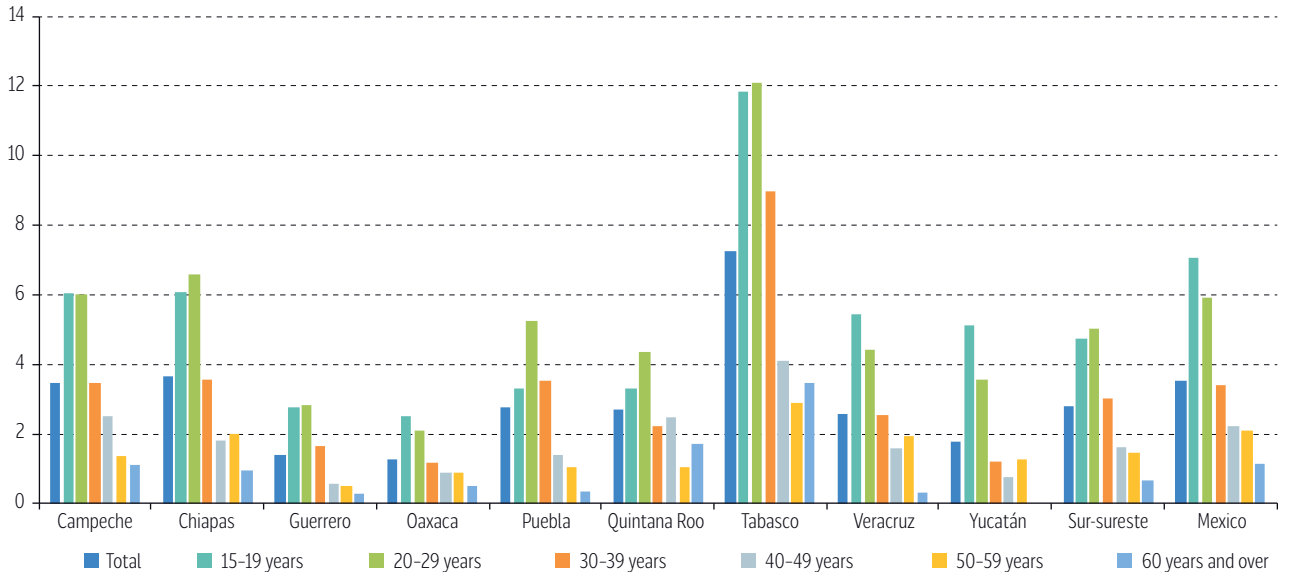
²³ In Mexico, the annual target is to create 1.2 million jobs, a figure lower than that proposed in this document. This is because the figure of 1.2 million takes into consideration the fact that, in practice, not all young people reaching working age seek a job, mainly because they include many women who cannot enter the labour market because they are required to perform unpaid domestic work. This document proposes a figure of 1.6 million as it considers that the population that fails to enter the labour market should be included in the target figure.

Figure I.22
Northern Central America and Mexico: unemployment rate, by sex and age, 2018
(Percentage of the economically active population)



Source: United Nations, Global SDG Indicators Database [online] <https://unstats.un.org/sdgs/indicators/database/>.

Figure I.23
States of south-southeast Mexico: unemployment rate by age group, 2019
(Percentage of the economically active population)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of National Institute of Statistics and Geography (INEGI), National Survey of Occupation and Employment (ENOE) [online database] <http://en.www.inegi.org.mx/programas/enoe/15ymas/>.

Despite the fact that the national unemployment rate remains low in Guatemala and Mexico (2.5% and 3.4%, respectively) and moderate in El Salvador and Honduras (7% and 6.7%, respectively), informal employment plays an extremely important role in the economy, as mentioned earlier.

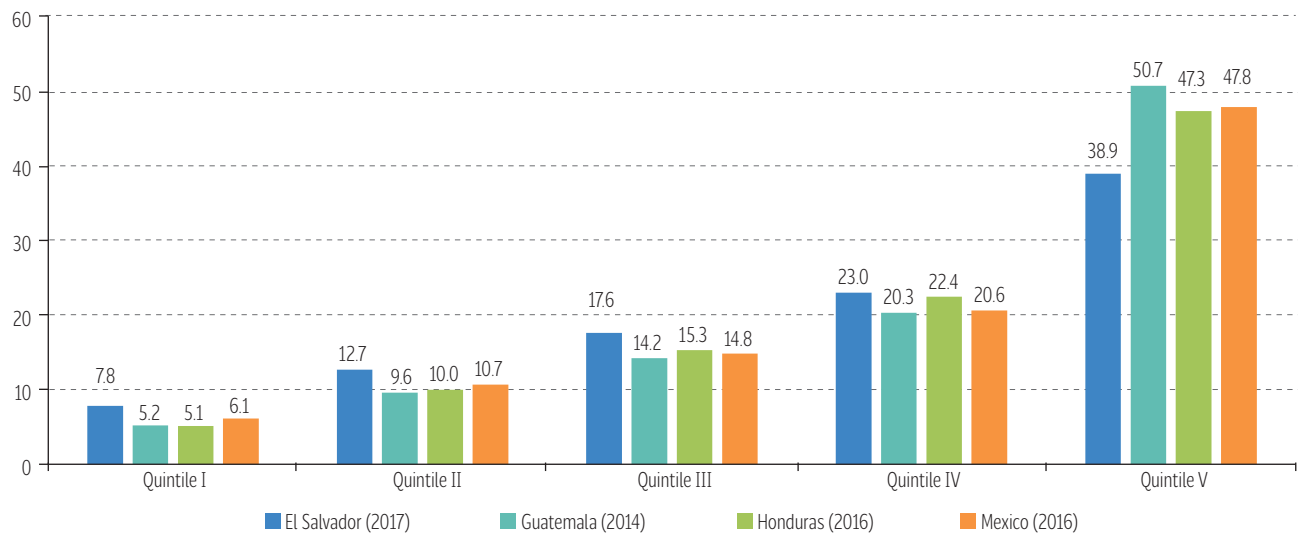
An insufficient supply of jobs and high informal employment rates in the northern countries of Central America, coupled with demand for workers in the United States economy, are among the leading structural causes behind the migration phenomenon in the subregion. In El Salvador, Guatemala and Honduras, more than two thirds of job-seekers resort to the informal economy or to migration. Demand for foreign labor in the United States continues to grow and is met largely by migrants from Latin America.

5. High levels of inequality and poverty are seen in northern Central America and Mexico

Northern Central America and Mexico have high inequality in the distribution of income and wealth. In Guatemala, the richest 20% of the population holds just over half the country’s income (50.7%). This is followed by Mexico and Honduras, countries that also have severe inequality, with the richest 20% holding just over 47% of income. While El Salvador shows slightly lower levels, inequality in the country is still high (see figure I.24). Levels of inequality in the states of south-southeast Mexico are slightly higher than the national average and than those in northern countries of Central America, with close to (and in some states slightly more than) 50% of income concentrated in the hands of the richest 20% of the population (see figure I.25).

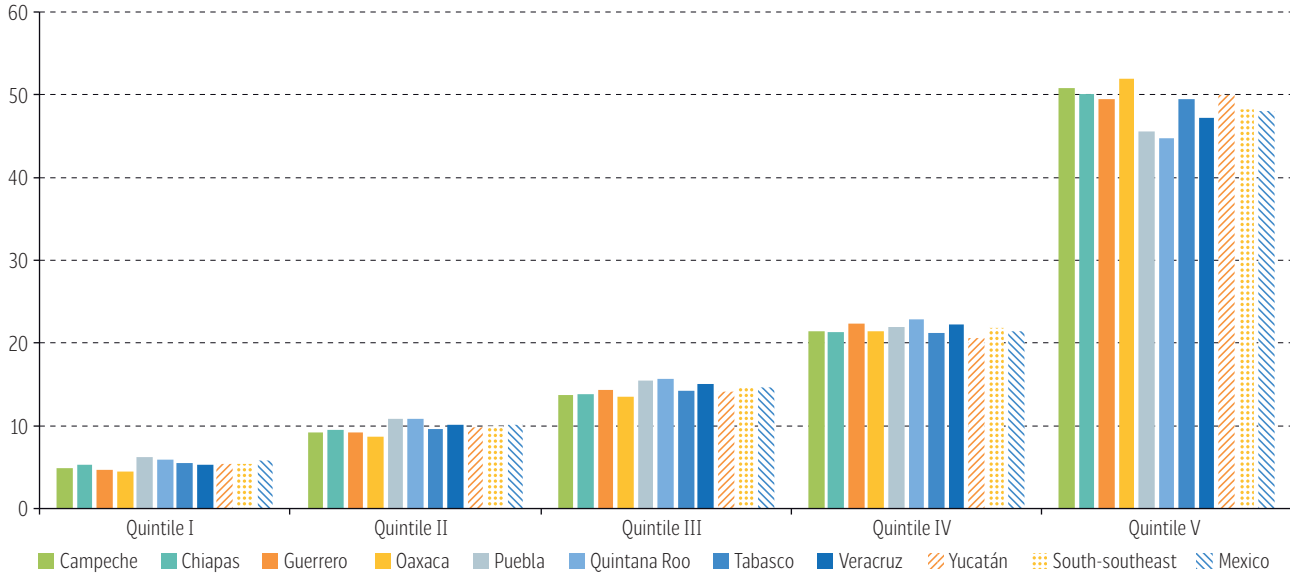
Figure I.24

Northern Central America and Mexico: share of total income by income quintile, latest year available (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT [online database] <https://estadisticas.cepal.org/cepalstat/portada.html?idioma=english>.

Figure I.25
States of south-southeast Mexico: share of total income by income quintile, 2016
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of National Institute of Statistics and Geography (INEGI), National Survey of Household Income and Expenditure (ENIGH) 2016 [online database] <http://en.www.inegi.org.mx/programas/enigh/nc/2016/>.

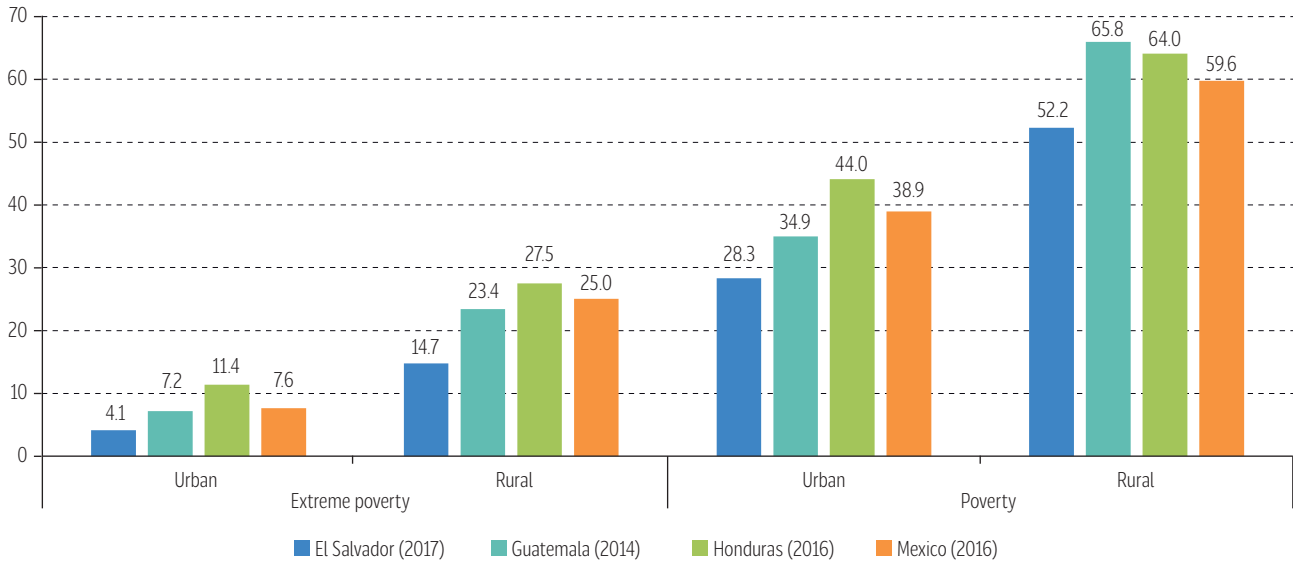
Nearly half the northern Central American population is living in poverty and between 12% and 19% suffer from extreme poverty, meaning that they do not have enough income to meet their basic food requirements. In rural areas, levels are critical: in Guatemala, 65.8% of the rural population was living in poverty in 2014 and, in Honduras, 64% of the rural population was living in poverty in 2016. This drops to 52.2% in El Salvador (2017) and 59.6% in Mexico (2016). The figure for Mexico is still extremely high considering the number of Mexicans affected by this scourge, as well as the country’s economic development and per capita GDP (see figure I.26).

Poverty affects men and women differently. The data on the population without own income, by sex, show that the percentage of women without own income is several times higher than that of men. In El Salvador, 16.1% of men have no own income, compared with 41.6% of women. In Guatemala, the shares are 14% and 51%, respectively, while in Honduras they are 14% and 39.3%, respectively.²⁴ Earning one’s own income gives a person the power to decide how to manage their own earnings to cover their personal needs and those of other household members, which makes this a key indicator for women’s lack of economic autonomy.

²⁴ See Economic Commission for Latin America and the Caribbean (ECLAC), “People without incomes of their own” [online] <https://oig.cepal.org/en/indicators/people-without-incomes-their-own>.

Figure I.26

Northern Central America and Mexico: poverty and extreme poverty rates, latest year available (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT [online database] <https://estadisticas.cepal.org/cepalstat/portada.html?idioma=english>.

The unequal distribution of care work between men and women prevents women from joining the labour market and accessing study opportunities on equal terms. Although the data sources are not uniform, the information available suggests that women in the countries under study spend three times as much time as men on unpaid work (see table I.3).

Table I.3

Northern Central America and Mexico: unpaid working time by own income and sex, latest year available^a (Hours per week)

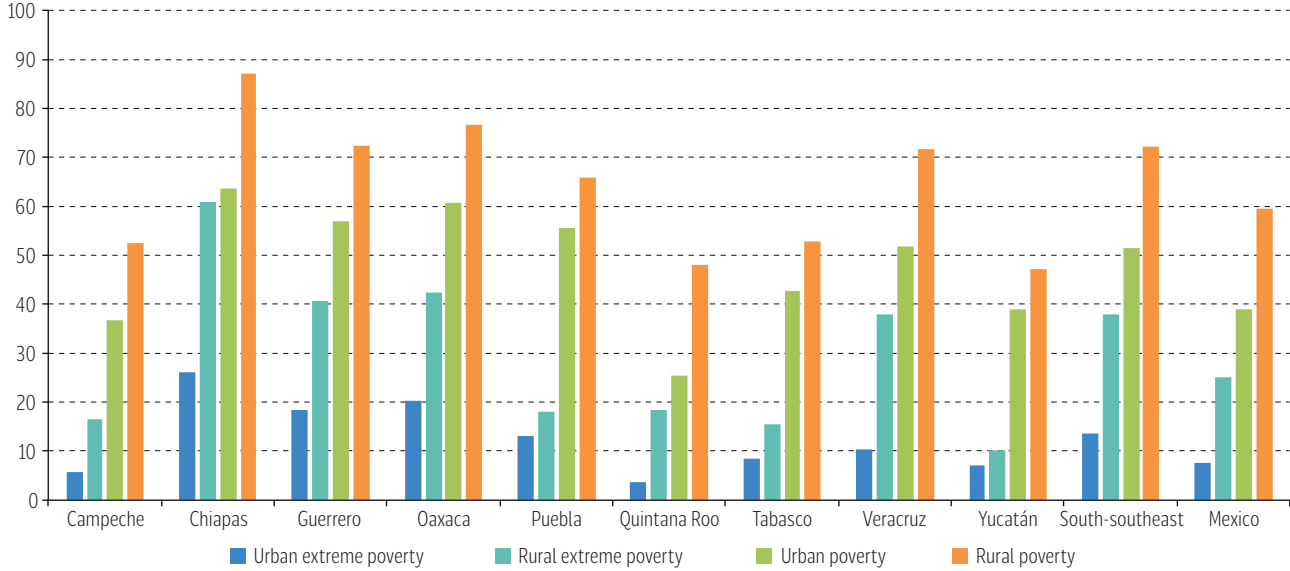
Country	Women with own income	Women without own income	Men with own income	Men without own income
El Salvador	33.7	49.8	18.7	30.4
Guatemala	36.4	45.2	10.4	12.2
Honduras	30.3	37.7	14.2	19.6
Mexico

Source: Economic Commission for Latin America and the Caribbean (ECLAC), “Unpaid work time by own income and sex” [online] <https://oig.cepal.org/en/indicators/unpaid-work-time-own-income-and-sex>.

^a The figures for El Salvador refer to 2017, for Guatemala to 2017 and for Honduras to 2009.

The rural poverty rate in the states of south-southeast Mexico (73.2%) is higher than the northern Central American average. Rural poverty and extreme poverty are particularly acute in the states de Chiapas, Oaxaca and Guerrero, with a poverty rate of more than 80% and an extreme poverty rate of 60% in Chiapas (see figure I.27).

Figure I.27
States of south-southeast Mexico: poverty and extreme poverty rates, 2016
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of National Institute of Statistics and Geography (INEGI), National Survey of Household Income and Expenditure (ENIGH) 2016 [online database] <http://en.www.inegi.org.mx/programas/enigh/nc/2016/>.

Poverty affects indigenous and Afrodescendent populations more than it does other population groups. According to the latest data available on Guatemala, in 2014 poverty affected close to 70% of indigenous and Afrodescendent populations combined, while in Mexico the percentage exceeded 50% in 2015.

6. Social inclusion is poor and the exercise of social rights is limited

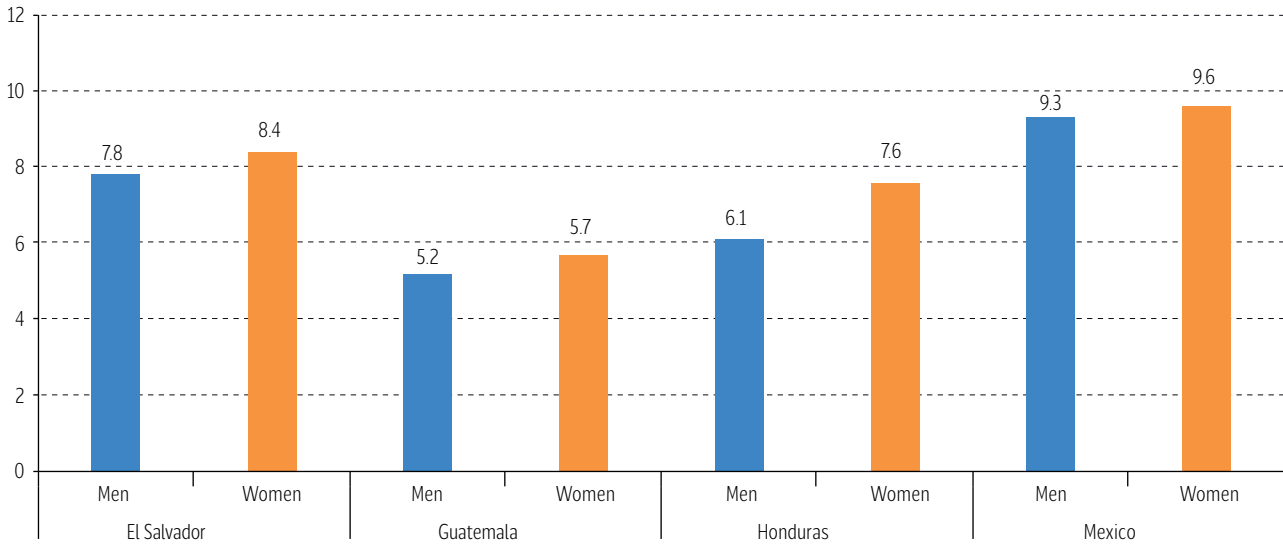
(a) Education

Education coverage in northern Central America is still far from universal. Lack of access to secondary and tertiary education is one of the factors determining the predominant education profile, characterized by a low average number of years of schooling, mainly among the rural population, as well as by gaps between men and women that can even exceed one year, as in the case of Honduras (see figure I.28).

Although levels of education in Mexico are higher than in northern countries of Central America, those in Mexico's southern and south-eastern states are lower, particularly in Chiapas, Guerrero and Oaxaca, where average years of schooling are similar to those of Honduras and El Salvador (see figure I.29).

Figure I.28

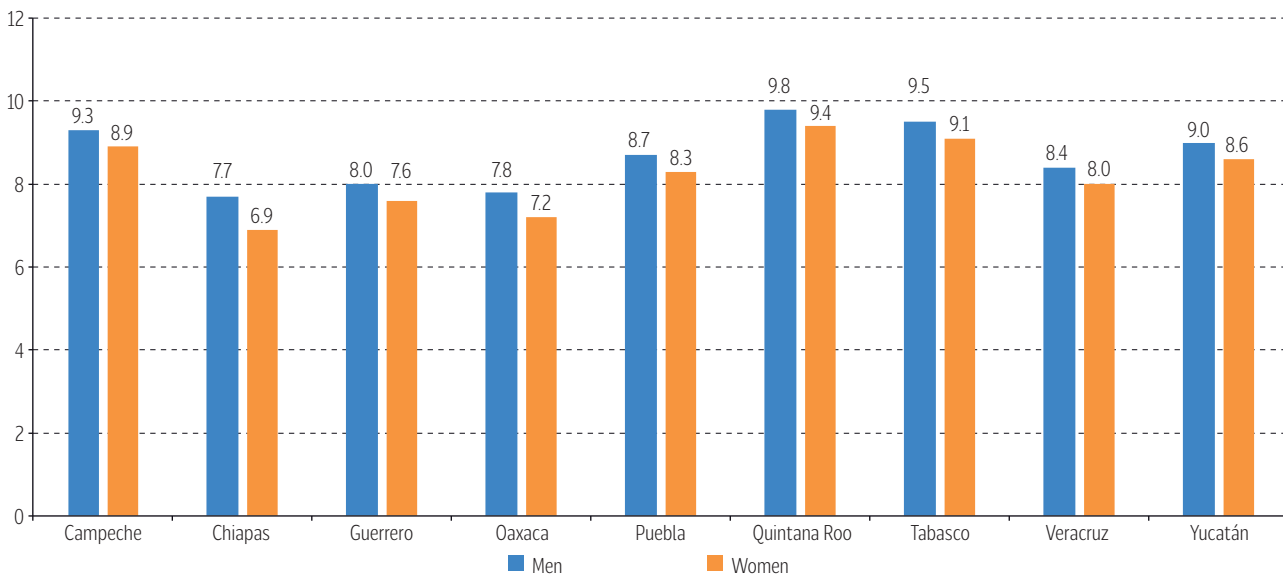
Northern Central America and Mexico: average years of schooling of the economically active population 15 years of age and over, 2014
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT [online database] <https://estadisticas.cepal.org/cepalstat/portada.html?idioma=english>.

Figure I.29

States of south-southeast Mexico: average years of schooling, 2015
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of National Institute of Statistics and Geography (INEGI).
Note: Average years of schooling completed by the economically active population 15 years of age and older, by sex. The weighted averages are based on data from 2015.

Quality early childhood education, coupled with family caregiving, is essential for children to develop properly and for them to start primary school at the right age. However, in northern Central America, preschool education coverage is below the regional average of 56%, with 25% in El Salvador and 19% in Honduras. Mexico's coverage is 60%.²⁵ The adjusted net enrolment rate one year before the official primary school entry age is far short of universal coverage, with the exception of Mexico. In Guatemala, coverage is 85%, in El Salvador 81% and in Honduras 78%.

In northern Central America, it is more common for children without access to early childhood services to come from the most excluded populations, to live in inaccessible areas and to face disadvantages. According to data from the United Nations Children's Fund (UNICEF), 38,833 children in El Salvador dropped out of school between 2014 and 2016 because of violence (11% of total dropouts). In the region, the estimated share of children aged 3–4 with adequate early childhood development is 83%, compared with 82% in Mexico, 81% in El Salvador and 80% in Honduras.²⁶

The percentage of 15–24-year olds in the northern countries of Central America who are not included in two institutions crucial to social inclusion (education and employment) is higher than the 22% regional average. The figure is 37% in Mexico, 28.4% in El Salvador, 27.7% in Honduras and 27.3% in Guatemala.²⁷ Violence also influences early school leaving and young people's learning abilities and life plans.²⁸

Furthermore, the education available is generally of poor quality and largely irrelevant, which limits the opportunities of young people and adults to access jobs in higher-productivity sectors. This can be seen clearly in the wage gaps that exist between young people and adults. In such countries as El Salvador and Guatemala, young people have an average income up to 70% lower than that of the adult population, despite having higher qualifications.²⁹

Inequality is also expressed in access to education as determined by geographical location. Urban education coverage is much greater than rural education coverage and this is more evident at the secondary level than at the primary level. The proportion of 15–24-year olds who are not studying or in paid employment is also higher in rural areas than in urban areas. In addition, average years of schooling in urban areas are practically double those of rural areas (see figure I.30).

²⁵ See United Nations Children's Fund (UNICEF), *The State of the World's Children 2019. Children, Food and Nutrition: Growing Well in a Changing World*, New York, 2019.

²⁶ See United Nations Children's Fund (UNICEF), *The State of the World's Children 2019. Children, Food and Nutrition: Growing Well in a Changing World*, New York, 2019.

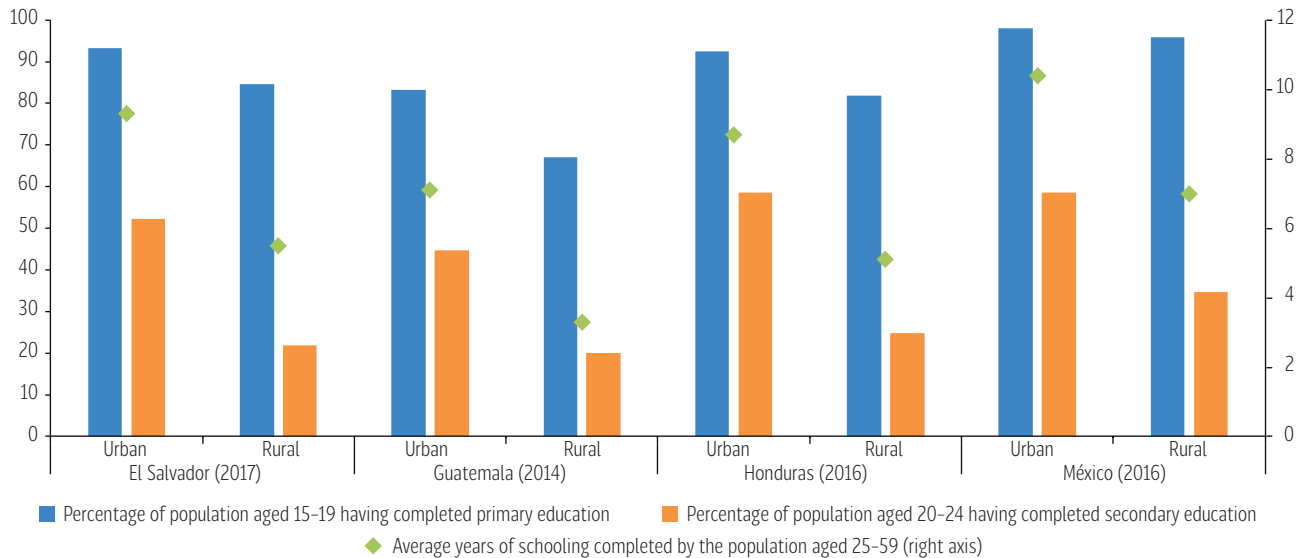
²⁷ See International Labour Organization (ILO), ILOSTAT [online database] <https://ilostat.ilo.org/data/>.

²⁸ In Mexico, for example, 60% of teenage girls aged 15–17 claim to have experienced at least one episode of violence in their lives. The consequences of violence against girls are multiple and lifelong, as they impact on their well-being and physical and mental health. They also contribute to unwanted or early pregnancy and early school leaving, undermining their learning abilities and self-esteem, as well as child development and the healthy building of identities and life plans.

²⁹ See M. Marinho and V. Quiroz, "Estratificación social: una propuesta metodológica multidimensional para la subregión norte de América Latina y el Caribe", *Project Documents* (LC/MEX/TS.2018/28), Mexico City, Economic Commission for Latin America and the Caribbean (ECLAC), 2018.

Figure I.30

Northern Central America and Mexico: education coverage by level and average years of schooling, latest year available
(Percentages and average years of schooling)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT [online database] <https://estadisticas.cepal.org/cepalstat/portada.html?idioma=english>.

The indigenous population is also at a disadvantage with respect to access to education. In Mexico, the average for the population as a whole is completion of the third grade of secondary school, while the indigenous population barely completes primary education and indigenous language-speakers complete only the fifth grade of primary school. If this advance is treated as one grade per decade, the indigenous population is almost three decades behind the national average.

In El Salvador and Honduras, women have higher education coverage at all levels and longer average years of schooling (see table I.4). Nonetheless, women's higher gross enrolment rate and longer average years of schooling fail to translate into labour market access on equal terms with men.

Table I.4

Northern Central America and Mexico: education coverage by level and average years of schooling, by sex, latest year available
(Percentage of the total population)

Level of education	El Salvador		Guatemala		Honduras		Mexico	
	Men	Women	Men	Women	Men	Women	Men	Women
Primary ^a	88.4	90.4	76.5	72.6	86.1	91.6	97.1	98.0
Secondary ^b	40.1	40.3	33.2	32.8	37.1	45.7	53.6	53.3
Tertiary ^c	27.0	30.2	17.2	19.2	22.2	30.3	38.3	38.6

Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT [online database] <https://estadisticas.cepal.org/cepalstat/portada.html?idioma=english>.

^a Percentage of population aged 15–19 having completed primary education, by sex.

^b Percentage of population aged 20–24 having completed secondary education, by sex.

^c Gross enrolment rate in tertiary level of education, by sex.

While the information available on education coverage in the nine states of south-southeast Mexico does not allow a direct comparison with the data presented above, evidence from alternative indicators shows levels of coverage similar to the Mexican national average. Over the period 2016–2017, Mexico's secondary school graduation rate averaged 85.5%, while the average for the south-southeast was 74.8%. In upper secondary education, the national average was 64.4%, while the south-southeast average was 60.7%.³⁰ However, an analysis of individual states shows that, in most of the states reviewed, coverage is below the national average (see table I.5).

Table I.5

States of south-southeast Mexico: graduation rate by federal entity, by level or type of education, 2016–2017
(Percentages)

Federal entity	Level or type of education		
	Primary	Secondary	Upper secondary
Campeche	95.3	82.1	62.1
Chiapas	94.6	84.2	66.4
Guerrero	97.4	83.1	68.4
Oaxaca	88.3	81.3	66.2
Puebla	100.7	87.5	74.5
Quintana Roo	103.9	86.9	66.1
Veracruz	99.0	85.1	80.1
Yucatán	97.6	83.1	62.5

Source: National Institute of Educational Evaluation (INEE), on the basis of General Directorate of Educational Planning, Programming and Statistics, Estadísticas Continuas del Formato 911 [online] <http://www.f911.sep.gob.mx/2019-2020/>.

Note: this indicator refers to the estimated number of students graduating from a specific level of education (primary or secondary) or type of education (upper secondary) in a given school year for every 100 new students who were enrolled as many school years back as that level or type of education lasts (see National Institute of Educational Evaluation (INEE), *Panorama Educativo de México. Indicadores del Sistema Educativo Nacional 2018. Educación básica y media superior*, Mexico City, 2019).

Over and above access to educational opportunities, all four countries are facing a learning crisis. Based on the latest data (2015) from the OECD Programme for International Student Assessment (PISA) survey, the percentage of 15-year-old Mexican students who failed to attain minimum levels of proficiency in reading and mathematics was 42% and 57%, respectively. Data from PISA for Development (PISA-D) (2018) show higher percentages of students who scored below the minimum levels of proficiency in Honduras and Guatemala: 70% in reading and 85% in mathematics in Honduras and 70% and 89%, respectively, in Guatemala. Although El Salvador has not participated in standardized assessments of learning in recent years, it will take part in the new PISA round in 2021.

(b) Health

Although nobody would refute that the Central American countries have made considerable progress with a number of health indicators in recent decades, major

³⁰ See National Institute of Educational Evaluation (INEE), *Panorama Educativo de México. Indicadores del Sistema Educativo Nacional 2018. Educación básica y media superior*, Mexico City, 2019.

challenges remain, both for the population as a whole and for specific groups experiencing clear disadvantages in access to timely care and to quality services with a territorial approach, including indigenous and Afrodescendent populations.

The epidemiological profile of Central American countries is in transition, characterized by a reduction in the incidence of transmissible diseases and an increase in chronic, non-transmissible diseases. At the same time, they must respond to the pressures of persistent transmissible diseases, such as cholera, dengue fever and Chagas disease, as well as some emerging diseases, such as the Zika virus and chikungunya.³¹ Compounding all this are unresolved challenges, such as maternal and infant mortality, gaps in sexual and reproductive health services and high levels of teenage motherhood.

The general lag can be seen in life expectancy at birth. While it was 73.9 years in Guatemala, 74.2 years in El Salvador and 73.8 years in Honduras in the period 2015–2020, this is still nearly two years shorter than average life expectancy in Latin America and the Caribbean (75.7 years). In Mexico, average life expectancy is 77.3 years, with sharp differences between states. According to data from the National Population Council (CONAPO), in 2017 life expectancy in the nine states of south-southeast Mexico was shorter than average life expectancy in Latin America. With an average life expectancy of 72.9 years, the state of Guerrero is below the northern Central American average, while the state of Chiapas has the same years of life expectancy as Guatemala and the state of Oaxaca has the same years of life expectancy as Honduras.

Maternal and child health indicators reveal wide disparities between countries. With regard to maternal mortality, Honduras reports a figure of 74 women per 100,000 live births, higher than the Latin American average of 58 women per 100,000 live births, while El Salvador has a much lower ratio, albeit higher than that of Mexico. Guatemala's rate is much higher than El Salvador's (see table I.6). In the states of south-southeast Mexico, average mortality is 41.5 women per 100,000 live births, with marked differences between states.³² In Chiapas, there are 58.3 deaths among women per 100,000 children, in Guerrero the figure is 53.9 and, in Campeche, it is 50.4, all of which rates are above the Mexican average and rates in El Salvador.

Table I.6

Northern Central America and Mexico: maternal and infant mortality

Country	Maternal mortality ratio (per 100,000 live births)	Under-five mortality (per 1,000 live births)
El Salvador	27.4	11.9
Guatemala	113.4	27.0
Honduras	74.0	30.0
Mexico	34.6	15.1
Latin America and the Caribbean	58.0	19.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Pan American Health Organization/World Health Organization (PAHO/WHO), *Situación de Salud en las Américas: Indicadores Básicos 2017*, Washington, D.C., 2017.

³¹ See Economic Commission for Latin America and the Caribbean (ECLAC), “ODS 3: Garantizar una vida sana y promover el bienestar para todos a todas las edades en América Latina y el Caribe”, Santiago, 2019 [online] https://www.cepal.org/sites/default/files/static/files/ods3_c1900667_press_2.pdf.

³² See National System of Statistical and Geographical Information (SNIIEG), “Base de datos del Subsistema de Información sobre Nacimientos”, Mexico City, 2016 [online] <https://www.snieg.mx/cni/indicadores.aspx?idorden=1.3>.

Mortality is related to safe delivery conditions. Guatemala is the country that faces the biggest challenge in this area, given that only 43% of pregnant women receive the recommended medical care and just 66% of deliveries take place in hospital (see table I.7). While the average is close to 96% in south-southeast Mexico, there are also disparities between states. Chiapas is the state that is furthest below the average, with only 89.7% of deliveries attended by trained health personnel.³³

Table I.7

Northern Central America and Mexico: prenatal care and hospital deliveries, 2016
(Percentages)

Country	Prenatal care by trained personnel	Hospital deliveries
El Salvador	75.1	99.0
Guatemala	43.0	66.0
Honduras	89.0	79.0
Mexico	91.0	94.2
Latin America and the Caribbean	86.7	93.4

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Pan American Health Organization/World Health Organization (PAHO/WHO), *Situación de Salud en las Américas: Indicadores Básicos 2017*, Washington, D.C., 2017.

In terms of under-five mortality, Guatemala and Honduras are in the worst situation, with figures higher than both the regional average and the rates in El Salvador and Mexico. In the states of south-southeast Mexico, infant mortality is above the national average.³⁴ Chiapas and Oaxaca are the states with the highest infant mortality rate, with 18.9 and 17.2 infant deaths per 1,000 live births, respectively.

(c) Food and nutrition security

In Honduras, 49.3% of the population are living with moderate food insecurity and 17.7%, with severe food insecurity. These rates are slightly lower in Guatemala and El Salvador, where moderate food insecurity is 43.6% and 40% and severe food insecurity is 16.4% and 12.7%, respectively.³⁵ This level of undernutrition stems not from a shortage of food but from poor food distribution.

According to the National Council for the Evaluation of Social Development Policy (CONEVAL), 16.7% of the population of the states of south-southeast Mexico experiences moderate food deprivation and 11.9%, severe deprivation. However, there are differences between federal entities. Tabasco has the highest levels of food deprivation, both moderate (24.3%) and severe (22.5%). It is followed by Guerrero, Campeche and Oaxaca, where the proportion of the population experiencing severe food insecurity is 15.1%, 14.3% and 14.1%, respectively.

³³ See National System of Statistical and Geographical Information (SNIEG), "Base de datos del Subsistema de Información sobre Nacimientos", Mexico City, 2016 [online] <https://www.snieg.mx/cni/indicadores.aspx?idorden=1.3>.

³⁴ See National System of Statistical and Geographical Information (SNIEG), "Base de datos del Subsistema de Información sobre Nacimientos", Mexico City, 2016 [online] <https://www.snieg.mx/cni/indicadores.aspx?idorden=1.3>.

³⁵ See Food and Agriculture Organization of the United Nations (FAO), "Food security indicators" [online] <http://www.fao.org/economic/ess/ess-fs/ess-fadata/en>.

Compounding undernutrition, El Salvador, Guatemala, Honduras and Mexico face a double burden of malnutrition. On the one hand, there is chronic malnutrition and, on the other, overweight and obesity, coupled with a nutritional imbalance, that is to say, excess consumption of macronutrients (carbohydrates and fats) and insufficient intake of micronutrients (vitamins and minerals). According to the Food and Agriculture Organization of the United Nations (FAO), between 19% and 23% of the adult population (aged 18 and over) in northern Central America is obese, rising to 28.4% in Mexico. In El Salvador, 22.7% of women aged 15–49 have anaemia, compared with 16.4% in Guatemala, 17.8% in Honduras and 14.6% in Mexico. One of the main causes of malnutrition has been a change in the food environment as a result of trade liberalization, which has led to increased imports of corn sugar and processed food from the United States.

Guatemala and Honduras also have a very high prevalence of low height for age and huge inequalities between rich and poor households. In Guatemala, the percentage of children with low height for age is 65.9% in poorer households, compared with 17.4% in rich households, while in Honduras the figures are 42.1% and 8%, respectively. Even though the prevalence is lower in El Salvador and Mexico, wealth inequality persists. In El Salvador, the prevalence of a person with low height for age in poor households is 23.6%, compared with 5.3% in rich households, while in Mexico the prevalence is 22.9% and 4.9%, respectively.³⁶

(d) Basic household services

In El Salvador, Guatemala, Honduras and Mexico, there have been significant advances in access to safe drinking water, sanitation and electricity. Access to safe drinking water in the home is, on average, over 80% in all four countries. Despite advances in access to improved sanitation facilities, roughly one third of Guatemalan households still have no access to sanitation, exposing their members to an increased likelihood of contracting transmissible diseases. With regard to electricity access, while Mexico has coverage of more than 95% of households nationwide, in Honduras approximately 20% of households lack this basic service.

Despite the progress observed at the national level, significant gaps persist between rural and urban households in access to safe drinking water, sanitation and electricity. While the gaps between urban and rural households in terms of access to safe drinking water are around 10 percentage points, the gaps in access to sanitation services are almost 30 percentage points, as in Guatemala.

There are also qualitative gaps between households according to geography and income level. Some of the most vulnerable households seek technological solutions that do not guarantee quality access to safe drinking water or sanitation facilities³⁷ and increase environmental pollution and the spread of infectious and contagious disease vectors. In cases where households have no connection to a clean water supply, they resort to wells or water trucks, which exposes them to more frequent service interruptions, and when they have no access to mains sewerage, they resort to latrines or septic tanks.

³⁶ See United Nations Children's Fund (UNICEF), *A Familiar Face: Violence in the Lives of Children and Adolescents*, New York, 2017.

³⁷ Economic Commission for Latin America and the Caribbean (ECLAC), *The Inefficiency of Inequality* (LC/SES.37/3-P), Santiago, 2018.

This means that the rural population and those living in less affluent households find it more difficult to achieve adequate levels of well-being to perform well in their day-to-day activities. This reveals situations of inequality and reproduction of inequality that must be overcome by means of social programmes and public policies which, in this case, prioritize the rural population.

Access to Internet services is another gap to be filled among countries involved in the Comprehensive Development Plan. In 2016, 45.8% of Mexico's urban households had Internet access in the home, compared with 28% in El Salvador and 13.9% in Guatemala in 2014. Among rural households, home Internet access rates drop sharply, to 7.3%, 2.3% and 1.4%, respectively.

(e) Social protection

In northern Central America, in 2017, enrolment or contribution to the pension system among employed people was far below the regional average of 51.9%.³⁸ Rates were 25.9% in El Salvador, 18.8% in Guatemala, 19.9% in Honduras and 41.7% in Mexico. In the case of women, their lower labour force participation, higher unemployment rates, biases in some labour regulations and lack of policies enabling women to balance the demands of paid and unpaid work have a negative impact on contributory social protection coverage.

Low enrolment levels lead to a small percentage of people receiving a pension at retirement age. In 2017, just 17.6% of older persons in El Salvador received a pension at retirement age. In Honduras, the percentage of retirees receiving a pension was only 10.2%, compared with 28.3% in Guatemala, while in Mexico it was 81.6% (see table I.8).

Table I.8

Northern Central America and Mexico: pension system coverage, 2017
(Percentages)

Country	Pension system coverage among employed people	Pension system coverage among the population aged 65 and over
Latin America	51.9	76.2
El Salvador	25.9	17.6
Guatemala	18.8	28.3
Honduras	19.9	10.2
Mexico	41.7	81.6

Source: A. Arenas de Mesa, *Los sistemas de pensiones en la encrucijada: desafíos para la sostenibilidad en América Latina*, ECLAC Books, No. 159 (LC/PUB.2019/19-P), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2019.

As regards non-contributory social protection (designed to guarantee appropriate levels of well-being for people's development, while facilitating and ensuring access to social services and social advocacy policies), in 2017, coverage of the population and expenditure were below the regional average. Although northern Central America and Mexico had conditional transfer programmes, their coverage and the resources available to implement them tended to be low. This was particularly so in El Salvador and Guatemala (with 5.97% and 5.94%, respectively), compared with the Latin American and Caribbean average of 20.7%.

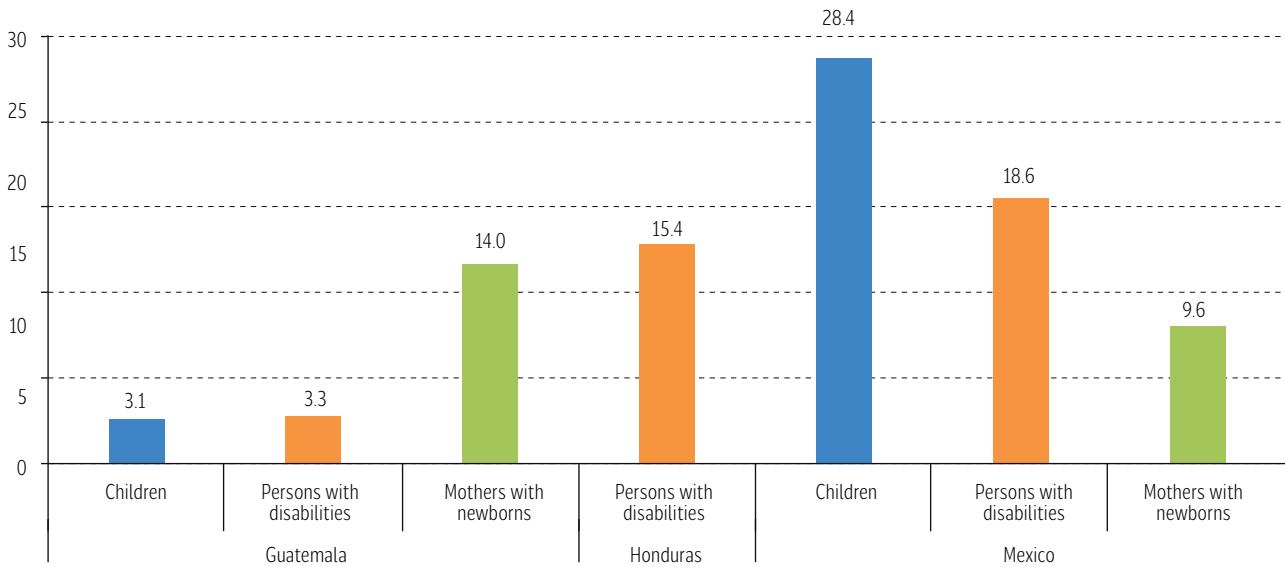
³⁸ Refers to (contributors/employed population)*100.

The situation is much the same with social pensions: in 2017, the coverage and expenditure of El Salvador’s social pension policy was just 4.0% of the population aged 60 or over, which seems inadequate considering that 25.9% of employed Salvadorans are enrolled in the pension system. The same is true in Guatemala, where social pension policy covered less than 10% of people in the retirement age bracket. These data reflect the acute economic vulnerability of older persons in northern Central America and Mexico.

Lastly, the proportion of vulnerable people (such as children, persons with severe disabilities and mothers with newborns) who are covered by minimum social protection is very low. In Guatemala, only 3.1% of children have access to a social protection allowance, while in Mexico it is 28.4% of children (see figure I.31).

Figure I.31

Northern Central America: children, persons with disabilities and mothers with newborns who are covered by social protection systems, latest year available^a
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Labour Organization (ILO), ILOSTAT [online database] <https://ilostat.ilo.org/data/>.

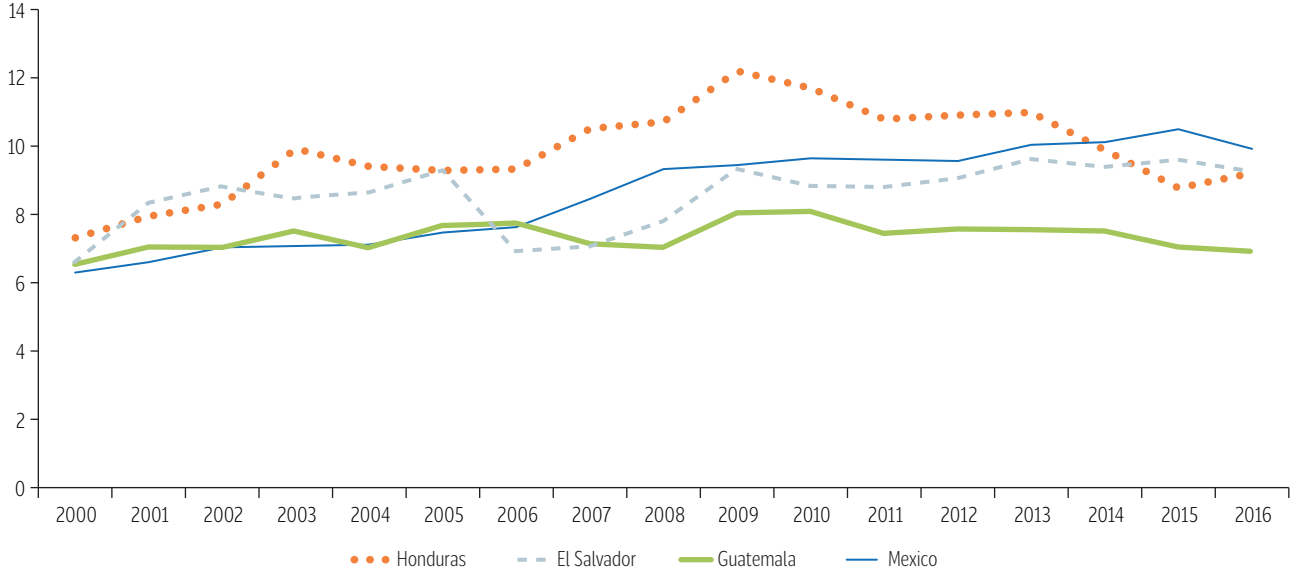
Note: In Guatemala, mothers with newborns receive maternity benefits only if they are covered by contributory schemes.

^a No information is available for El Salvador.

7. Social spending is insufficient

Social spending in these countries, which includes funding for policies in such areas as social protection, education and health, housing, community services and recreational activities, has stalled or even fallen. Between 2011 and 2016, social spending as a percentage of GDP increased by only 0.49 percentage points in El Salvador and by 0.33 percentage points in Mexico, while in Guatemala and Honduras it fell by 0.56 percentage points and 1.58 percentage points, respectively. In all four countries, central government social spending as a percentage of GDP was below the regional average of 11.2% of GDP (see figure I.32).

Figure I.32
Northern Central America and Mexico: public social spending, 2000–2016
(Percentage of gross domestic product)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT [online database] <https://estadisticas.cepal.org/cepalstat/portada.html?idioma=english>.

Per capita social spending in the northern countries of Central America is far lower than in Mexico. In 2016, per capita social spending in Honduras and Guatemala was approximately one fifth of Mexico's (US\$ 201 and US\$ 220, respectively), while in El Salvador it was less than one third (US\$ 316).

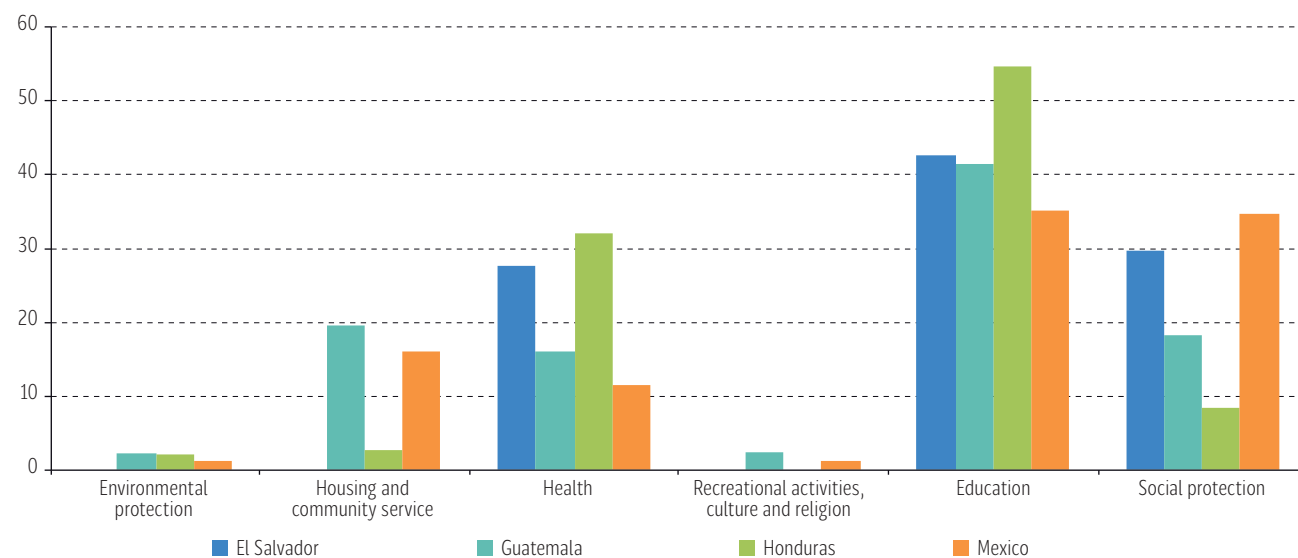
Even though Mexico's social spending is higher than in Central American countries, it is still not enough to bridge current gaps, particularly in the states of south-southeast Mexico. The federalized spending allocated to this subregion (meaning the funding transferred from central government to the states) is 26.3% of total federalized spending).³⁹ This is not sufficient to tackle the social challenges of a subregion that is home to around one quarter of the country's population. Veracruz is the state that is allocated the highest percentage of federalized spending, amounting to 0.05% of national GDP. It is followed by Campeche, Quintana Roo and Yucatán, with each state allocated around 0.01% of national GDP.⁴⁰

The biggest item of central government social spending is education. In 2018, it accounted for 61.9% of public social spending in Honduras, around 42% in Guatemala and El Salvador and 35.8% in Mexico. Out of the four countries, Honduras allocates the highest share of public social spending to health (29.9%) and Mexico allocates the highest proportion to social protection (39.4%) (see figure I.33).

³⁹ Programmable federalized spending refers to federal funds that are actually implemented by the states and are allocated mainly to basic education, teacher training, technology education, adult education, infrastructure and the social protection system for health.
⁴⁰ Own estimates on the basis of Secretariat of Finance and Public Credit (SHCP) statistics.

Figure I.33

Northern Central America and Mexico: allocation of public social spending by the central government, 2018
(Percentage of total public social spending)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT [online database] <https://estadisticas.cepal.org/cepalstat/portada.html?idioma=english>.

8. Human security and violence

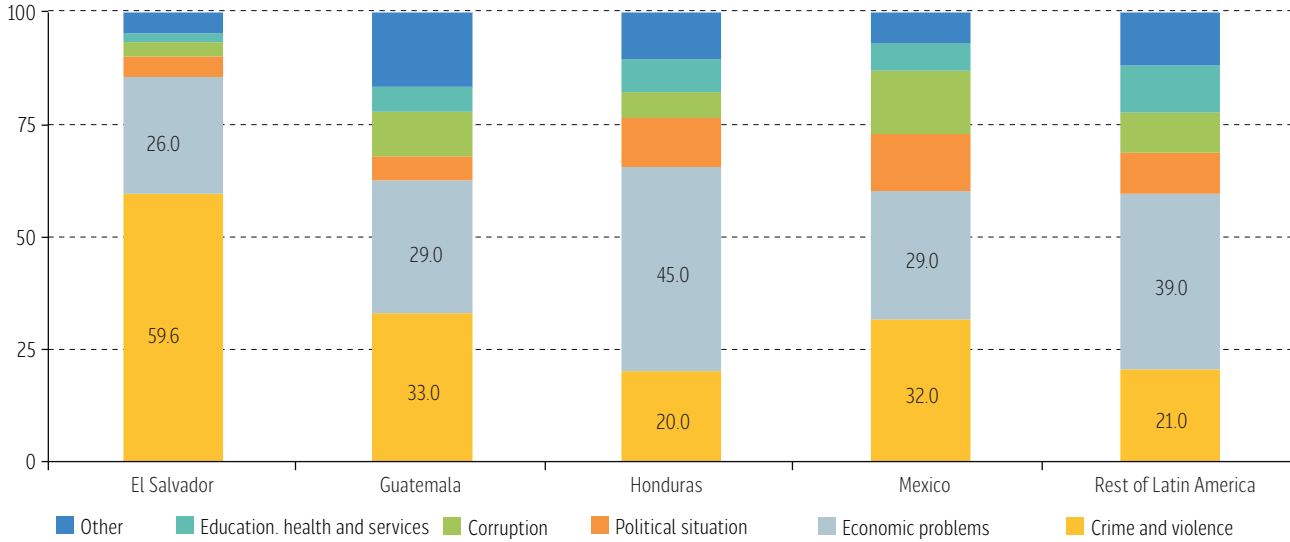
To eradicate the problem of insecurity facing the region, there needs to be a shift from the concept of national security to one of human security.⁴¹ The purpose of national security is to provide protection from external and internal threats that jeopardize the viability of the nation State. However, to tackle the problem of lack of human security, governments should adopt public policies that not only place people and their multiple needs at the centre and generate full social development but also guarantee people's lives, within a framework of respect for human rights.⁴² Poverty reduction and enhanced well-being will allow the social and community fabric to be rewoven gradually.

According to annual opinion polls by Latinobarómetro Corporation, just over half of Salvadorans reported violence as their main problem, followed by one third of Mexicans and Guatemalans. Only 20% of Hondurans considered violence to be their main problem, in line with the rest of Latin America (see figure I.34).

⁴¹ Also called "multidimensional security" by the United Nations Office on Drugs and Crime (UNODC): a human-centred approach to security that encompasses economic development, social justice, environmental protection, democratization, disarmament and respect for human rights and the rule of law.

⁴² There must be basic preventive measures, namely guaranteeing jobs with proper working conditions and higher pay, as well as access to justice, education and health, and other human rights. Policies aimed at achieving cultural change with respect to women are also key to reducing the many forms and types of violence they experience daily. Government service delivery must be inclusive and enhanced in order to strengthen ties between citizens and the State and contribute to stability and prospects for peace. See C. Delgado and others, *The World Food Programme's contribution to improving the prospects for peace: preliminary report*, Solna, World Food Programme /Stockholm International Peace Research Institute (WFP/SIPRI), 2019 [online] https://www.sipri.org/sites/default/files/2019-06/wfp_global_report.pdf.

Figure I.34
Northern Central America and Mexico: main problems perceived by the population, 2017
(Percentages)



Source: Latinobarómetro Corporation, Banco de Datos [online] <https://www.latinobarometro.org/latContents.jsp>.

Even though they are not in a state of conflict, El Salvador, Guatemala and Honduras show some of the highest levels of violence in the world. Over the period 2010–2018, homicide rates in these three countries were between 4 times and 17 times higher than the global average. Despite a significant reduction in recent years, these levels were comparable to those of countries at war. Between 2016 and 2018, more than 187,000 people were victims of homicide in these three countries, more than the total number of civilians killed in Iraq over the same period (164,736 people). These countries also top the global statistics for other expressions of violence, such as violence against women. Other indicators, normally associated with severe humanitarian crises and conflict situations, have also increased in recent years: internal displacement, child recruitment, food insecurity and human rights abuses. The number of refugee and asylum applications from nationals of these three countries tripled between 2014 and 2017.

According to the United Nations Office on Drugs and Crime (UNODC), in 2017 El Salvador, Honduras and Guatemala were ranked first, third and ninth, respectively, among the 10 countries in the world with the highest death rate from homicide, followed by Mexico in twelfth place. The average death rate from homicide in the subregion is four times higher than the global average.⁴³ Homicide rates in Guatemala and Honduras increased between 2000 and 2015 but have improved since, even though they remain high. In El Salvador, the rate increased substantially between 2010 and 2015, since when it has been decreasing gradually. In contrast, in Mexico, after declining between 2010 and 2015, the rate began to rise again as from 2015 (see table I.9). However, south-southeast Mexico has rates below the national average, with the exception of Guerrero and Quintana Roo, which have levels similar to those of El Salvador and Honduras (see table I.10).

⁴³ See United Nations Office on Drugs and Crime (UNODC), *Global Study on Homicide 2019*, Vienna, 2019.

Table I.9

Northern Central America and Mexico: homicide rate per 100,000 inhabitants, 2000–2017

Country	2000	2005	2010	2015	2016	2017
El Salvador	60.5	64.4	64.7	105.4	83.1	61.8
Guatemala	24.9	40.8	40.7	29.4	27.3	26.1
Honduras	48.7	43.6	76.1	57.5	56.5	41.7
Mexico	10.6	9.1	22.0	16.5	19.3	24.8

Source: United Nations Office on Drugs and Crime (UNODC), *Global Study on Homicide 2019*, Vienna, 2019.**Table I.10**

States of south-southeast Mexico: homicide rate per 100,000 inhabitants, 2000–2018

Entity	2000	2005	2010	2015	2016	2017	2018
Campeche	9.4	6.1	5.8	7.3	10.0	7.8	7.8
Chiapas	10.8	6.9	4.1	10.3	10.2	10.8	9.3
Guerrero	25.7	18.3	45.7	67.7	71.9	71.9	51.8
Oaxaca	20.3	15.1	19.0	20.2	19.7	24.4	20.3
Puebla	7.6	5.7	6.4	10.1	11.6	16.9	18.0
Quintana Roo	8.2	6.8	10.9	9.5	12.3	28.1	49.8
Tabasco	4.8	4.8	8.6	15.0	17.5	18.0	20.4
Veracruz	6.0	4.7	6.0	12.2	15.5	21.6	14.9
Yucatán	2.5	2.0	1.7	2.7	3.0	2.4	2.5
South-southeast Mexico	10.8	7.9	11.7	17.6	19.4	23.0	20.0
Mexico	10.9	9.4	22.6	17.1	20.0	25.9	28.7

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of National Institute of Statistics and Geography (INEGI), “Conjunto de datos: defunciones por homicidios” [online] <https://www.inegi.org.mx/sistemas/olap/proyectos/bd/continuas/mortalidad/defuncioneshom.asp?s=est>.

These high homicide rates are accompanied by low conviction rates (number of people convicted as a percentage of the number of homicides in the same year). According to data from the Office of the United Nations High Commissioner for Refugees (UNHCR), in 2014/2015 only 10% of the homicides registered in El Salvador resulted in a conviction, well below the Latin American average (28%) and world average (35%). According to UNODC data, conviction rates in Honduras and Guatemala were even lower (6% and 7%, respectively). The circumstances of crime also vary across the subregion. In 2016, 80.1% of the homicides registered in El Salvador were committed with a firearm, followed by 76.9% in Honduras and 64.8% in Mexico. The most recent data for Guatemala (2014) for the same indicator is 82.6%. These percentages reveal major challenges for gun control.

The incidence of other types of violent crime also poses major challenges for northern Central America and Mexico. An analysis of the incidence rates of serious assaults per 100,000 inhabitants reveals marked differences between countries involved in the Comprehensive Development Plan.⁴⁴ There were 93.3 serious assaults in El Salvador

⁴⁴ Serious assault is defined as intentional or reckless application of serious physical force inflicted upon the body of a person resulting in serious bodily injury. See United Nations Office on Drugs and Crime (UNODC), *Global Study on Homicide 2019*, Vienna, 2019.

in 2015, 42.5 in Mexico and 26.2 in Honduras in 2017 and 11.2 in Guatemala in 2016. The crime of robbery shows a different distribution: Mexico registered 2.2 robberies per 100,000 inhabitants in 2017, Guatemala 0.45 in 2016, Honduras 0.11 in 2017 and El Salvador 0.05 in 2015.⁴⁵

Despite the existence of other types of crime, such as sexual exploitation or offences related to organized crime, the countries do not report official figures on the matter.⁴⁶ Violence and insecurity limit people's freedom of movement and access to basic services. Violence, from gangs and organized crime, impacts on free movement and leads to confinement and displacement. According to UNHCR, in 2017 around 245,000 refugees or asylum seekers from northern countries of Central America were registered as fleeing from multiple forms of violence and the strong presence of armed criminal groups.

Violence is not homogeneous and national data often mask major differences between regions of the country or between different population groups, who are not affected by violence in the same way or with the same intensity:

- The male homicide rate is higher than the female homicide rate but women are affected by situations of conflict and crime that expose them to human trafficking and femicide and, in the case of female migrants, to organized crime networks. According to the Global Study on Homicide 2019, El Salvador had a rate of 13.9 female homicides per 100,000 population, compared with 116 male homicides per 100,000 population. Honduras had a rate of 8.4 female homicides per 100,000, compared with 75.2 male homicides per 100,000. In Guatemala, the rate was 7.8 female homicides and 55.8 male homicides and, in Mexico, 5.3 female homicides and 44.5 male homicides.⁴⁷
- According to UNICEF data, El Salvador, Guatemala and Honduras are among the 10 most dangerous countries in the world to be a teenage boy, in terms of the number of homicides of boys aged 10-19.⁴⁸ The same three countries also figure among the top 10 countries for homicides of teenage girls aged 10-19 and they are the only three where there is no war or no ongoing conflict has been declared. According to UNICEF, 63 out of every 100 missing persons between 2010 and 2017 were under 20 years of age.

⁴⁵ Robbery is defined as unlawfully taking or obtaining property with the use of force or threat of force against a person with intent to permanently or temporarily withhold it from a person or organization. See United Nations Office on Drugs and Crime (UNODC), *International Classification of Crime for Statistical Purposes, version 1.0*, Vienna, 2015.

⁴⁶ Sexual exploitation is defined as acts of abuse of a position of vulnerability, power or trust, or use of force or threat of force, for profiting financially, physically, socially or politically from the prostitution or sexual acts of a person. See United Nations Office on Drugs and Crime (UNODC), *International Classification of Crime for Statistical Purposes, version 1.0*, Vienna, 2015.

⁴⁷ The latest data for El Salvador, Honduras and Mexico are from 2017 and the latest data for Guatemala are from 2014. See United Nations Office on Drugs and Crime (UNODC), *Global Study on Homicide 2019*, Vienna, 2019.

⁴⁸ See United Nations Children's Fund (UNICEF), *A Familiar Face: Violence in the Lives of Children and Adolescents*, New York, 2017.

- Violence is having an alarming impact on young people. According to data provided to UNODC by the Member States, in 2016 the homicide rate for adolescents and young adults aged 15–29 was 156 per 100,000 inhabitants in El Salvador and 93 per 100,000 inhabitants in Honduras.⁴⁹ According to data from the United Nations Development Programme (UNDP), between 2013 and 2018 a total of 7,064 homicide victims in northern Central America were minors (an average of three deaths per day).

To a large extent, violence has become normalized in the region and is part of the daily reality of the population in these four countries. It is of special concern to see that violence forms part of the education and development of children and adolescents, who often reproduce as adults the violent way of resolving conflict they learned in childhood. In Honduras, 18.4% of young people claim to have experienced physical violence from their parents before the age of 18.

In terms of institutional capacity for security, resources differ from country to country. The northern countries of Central America have between 14 times and 29 times less police personnel than Mexico. According to the latest data provided to UNODC by the Member States, Mexico had 4.44 police officers per 100,000 inhabitants in 2017 (4.21 in 2010), while El Salvador had 0.23 in 2015 (0.21 in 2010), Guatemala had 0.31 in 2014 (0.25 in 2010) and Honduras had 0.15 in 2017 (0.14 in 2011).⁵⁰ This compares with 6.7 police officers per 100,000 inhabitants in the United States in 2017. As Mexico is a federal republic, unlike northern countries of Central America, it has different levels of public security administration. In 2018, each of the states of south-southeast Mexico had an average of around 6,000 officials assigned to state public security, in addition to federal and municipal personnel. The most urbanized areas in these states have more material resources for security. On average, these nine Mexican states have 556 video surveillance cameras administered by the state police. Yucatán is the state with the largest number of cameras (1,323) and Campeche, the smallest number (221). Guerrero, Oaxaca, Tabasco and Veracruz have a network of panic buttons ranging in number from 20 units to 401 units.⁵¹

9. Weak governance and institutions undermine people's capacity and ability to exercise their rights

Persistent weaknesses in governance and institutions in northern Central America and Mexico are confirmed by various indicators.⁵² Transparency International's 2018 global corruption perceptions index, which includes 180 countries and ranks them based on the opinion of analysts and experts, places El Salvador in 113th place, followed by Honduras (132nd), Mexico (138th) and Guatemala (144th).

⁴⁹ See United Nations Office on Drugs and Crime (UNODC), "Killing of children and young adults", *Global Study on Homicide 2019*, Vienna, 2019.

⁵⁰ See United Nations Office on Drugs and Crime (UNODC), "Criminal justice personnel", DATAUNODC [online database] <https://dataunodc.un.org/crime/CJP>.

⁵¹ See National Institute of Statistics and Geography (INEGI), Censo Nacional de Gobierno, Seguridad Pública y Sistema Penitenciario Estatales 2018 y 2019 [online] <https://www.inegi.org.mx/programas/cngspspe>.

⁵² Governance is defined as the set of practices, processes, customs, rules, and so on, through which the various public sector and civil society stakeholders, trade associations and lobbyists interested in the implementation of common initiatives, and all the actors involved therein, interact. See World Bank, *World Development Report 2017: Governance and the Law*, Washington, D.C., 2017.

According to the report on the 2018 Latinobarómetro annual public opinion poll of Latin American countries, only 11% of Salvadorans interviewed said they were satisfied with the country's democracy, compared with 16% of Mexicans, 18% of Guatemalans and 27% of Hondurans. The World Bank's 2017 government effectiveness index ranked the northern countries of Central America among the lowest in Latin America, giving El Salvador a score of 38, Guatemala 26.9 and Honduras 33.7. Mexico's score was 52.4.⁵³

Over the past 12 years, while Latin America's middle class has expanded, that of northern Central America has contracted and poverty has declined less than the regional average. While democracy became the established form of government, little progress has been made in building institutions that create opportunities for economic and social development. Institutional distortions in these countries still make it more feasible and cost-effective to purchase goods and services in third markets. Despite the fact that northern Central America and Mexico have mechanisms to counteract organized crime (including corruption, human trafficking and migrant smuggling) and have adopted measures to prosecute the illicit financial flows derived from organized crime (especially corruption), such flows have been a cause of growing concern for a number of years because they lead to heavy losses of tax revenue for States.⁵⁴ These institutional weaknesses and poor governance lead to the creation of competitive domestic markets and perpetuate structural imbalances of low productivity, high inequality and poor resilience in northern Central America and south-southeast Mexico.

Public-private partnerships unfold in a territory characterized by weak State entities. The main implementers of the Comprehensive Development Plan will be public administrations at every level (federal, national, departmental or municipal, as the case may be) and their main focus will be public-private partnerships, through the instrument of public procurement. The proper functioning of public procurement systems for public inputs, goods and services is therefore a prerequisite for the Comprehensive Development Plan to produce results.

Over the past 20 years (especially the last 5, when there has been a string of corruption scandals), the main focus of public procurement developments has been on increasing transparency, public scrutiny and accountability for transactions. In the countries involved in the Comprehensive Development Plan, more modest progress has been made in evaluating the performance of public suppliers and contractors. There have been even fewer instances where the public sector has managed to increase efficiency (doing more with less), reduce waste along the supply chain and improve the quality-price ratio of contracted public inputs, goods and services. Although there have been a number of cases in all four countries where public institutions have succeeded in increasing value for money in public procurement, these achievements tend to encompass only part of the chain and the ability to sustain value for money is still rudimentary. In other words, public procurement systems in all four countries are

⁵³ This indicator, based on survey data and expert opinions, assesses perceptions of the quality of public services, the efficacy of the civil service and its degree of independence from political pressures, the quality of policy formulation and implementation and the credibility of the government's commitment to such policies, and the effectiveness of the civil service and its degree of independence from political pressure. The indicator ranges from 0 to 100, where 0 represents the lowest effectiveness and 100, the highest.

⁵⁴ Illicit financial flows include securities, money and monetary instruments that have been obtained legally but are transferred unlawfully. They also include securities, money and monetary instruments acquired through illegal activities and crime, including corruption, tax evasion, tax avoidance and fake international trade invoicing.

still a long way from taking into consideration responsible production and consumption and their positive and negative impacts on the community, the environment and future generations.

The sustainability of development is in doubt when a significant proportion of citizens claim to no longer see democracy and governance as the means for improving their quality of life. In northern Central America and Mexico, inequality and institutional weakness are interdependent factors which, in practice, do not foster change. Unless institutions have clear rules of the game, shared by all actors linked to a specific area of public action, to guide their interactions and decisions, in all likelihood traditionally excluded groups will be unable to assert their interests in political action. As a result, institutions have ended up expressing the concerns of certain sectors, which tend to be those that are the most informed and closest to power. This leads to decision-making being based on a particular rationale that meets the interests and values of well-defined stakeholders acting out of their need to adopt or shift objectives, undermining or altering public policies and institutional arrangements themselves.

In the current context, the role of government and public institutions in implementing development agendas has never been more critical. The pledge of the 2030 Agenda for Sustainable Development to leave no one behind calls for institutionalized processes of participation among poor and marginalized people and other stakeholders. Inclusive institutions are crucial in ensuring that no one is overlooked. This requires institutions to support the different dimensions of inclusion, including social security, health, education and work.⁵⁵

Mexico, Guatemala and El Salvador have initiated efforts to implement the 2030 Agenda for Sustainable Development by developing institutional agreements that allow government institutions and other stakeholders to collaborate to achieve the objectives outlined in the 2030 Agenda. However, it is essential to expand efforts relating to coverage and the quality of the social pillar of the 2030 Agenda, offering citizens legal certainty, management capacity and sufficient resources to exercise their rights and build their capacity.

C. Environmental sustainability, climate change and disasters

Northern Central America and Mexico have a valuable natural and cultural heritage that deserves and needs to be preserved and cherished for its contribution to the development of current and future generations. Central America's ecosystems are home to roughly 7% of the world's biodiversity and Mexico has been identified as a megadiverse country because it harbours between 10% and 12% of the world's biodiversity.⁵⁶ The states of south-southeast Mexico are those with the greatest

⁵⁵ See R. Martínez (ed.), *Institutional frameworks for social policy in Latin America and the Caribbean*, ECLAC Books, No. 146 (LC/PUB.2017/14-P/Rev.1), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2019.

⁵⁶ See National Biodiversity Institute, *Biodiversidad en Centroamérica*, San José, 2004; J. Sarukhán and others, *Capital natural de México. Síntesis: Evaluación del conocimiento y tendencias de cambio, perspectivas de sustentabilidad, capacidades humanas e institucionales*, Mexico City, National Commission for the Knowledge and Use of Biodiversity (CONABIO), 2017.

biological diversity. Chiapas, Oaxaca and Veracruz are home to more than 30% of the country's registered vascular plants,⁵⁷ more than 25% of its registered amphibians, around 24% of its reptiles, more than 60% of its birds and over 30% of its mammals, while the Yucatán peninsula has around 25% of Mexico's registered fish species.⁵⁸ Although the pattern of development has caused these stocks to dwindle, they provide many environmental services, including crop wild relatives, pollination, pest control and the regulation of moisture, the water cycle and the local climate.

All four countries have established strategies, policies and legislation to tackle disaster risk and climate change, which provide for multisector and inter-agency actions. Some institutions have considered it necessary to set up climate change risk-management units and have made progress in including economic risk assessments of extreme events (particularly extreme weather events) in methodological guides on formulating and evaluating public investment, as well as environmental impact assessments and elements to ensure the economic, social and environmental sustainability of such projects.⁵⁹ Biodiversity and environmental services are also important in promoting sustainable development, green jobs and integrated natural resource management models (such as an ecosystem approach). It is better to conserve and make good use of natural capital than to restore ecosystems. There are opportunities to create jobs and build local capacity for the benefit of local communities themselves.

The northern countries of Central America, together with the other countries in the Central American Integration System (SICA), play an active part in the United Nations Framework Convention on Climate Change (UNFCCC). Within the SICA framework, the Central American Commission on Environment and Development (CCAD) has promoted a Regional Strategy on Climate Change (ERCC) and, more recently, a 2018–2022 implementation plan. Over the past decade, they have contributed to negotiations on the creation of institutions for tackling adaptation and the losses and damage associated with climate change, as well as taking advantage of the financial mechanisms of the Green Climate Fund, insisting on equal treatment for adaptation and mitigation. Recent initiatives approved by the Green Climate Fund in northern Central America include investment support actions, fostering resilience in the Guatemalan highlands and climate resilience measures in the Dry Corridor agroecosystems of El Salvador (RECLIMA). The Central American countries, in particular those in northern Central America, have put forward some innovative and inclusive proposals, including: the landscape approach; the ecosystem approach; adaptation-based mitigation to reduce emissions from deforestation and forest degradation and foster conservation, sustainable management of forests and enhancement of forest carbon stocks in developing countries (REDD+); the putting a human face on climate change approach; and the alliance for education to tackle this global phenomenon.

One of the most relevant actions is the Economics of Climate Change in Central America and the Dominican Republic (ECC-CARD) Initiative, where the SDGs are linked with a proposal for sustainable and inclusive adaptation (see diagram I.1). The experience

⁵⁷ Vascular plants include flowering plants, pines, firs and ferns. Non-vascular plants do not have flowers and reproduce by spores, such as algae and mosses.

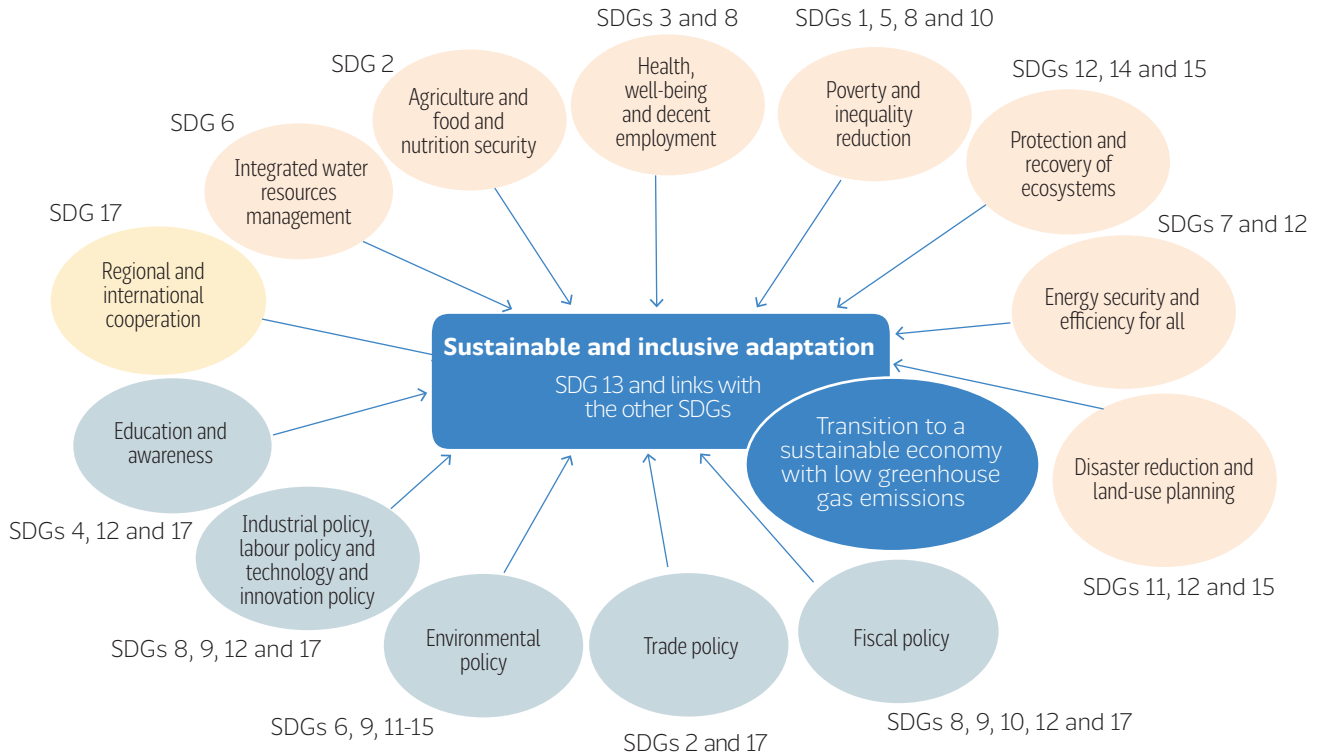
⁵⁸ Own estimate on the basis of publications from each State. See National Commission for the Knowledge and Use of Biodiversity (CONABIO), "Estados en proceso" [online] <https://www.biodiversidad.gob.mx/region/EEB/estados.html>.

⁵⁹ For example, the Climate Change Adaptation and Strategic Risk Management Directorate (DACGER) at the Ministry of Public Works and Transport (MOPT) of El Salvador, or the Climate Change Directorate at the Secretariat for Infrastructure and Public Service (INSEP) of Honduras.

gained in recent decades has confirmed the importance of defining risks and appropriate measures for various sectors based on established development goals, such as poverty reduction, water management, agriculture, food and nutrition security, ecosystem protection, energy security and efficiency, land-use planning and disaster prevention by strengthening infrastructure.

Diagram I.1

Sustainable and inclusive adaptation and Sustainable Development Goals (SDGs)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of the Economics of Climate Change in Central America and the Dominican Republic (ECC-CARD) Initiative.

Lack of capital and alternative livelihoods lead to overexploitation of the environment by poor populations. The general pattern of development and poor risk management have created a vicious circle of human impoverishment and environmental degradation, which will only worsen as climate change progresses. The technology gap and poor productive capacity in the subregion also contribute to this trend. In order to move towards a pattern of growth combining technical progress, equality and environmental sustainability, capacity needs to be built to develop the innovations required to decouple growth from emissions.

The Inter-American Court of Human Rights has characterized the human right to a healthy environment as fundamental for the existence of humankind, with both individual and collective connotations, in that it is owed to both present and future generations. It concluded that the rights to life and personal integrity require States to prevent significant environmental damage within and outside their territory and that this, in turn, requires them to: regulate, supervise and monitor the activities under

their jurisdiction that could cause significant damage to the environment; carry out environmental impact assessments; prepare contingency plans; and mitigate any significant environmental damage.⁶⁰

1. Vulnerability and climate change impacts are increasing

Temperature and precipitation patterns have changed. Between 1970 and 1999, the temperature in the region increased by 0.1 degrees Celsius (°C). By 2020 it could be as much as 2.2 °C hotter.⁶¹

According to the global adaptation index of the University of Notre Dame, in 2017 Honduras had the lowest adaptability among the countries of northern Central America, being ranked 122th out of 181 countries, followed by Guatemala (111th) and El Salvador (108th). Mexico ranked 76th.

According to the municipal climate change adaptability index of the National Autonomous University of Mexico (UNAM), 19% of municipalities in the states of south-southeast Mexico have high adaptability, 58% moderate, 22% low and 1% very low. Chiapas is the state with the least adaptability, with 51% of its municipalities classed as having low adaptability and 3% as very low. At the other extreme is Quintana Roo, with six of its nine municipalities classed as having high adaptability and one, very high adaptability.⁶²

According to the Germanwatch global climate risk index for the period 1998–2017, Honduras is the country with the second highest number of reported climate impacts in the world, Guatemala is fourteenth, El Salvador sixteenth and Mexico fifty-third. Extreme weather events have been a significant cause of the increase in world hunger in the past five years. There is considerable evidence available of the human security-related risks of climate change, some of which hinge on issues of food security, such as food price volatility.⁶³

Municipal-level risk indices for hydrometeorological events in Mexico classify the Yucatán peninsula as being at high and very high risk for hurricanes and tropical storms across much of its territory: almost 100% of the population of Quintana Roo and 85% that of Yucatán are at high or very high risk. As regards drought, nearly 20% of the population of Oaxaca and Puebla and 10% that of Guerrero, Chiapas and Veracruz are at high or very high risk.⁶⁴

⁶⁰ See United Nations, *Climate change and poverty: report of the Special Rapporteur on extreme poverty and human rights (A/HRC/41/39)*, New York, 2019.

⁶¹ H. Hidalgo, E. Alfaro and B. Quesada-Montano, “Observed (1970–1999) climate variability in Central America using a high-resolution meteorological dataset with implication to climate change studies”, *Climatic Change*, vol. 141, No. 13–28, 2017.

⁶² For a municipal-level overview of the risk situation in the nine states of south and southeast Mexico, see Government of Mexico, Atlas Nacional de Riesgos [online database] <http://www.atlasnacionalderiesgos.gob.mx/archivo/atlas.html>. See R. Monterroso and others, *Vulnerabilidad y adaptación a los efectos del cambio climático en México*, Mexico City, National Autonomous University of Mexico (UNAM), 2013 [online] <http://atlasclimatico.unam.mx/VyA>.

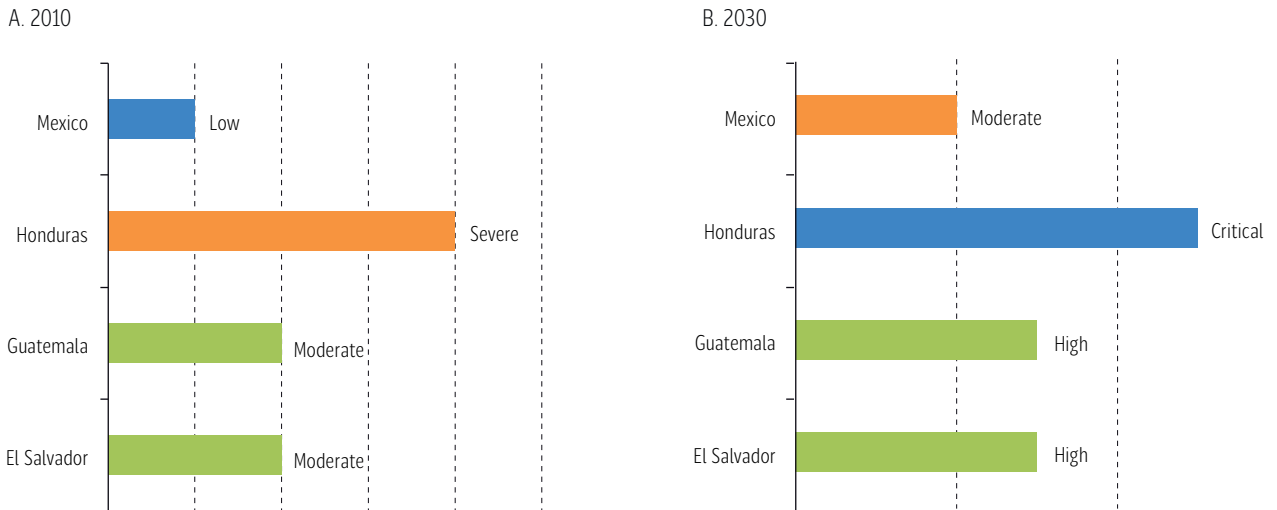
⁶³ See C. Delgado and others, “The World Food Programme’s contribution to improving the prospects for peace: preliminary report”, Solna, World Food Programme /Stockholm International Peace Research Institute (WFP/SIPRI), 2019 [online] https://www.sipri.org/sites/default/files/2019-06/wfp_global_report.pdf.

⁶⁴ See M. Jiménez and others, “Mapas de índices de riesgo a escala municipal por fenómenos hidrometeorológicos”, Mexico City, National Disaster Prevention Center, 2012.

According to the DARA Foundation’s Climate Vulnerability Monitor, the level of climate vulnerability in 2010 was low in Mexico, moderate in Guatemala and El Salvador and severe in Honduras. By 2030, vulnerability is predicted to have increased, with Mexico moving to a moderate level of vulnerability, Guatemala and El Salvador to a high level and Honduras to a critical level (see figure I.35).

Figure I.35

Northern Central America and Mexico: level of climate vulnerability, 2010 and 2030



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of DARA Foundation/ Climate Vulnerable Forum (CVF), *Climate Vulnerability Monitor, 2nd Edition: A Guide to the Cold Calculus of a Hot Planet*, Madrid, 2012.

The UNAM climate change vulnerability index classifies 3% of municipalities in the states of south-southeast Mexico as having very high vulnerability, 25% high, 52% moderate and 19% low. Chiapas is the most vulnerable state, with 62% of its municipalities having high and very high vulnerability, followed by Oaxaca, with 34% of its municipalities in these two categories.⁶⁵

The Central America Dry Corridor has suffered recurrent cases of severe drought that have affected the production of staple grains. According to FAO data, around 3.5 million people were affected by drought in the Dry Corridor in 2018 and some 2.2 million lost their crops.⁶⁶ In September 2019, Honduras declared a state of emergency due to drought, after suffering damage to between 50% and 60% of its staple grain crops, such as maize and beans, which had been sown for harvesting in the first half of August. According to a report on climate change and land by the Intergovernmental Panel on Climate Change (IPCC), published in 2019, the food system is heavily dependent on maize and bean production, and long-term climate change and variability significantly

⁶⁵ See R. Monterroso and others, *Vulnerabilidad y adaptación a los efectos del cambio climático en México*, Mexico City, National Autonomous University of Mexico (UNAM), 2013 [online] <http://atlasclimatico.unam.mx/VyA>.

⁶⁶ Food and Agriculture Organization of the United Nations (FAO), “Adverse climate events in the Central American Dry Corridor leave 1.4 million people in need of urgent food assistance”, FAO Regional Office for Latin America and the Caribbean, April 2019 [online] <http://www.fao.org/americas/noticias/ver/es/c/1191839/>.

affect the productivity of these crops and the livelihoods of smallholder farmers. This, in turn, impacts on the relationship between migration and climate change.⁶⁷

As a result of climate variability and change, by 2030 coffee yields are expected to have decreased by 6% in Guatemala and Honduras and by 13% in El Salvador (under the most pessimistic scenario). By 2100, the drop in yields in coffee plantations is predicted to have extended to most Central American countries, with a reduction of 36% in Guatemala, 33% in Honduras and 58% in El Salvador.⁶⁸

Some impact assessments of coffee yields in central Veracruz (Mexico), point to losses of between 12% and 34%, under the most pessimistic scenario, by the end of the century, depending on the coffee-growing region and the model predicting the climate change scenario.⁶⁹

In its Special Report on Global Warming of 1.5 °C, the IPCC estimates that climate change could force between 3 million and 16 million people into extreme poverty, mainly because of its impact on agriculture and food prices.⁷⁰ It states that climate change and variability could exacerbate inequalities, hitting especially hard people disadvantaged by gender, age, race, class or disability. The report also warns that the benefits of adaptation and mitigation projects and funding to combat climate change may accrue to some and not others, so reinforcing or exacerbating inequalities.⁷¹

2. Degradation of the natural heritage is increasing

Under the most pessimistic scenario, by the end of the century the regional temperature is estimated to have increased by between 3.6 °C and 4.7 °C in Central America and by between 3.5 °C and 4.5 °C in southern Mexico, compared with the period 1980–2000. Precipitation is estimated to have decreased by between 18% and 35% in Central America and by between 10% and 27% in south-southeast Mexico, over the same period.⁷² In Mexico, a 0.7 °C increase could produce changes in up to 34.7% of transitional areas, moving them into warmer latitudinal regions and lower humidity regions.⁷³

⁶⁷ The migrant caravan phenomenon has highlighted the influence of environmental changes on migration. See Intergovernmental Panel on Climate Change (IPCC), *Climate Change and Land: an IPCC special report on climate change, desertification, land degradation, sustainable land management, food security, and greenhouse gas fluxes in terrestrial ecosystems*, Geneva, 2019.

⁶⁸ Economic Commission for Latin America and the Caribbean (ECLAC)/Central American Agricultural Council, *Impactos potenciales del cambio climático sobre el café en Centroamérica* (LC/MEX/L.1169), Mexico City, 2014.

⁶⁹ See J. Brigido and others, “Estimación del impacto del cambio climático sobre fertilidad del suelo y productividad de café en Veracruz, México”, *Tecnología y Ciencias del Agua*, vol. 6, No. 4, Jiutepec, Mexican Institute of Water Technology, 2015.

⁷⁰ See O. Hoegh-Guldberg and others, “Impacts of 1.5° C global warming on natural and human systems”, *Global Warming of 1.5 C: An IPCC special report on the impacts of global warming of 1.5 C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change*, Geneva, Intergovernmental Panel on Climate Change (IPCC), 2018.

⁷¹ See J. Roy and others, “Sustainable development, poverty eradication and reducing inequalities”, *Global Warming of 1.5 C: An IPCC special report on the impacts of global warming of 1.5 C above pre-industrial levels and related global greenhouse gas emission pathways, in the context of strengthening the global response to the threat of climate change*, Geneva, Intergovernmental Panel on Climate Change (IPCC), 2018.

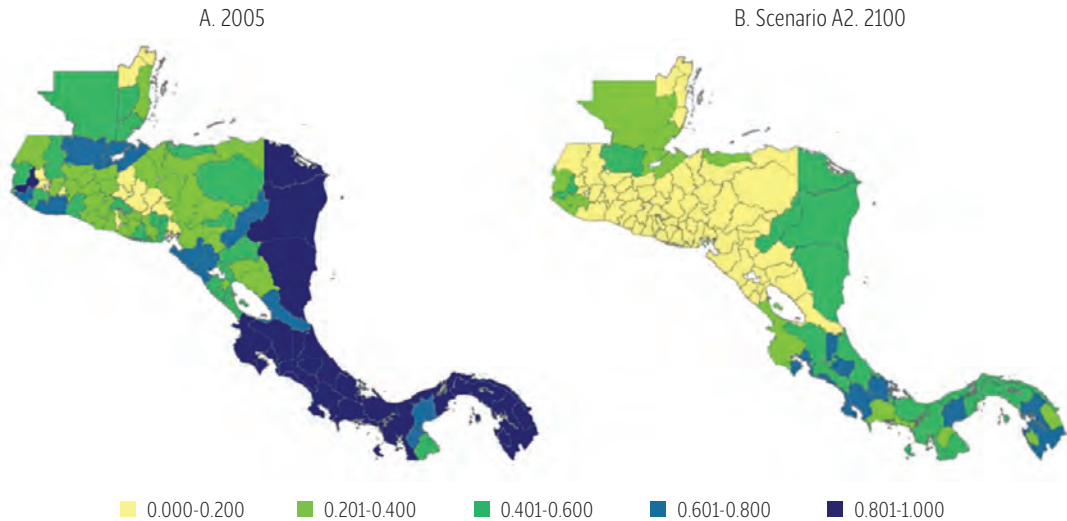
⁷² See L. Galindo (ed.), *La economía del cambio climático en México*, Mexico City, Secretariat of the Environment and Natural Resources, 2010; Economic Commission for Latin America and the Caribbean (ECLAC) and others, *The Economics of Climate Change in Central America: Summary 2012*, (LC/MEX/L.1016), Mexico City, 2013.

⁷³ A. Chávez Durán and others, “Sensibilidad de zonas bioclimática de México frente al cambio climático”, *Revista Mexicana de Ciencias Agrícolas*, vol. 5, No. 10, November-December 2014.

The impact of climate change on biodiversity was estimated using the biodiversity potential index. Under the most pessimistic scenario, the simulations show a decrease of 36% in the biodiversity potential index in Central America by 2050 and one of 58% by the end of the century (see map I.3), while in Mexico the decrease is estimated to be 5% and 45%, respectively.⁷⁴

Map I.3

Central America: evolution of the biodiversity potential index, 2005, and under scenario A2 in 2100



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Economic Commission for Latin America and the Caribbean (ECLAC) and others, *The Economics of Climate Change in Central America: Summary 2012*, (LC/MEX/L.1076), Mexico City, 2013.

Holdridge life zones measure the potential impact of climate change on forest ecosystems. Under the most pessimistic scenario, the area with suitable conditions for the four types of tropical dry forest would double and their share of the total would rise from 11% to 39% in Central America, while the area of the eight types of tropical rainforest would shrink significantly.

Climate change will continue to impact river basins and, hence, a number of human and productive activities, including hydroelectric power generation. At the Chixoy plant in Guatemala and Cerrón Grande in El Salvador, there will be an estimated reduction in hydropower generation of over 20% by 2020, compared with average power generation in the historical periods available. By 2050, the reductions are expected to exceed 40% in both hydropower plants and, by the end of the century, they are expected to exceed 80% at Chixoy and 70% at Cerrón Grande.⁷⁵

⁷⁴ See L. Galindo (ed.), *La economía del cambio climático en México*, Mexico City, Secretariat of the Environment and Natural Resources, 2010; Economic Commission for Latin America and the Caribbean (ECLAC) and others, *The Economics of Climate Change in Central America: Summary 2012*, (LC/MEX/L.1016), Mexico City, 2013.

⁷⁵ Economic Commission for Latin America and the Caribbean (ECLAC), *La economía del cambio climático en Centroamérica: dos casos de impactos potenciales en la generación de hidroelectricidad. Serie técnica 2012* (LC/MEX/L.1070), Mexico City, 2012.

Integrated approaches to water resources management allow resources and capabilities to be used in an efficient, cost-effective and sustainable way. This will be increasingly important as demand for water rises in response to population growth and as climate change impacts are felt. Other benefits include fewer conflicts over water, such as in transboundary basin management and other competing uses.⁷⁶

3. Environmental degradation in cities is growing

In Latin America and the Caribbean, around 80% of the population lives in areas considered as urban. In 2015, the urban population accounted for 69% in El Salvador, 56% in Guatemala, 54% in Honduras, 77% in Mexico,⁷⁷ 67% in south-southeast Mexico and as much as 88% in Quintana Roo and 84% in Yucatán.⁷⁸ Within cities, there is a growing process of migration from central urban areas to the suburbs.

Rapid urban development has been accompanied by: greater demand for transport, public services, inputs and products; lack of comprehensive urban planning, impacting on levels of exposure to disasters; and greater pressure on natural resources and environmental products and services in general. Cities are showing worrying signs of sociospatial segregation.

The negative consequences include increased greenhouse gases, vehicular traffic and road accidents, soil degradation, water pollution, cardiopulmonary diseases and vulnerability to disasters. Temperature rises have spurred the reproduction of vectors and increased the incidence and prevalence of diseases such as dengue, Zika and chikungunya.

The rate of motorization in Latin America, measured by the number of inhabitants with a vehicle per 100 inhabitants, rose from 10 in 1990 to 26.5 in 2012.

In 2016, the capital cities of the northern countries of Central America (San Salvador in Guatemala and Tegucigalpa in Honduras) and Mexico City registered an annual average concentration of atmospheric particulate matter of less than 2.5 microns in diameter (PM_{2.5}) above the maximum concentration recommended by the World Health Organization (WHO). With regard to the upper threshold recommended by the European Union, only Mexico City registered levels below this value (see figure I.35). According to data available for 2014, the cities of Oaxaca and Mérida had an average annual PM_{2.5} concentration of 13.16 micrograms per cubic metre ($\mu\text{g}/\text{m}^3$) and 13.58 $\mu\text{g}/\text{m}^3$ respectively (above the WHO recommended limit), while the city of Puebla had an annual average concentration of 29 $\mu\text{g}/\text{m}^3$ and the city of Xalapa had 50.85 $\mu\text{g}/\text{m}^3$, with higher levels of disaster vulnerability than the northern Central American cities and above permissible levels in the European Union standard.⁷⁹

⁷⁶ See United Nations Environment Programme (UNEP), *Global Environment Outlook 5. Summary for Policymakers*, Nairobi, 2012.

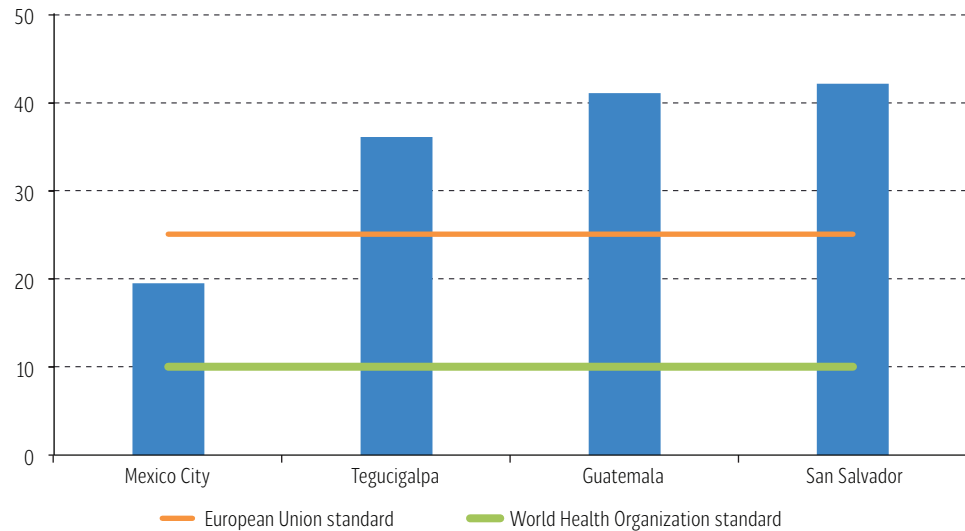
⁷⁷ See Economic Commission for Latin America and the Caribbean (ECLAC), CEPALSTAT [online database] <https://estadisticas.cepal.org/cepalstat/portada.html?idioma=english>.

⁷⁸ See National Institute of Statistics and Geography (INEGI), "México en cifras" [online] <https://www.inegi.org.mx/app/areasgeograficas/>.

⁷⁹ See National Air Quality Information System, "Indicadores de la calidad del aire" [online] <https://sinaica.inecc.gob.mx/scica/>.

Figure I.36

Mexico City and northern Central American capitals: concentration of atmospheric particulate matter of less than 2.5 microns in diameter (PM_{2.5}) and health standards, 2016
(Annual average concentration in micrograms per cubic metre)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of A. Bárcena and others (eds.), *Economics of climate change in Latin America and the Caribbean: a graphic view* (LC/TS.2017/84/Rev.1), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2018.

4. Disasters, economic losses and unresolved vulnerabilities are impacting on people's well-being and on production sectors

Between 1970 and 2019, the world was hit by 12,795 disasters due to natural phenomena. Asia was the worst-affected continent (with 39.5% of disasters), followed by the Americas (24%).⁸⁰ In the Americas, 16.6% of disasters were concentrated in Latin America and the Caribbean. South America suffered 47.3% of the disasters registered in the region, followed by Central America (30.6%) and the Caribbean (22%).⁸¹

Between 2005 and 2017, low and lower-middle income countries accounted for 54% of economic losses, 58.2% of affected people and 87.6% of deaths.⁸² Disasters have a cumulative and persistent effect on economic activity, to such an extent that they could cause deviations from the path of long-term economic growth. As a result of disasters, 4 out of every 10 families in the world are at risk of poverty. Social and economic inequalities are exacerbated by disasters, heightening the vulnerability of women, especially indigenous women.

⁸⁰ EM-DAT International Disaster Database (see [online] <https://www.emdat.be/>).

⁸¹ In 1988, the Centre for Research on the Epidemiology of Disasters (CRED), with the support of the World Health Organization and the Belgian Government, launched the EM-DAT International Disaster Database.

⁸² See Centre for Research on the Epidemiology of Disasters/United Nations Office for Disaster Risk Reduction (CRED/UNDRR), *Economic Losses, Poverty and Disasters 1998–2017*, Geneva, 2019 [online] https://eird.org/americas/docs/61119_credeconomiclosses.pdf.

Mexico is one of the top 10 countries in the world in terms of absolute losses over the period 1998–2017, totalling US\$ 46.5 billion (mainly from storms), while El Salvador and Honduras are among the top 10 countries in terms of losses as a percentage of GDP (7% and 4.2%, respectively).⁸³ At a time when climate change is increasing both the frequency and severity of extreme weather events, disasters will continue to pose major obstacles to sustainable development for as long as incentives to develop hazard-prone areas, such as floodplains, vulnerable coasts and seismic zones, exceed the perceived disaster risk.

Northern Central America and Mexico have made progress in enhancing disaster preparedness and response, as well as with early warning systems. However, progress is still limited in terms of managing the underlying risk, such as poverty, environmental degradation, rapid urbanization and population growth in hazard-prone areas.

Despite their shared exposure and vulnerability, each subregion in the Americas has different characteristics. Central America and the Caribbean have greater physical vulnerability owing to the small size of their territories and economies. Central America and Mexico are located in the zone of Atlantic hurricanes and recurring cyclones from the Pacific. In some Central American countries, not only do storms affect their coasts but also track across their entire territory, as happened with Hurricanes Joan-Miriam and Cesar, in Nicaragua, and Hurricane Mitch, which affected all countries.⁸⁴

In northern Central America and Mexico, hydrometeorological events are responsible for 70% of disasters registered, followed by geophysical events (16.5%) and climate events (8%). Hydrometeorological and climatological events are responsible for the largest proportion of people affected (around 68%).

According to figures from the Internal Displacement Monitoring Centre (IDMC), in 2018 climate-related disasters impacted a number of countries in the Americas and led to 1,687,000 internal displacements.⁸⁵

In Central America and Mexico, sudden disasters associated with natural hazards caused the internal displacement of at least 3 million people over the period 2008–2017, the vast majority in Mexico.⁸⁶ The increase in the number of displacements is related to both intensive events (large-scale but infrequent events) and extensive events (smaller-scale but more recurrent events affecting small areas). In fact, international movements do not tend to occur immediately after an event but a long time afterwards.

IDMC estimates (2019) suggest that 80% of the displaced population worldwide lives in urban areas. The urban dimensions of disaster displacement pose challenges for cities, which are playing an ever greater role in the sustainable development

⁸³ See Centre for Research on the Epidemiology of Disasters/United Nations Office for Disaster Risk Reduction (CRED/UNDRR), *Economic Losses, Poverty and Disasters 1998–2017*, Geneva, 2019 [online] https://eird.org/americas/docs/61119_credeconomiclosses.pdf.

⁸⁴ See O. Bello, L. Ortiz and J. Samaniego, “Assessment of the effects of disasters in Latin America and the Caribbean, 1972–2010”, *Environment and Development series*, No. 157, (LC/L.3899), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

⁸⁵ See Internal Displacement Monitoring Centre (IDMC), *Global Report on Internal Displacement 2019*, Geneva, 2019.

⁸⁶ See D. J. Cantor, *Cross-Border Displacement, Climate Change and Disasters: Latin America and the Caribbean*, Office of the United Nations High Commissioner for Refugees (UNHCR)/Platform on Disaster Displacement, 2018 [online] <https://www.unhcr.org/protection/environment/5d4a7b737/cross-border-displacement-climate-change-disasters-latin-america-caribbean.html>.

landscape.⁸⁷ Building urban resilience to disasters, including those stemming from the effects of climate change, is a key factor in the region's environmentally sustainable development and in understanding the impact of disaster displacement.

According to the database of ECLAC assessments of large-scale events between 1972 and 2010, 49.5% of sector-specific impacts were in the social sector, 34.1% in the production sector and 16.4% in infrastructure.⁸⁸

Regardless of the type of disaster, damage in the social sector is concentrated in housing, while damage in the production sector is concentrated in the agriculture and forestry subsector and the trade and services subsector, and infrastructure damage is concentrated in transport. Given that many of these disasters occur in rural areas,⁸⁹ the combined impact on the housing sector and on the production sector that employs most of the population in the affected areas creates incentives for migration. Social protection can serve as an effective platform for providing the population with humanitarian assistance in response to a disaster, through investment to help improve its response to emergencies.⁹⁰

One slow-impact but high-frequency weather events is drought. The situation in the Central America Dry Corridor is emblematic. In 2018, around 3.5 million people were affected and some 2.2 million lost their crops. Around 1.4 million of these people were in urgent need of humanitarian aid.⁹¹ El Salvador, Guatemala and Honduras are experiencing one of the severest droughts of the past 10 years.⁹²

Taken together, the impact assessments of natural phenomena registered in northern Central America and Mexico between 1970 and 2019 total 47.9 million affected inhabitants and cumulative damage of more than US\$ 63 billion at 2008 prices (see table I.11).

⁸⁷ See Internal Displacement Monitoring Centre (IDMC), *Global Report on Internal Displacement 2019*, Geneva, 2019.

⁸⁸ See O. Bello, L. Ortiz and J. Samaniego, "Assessment of the effects of disasters in Latin America and the Caribbean, 1972–2010", *Environment and Development series*, No. 157, (LC/L.3899), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2014.

⁸⁹ This conclusion is based on the fact that most agricultural activities take place in rural areas, where there have been losses of US\$ 7.375 billion. Added to ecosystem and environmental losses worth US\$ 1.83 billion, total losses in rural areas for these two components alone amount to US\$ 9.205 billion. These losses and damage account for 40% of the total.

⁹⁰ See A. Solórzano, "Study on Shock-Responsive Social Protection in Latin America and the Caribbean. Guatemala case study", Oxford, Oxford Policy Management/World Food Programme (OPM/WFP), 2017; R. Beazley, "Protección social reactiva frente a emergencias en América Latina y el Caribe. El Salvador: respuesta a la sequía de 2018", Oxford, Oxford Policy. Management/World Food Programme (OPM/WFP), 2019; "Study on Shock-Responsive Social Protection in Latin America and the Caribbean. EL Salvador case study", Oxford, Oxford Policy Management/World Food Programme (OPM/WFP), 2018.

⁹¹ See World Food Programme (WFP), "El Salvador. Evaluación de Seguridad Alimentaria en Emergencias (ESAE): impacto de la sequía 2018 en la seguridad alimentaria de hogares de pequeños productores agrícolas", Rome, 2018; "Evaluación de la seguridad alimentaria: el Corredor Seco de Honduras", Rome, 2018.

⁹² Food and Agriculture Organization of the United Nations (FAO), "Adverse climate events in the Central American Dry Corridor leave 1.4 million people in need of urgent food assistance", FAO Regional Office for Latin America and the Caribbean, April 2019 [online] <http://www.fao.org/americas/noticias/ver/es/c/1191839/>.

Table I.11

Northern Central America and Mexico: number of disasters registered and impacts by country, 1970–2019

Country	Events registered	Deaths	People affected	Total damage (thousands of dollars)
El Salvador	59	4 390	4 771 977	6 690 210
Guatemala	104	27 952	16 243 477	4 443 132
Honduras	81	26 759	6 730 203	5 164 379
Mexico	238	17 559	20 166 828	53 074 515
Total	482	76 660	47 912 485	69 372 236

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Centre for Research on the Epidemiology of Disasters (CRED), EM-DAT International Disaster Database [online] <https://www.emdat.be/>.

Note: Reflects only events and data recorded in the EM-DAT International Disaster Database.

According to disaster assessments conducted in Mexico by the National Centre for Disaster Prevention (CENAPRED) between 2000 and 2015, damage from tropical cyclones, floods, extreme rainfall and drought totalled more than US\$ 26.3 billion and affected over 11 million people. Impacts on south-southeast Mexico accounted for US\$ 3.45 million of this damage, with 5 million people affected.⁹³

Despite the benefits of investing in disaster risk reduction and financial preparedness as a resilience measure, official development assistance continues to take a reactive (ex post) approach, although this trend has begun to reverse slightly in recent years. Between 2005 and 2017, 89% of official development assistance was allocated to emergency response, while just 3.8% was allocated to risk reduction and 7.1%, to reconstruction and rehabilitation.⁹⁴ Even though reconstruction has the potential to help to build resilience, it can also reproduce vulnerabilities and risks if it fails to include risk management considerations.

A reactive approach overlooks the endogenous nature of disasters, which are exacerbated by underlying social, economic and environmental vulnerabilities that build up over time. This decontextualization leads to disasters being characterized as unexpected and unforeseeable events, wasting opportunities for reduction, prevention and financial protection.

Early warning and prevention efforts should include a human rights approach. Early warning information on climate change effects should be disseminated and made accessible to individuals and the various stakeholders to ensure better crisis resilience. A further suggestion is to establish mitigation plans in consultation with affected groups.

⁹³ See National Disaster Prevention Center (CENAPRED), “Impacto socioeconómico de desastres de 2000 a 2015”, 2017 [online] <https://datos.gob.mx/busca/dataset/impacto-socioeconomico-de-desastres-de-2000-a-2015>.

⁹⁴ See Centre for Research on the Epidemiology of Disasters/United Nations Office for Disaster Risk Reduction (CRED/UNDRR), *Economic Losses, Poverty and Disasters 1998–2017*, Geneva, 2019 [online] https://eird.org/americas/docs/61119_credeconomiclosses.pdf.

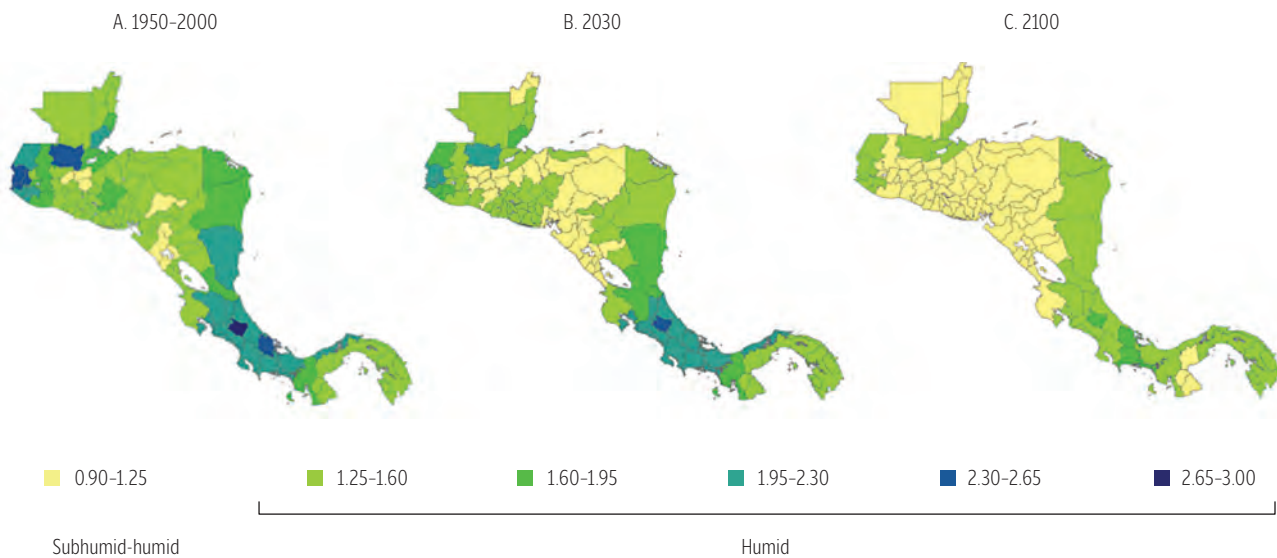
5. In the Central America Dry Corridor, the northern countries of Central America are those most vulnerable and exposed to drought or extreme rainfall

The Central America Dry Corridor is a subregion of tropical dry forest, shared by the northern Central American countries and Nicaragua (and to a lesser extent by parts of Costa Rica and Panama). The estimated population of this subregion is 10.5 million people, most of whom live in northern Central America.⁹⁵

The historical aridity index for the Central American subregion shows an average value of 1.6 for the period 1950–2000, classified as humid. Under the worst-case climate change scenario, the average aridity index would drop to 1.4 by 2030 (still in the humid category) and to 1.2 by 2100, moving it into the subhumid-humid category (see map I.4).

Map I.4

Central America: historical aridity index and aridity index with climate change, scenario A2, 1950–2000, 2030 and 2100



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of ECLAC and others, *La economía del cambio climático en Centroamérica: impactos potenciales en la aridez y los meses secos* (LC/MEX/L.1074), Mexico City, 2012.

The impact of climate change on staple grain yields is already apparent and will become even more so over the course of this century, with a detrimental effect on the food and nutrition security of vulnerable and marginalized population segments.

Under the most pessimistic climate change scenario, maize yields will fall by 7% in Guatemala, 9% in El Salvador and 11% in Honduras by 2030. By the end of this century,

⁹⁵ Proyecto Regional Corredor Seco Centroamericano, *Estudio de caracterización del Corredor Seco Centroamericano*, vol. I, Rome, Food and Agriculture Organization of the United Nations (FAO), 2012.

the reduction will be 22% in Guatemala, 37% in El Salvador and 42% in Honduras.⁹⁶ In the case of Mexico, under the most pessimistic scenario, maize yields will drop by 15% by 2050 compared with the average for the period 1980–2006.⁹⁷ According to the IPCC report on climate change and land degradation, it will be small-scale subsistence farmers who will be hardest hit by this drop in yields as they have no resilience mechanisms or alternative sources of income.

In 2018, the severe food insecurity rate in Central America was 10.6%, while moderate food insecurity affected 20.9% of the population. Although the prevalence of food insecurity is slightly higher for women than for men all around the world, the biggest gaps are found in Latin America.⁹⁸

6. Northern Central America and Mexico are facing growing water scarcity

According to ECLAC estimates, water resource availability will remain at current levels until around 2030, when it will begin to decline, and the reductions will be significantly higher in the final three decades of this century. The Latin American and Caribbean region has 31% of the world's freshwater resources.⁹⁹

Under the most pessimistic climate change scenario, the reduction in total water availability by the end of the century will be 82% in El Salvador, 62% in Guatemala and 69% in Honduras (see figure I.37).

In all countries, around 2025, total renewable water availability is expected to begin to reduce the ecological volume of water.

Per capita availability will decrease sharply. Under the most pessimistic climate change scenario, which assumes the current rising trend in emissions, the reduction in per capita water availability will be 93% in El Salvador, 88% in Guatemala and 96% in Honduras.¹⁰⁰

According to the atlas of water vulnerability to climate change in Mexico, published by the Mexican Institute of Water Technology (IMTA), Guerrero, Oaxaca, Chiapas and Tabasco have low and very low vulnerability, whereas Veracruz, Puebla, Campeche, Yucatán and Quintana Roo have areas with moderate vulnerability. Under the most pessimistic climate change scenario, the water quality risk index places south-southeast Mexico at high and very high risk by the end of the century, leaving only Tabasco at moderate risk. If adaptation measures were taken, the risk would be low.¹⁰¹

⁹⁶ Economic Commission for Latin America and the Caribbean (ECLAC)/Central American Agricultural Council, *Impactos potenciales del cambio climático sobre los granos básicos en Centroamérica* (LC/MEX/L.1123), Mexico City, 2013.

⁹⁷ L. Galindo (ed.), *La economía del cambio climático en México*, Mexico City, Secretariat of the Environment and Natural Resources (SEMARNAT), 2010.

⁹⁸ See Food and Agriculture Organization of the United Nations (FAO) and others, *The State of Food Security and Nutrition in the World 2019: Safeguarding against economic slowdowns and downturns*, Rome, 2019.

⁹⁹ United Nations Environment Programme (UNEP), *Latin America and the Caribbean: Environment Outlook. Summary for decision makers*, Panama City, 2010.

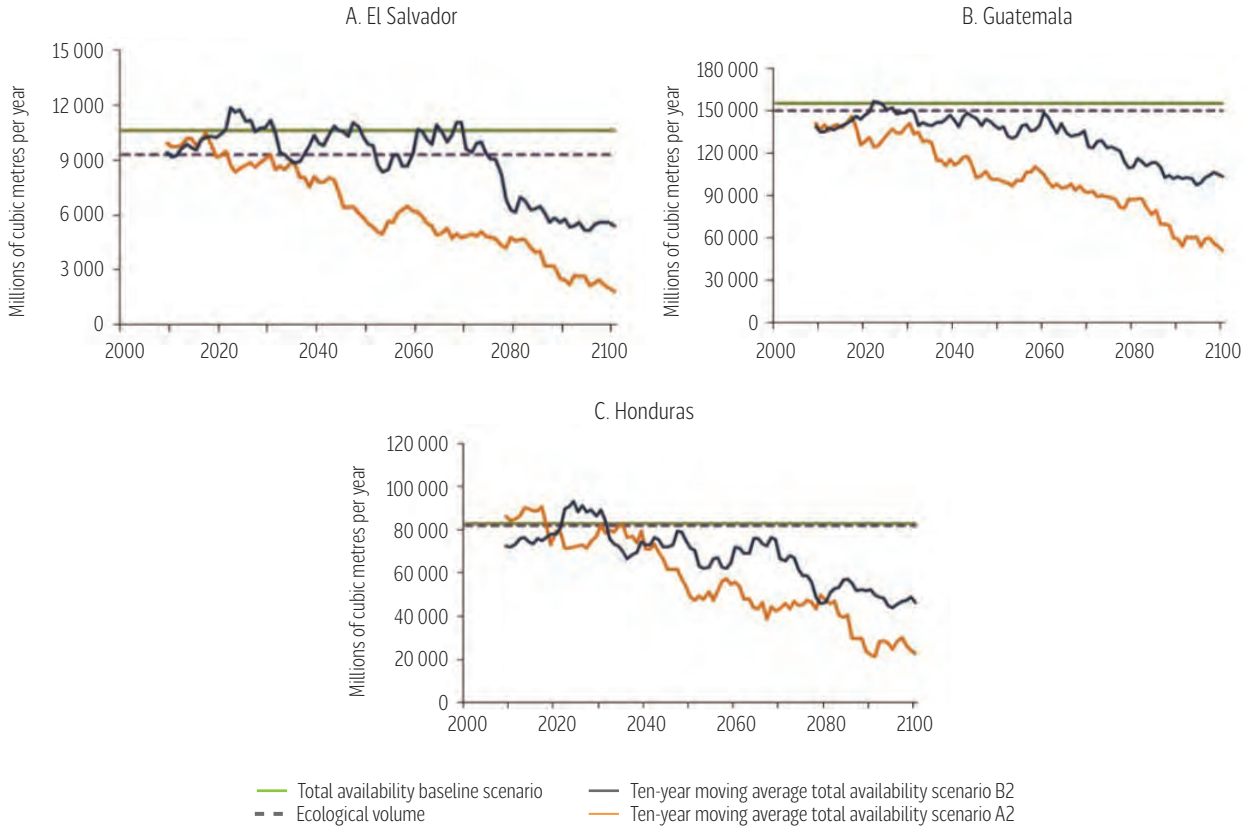
¹⁰⁰ Economic Commission for Latin America and the Caribbean (ECLAC), *La economía del cambio climático en Centroamérica: reporte técnico 2011* (LC/MEX/L.1016), Mexico City, 2011.

¹⁰¹ See F. Arreguín (ed.), *Atlas de vulnerabilidad hídrica en México ante el cambio climático*, Jiutepec, Mexican Institute of Water Technology, 2015.

Figure I.37

Northern Central America: evolution of total renewable water availability, by baseline scenarios, B2 and A2, 2000–2004 to 2100

(Millions of cubic metres per year with simple averages of three models)

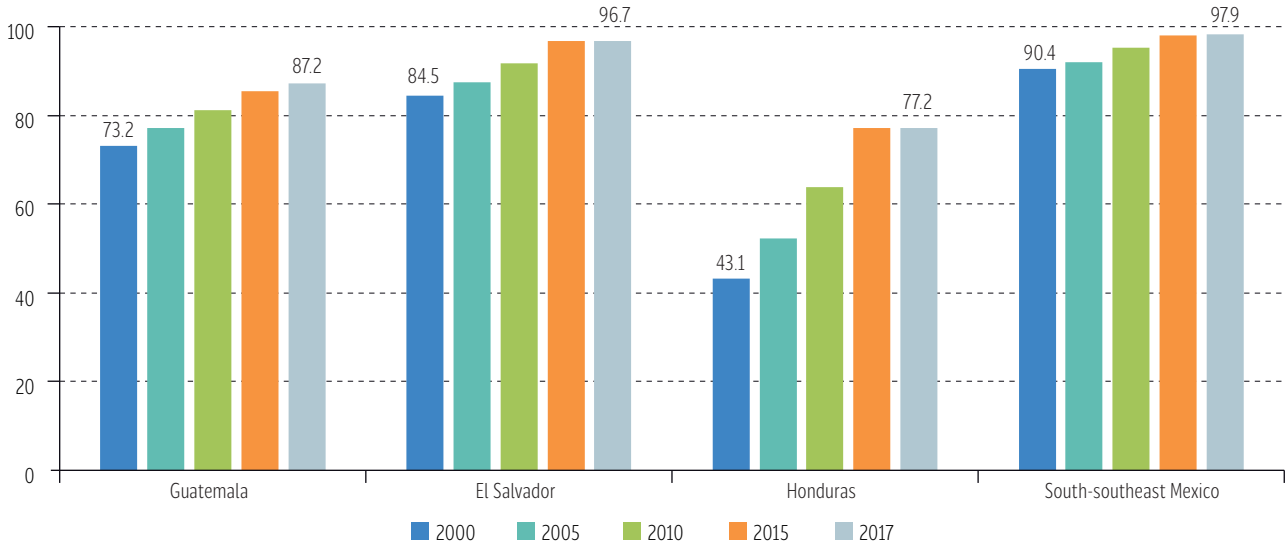


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of ECLAC, *La economía del cambio climático en Centroamérica: reporte técnico 2011* (LC/MEX/L.1016), Mexico City, 2011.

7. There is major progress with access to electricity and use of renewable energy sources

In both Mexico and northern Central America, there has been huge progress in access to electricity. In 2017, the electrification rate in the states of south-southeast Mexico attained 97.9% (7.5 percentage points higher than in 2000), leaving around 420,000 people (115,000 homes) still without access to electricity. In the same year, the electrification rate in northern Central America was approximately 87% (around 20 percentage points higher than in 2000). While the benefits of electricity were extended to some 13 million people over the reference period (2000–2017), it still left 3.5 million people (around 789,000 homes) without access to this basic service (see figure I.38).

Figure I.38
Guatemala, El Salvador, Honduras and states of south-southeast Mexico: electricity coverage, selected years
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of National Institute of Statistics and Geography (INEGI); National Institute of Statistics, XII Censo Nacional de Población y VII de Vivienda, Tegucigalpa, 2018; Department of Statistics and Censuses (DIGESTYC), and National Electric Power Company.

Note: The estimated coverage of the nine states of south-southeast Mexico in 2017 was 98.2%.

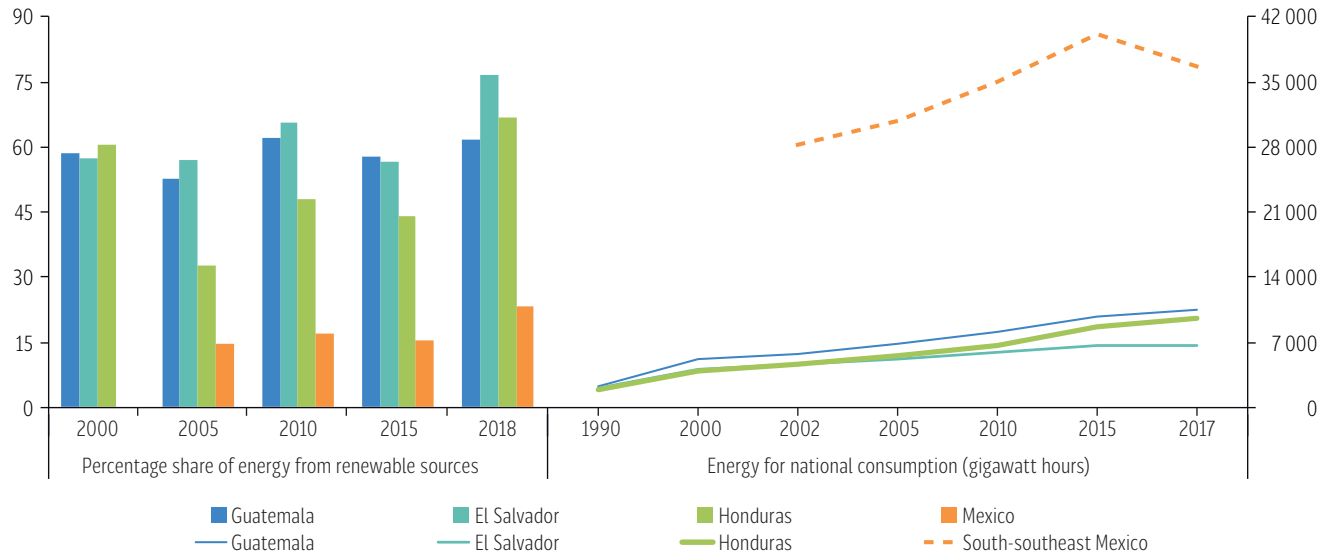
In northern Central America, the use of renewable energy sources (hydroelectric power, geothermal power, biomass in agro-industry, and wind and solar power) has also increased substantially. Over the period 2000–2018, electricity generation from renewables grew by 130%. This made it possible to cover increases in electricity consumption and to augment the share of renewables by more than 7 percentage points (from 59% to 66.3%). In Mexico, the renewables share has risen more significantly in recent years. The development of wind energy in the state of Oaxaca has played an important role in this (see figure I.39).

All four countries have made good progress with the medium- and large-scale penetration of renewable energy sources. There has been a big push towards the development of variable renewable energy sources (solar and wind) in all countries, reaching record levels in Honduras (22% of national electricity production in 2017), with rock-bottom global purchase prices in auctions in Mexico. The sugar agro-industry in Guatemala and Honduras has also made surprisingly heavy use of the heat from bagasse, employed in sweetener processing and electricity cogeneration. Geothermal energy is used in all four countries, with Mexico and El Salvador attaining a world level of excellence owing to their experience and long history of using this resource and to the capabilities of their respective research centres.

Northern Central America and Mexico have abundant renewable energy resources and have approved laws to foster and promote the modern use of renewables, with the aim of cutting energy costs and prices, improving energy security and contributing to greenhouse gas reduction.

Figure I.39

Guatemala, El Salvador, Honduras and states of south-southeast Mexico: share of renewable energy and energy available for domestic consumption, 2000 to 2018 and 1990 to 2017
(Percentages and gigawatt hours)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Secretariat of Energy and official figures from the countries of Central America.

In light of technological progress and trends that presage a long-term global structural change in energy systems, all four countries have also initiated a large-scale energy transition. In the case of Mexico, the policy for implementing these changes was enshrined in the Energy Transition Law.

Noteworthy outcomes have also been achieved in electricity interconnection and international power transactions. Between 2010 and 2018, Mexico exported to Guatemala around 4 terawatt hours (TWh), which, owing to the marginal price differential between the two electricity markets, yielded a profit of around US\$ 125 million. This was almost double the investment made to establish the electricity interconnection between the two countries and enabled Guatemala’s State electricity company to continue subsidizing low-income consumers in that country.

In the five-year period from 2013 to 2018, El Salvador imported around 6 TWh, mainly from Guatemala. According to official estimates, this allowed a cumulative reduction in tariffs of around US\$ 125 million (US\$ 25 million per year). This is 150% higher than the capital contributed by El Salvador’s State electricity company to the Electricity Interconnection System for the Countries of Central America (SIEPAC). The above figures illustrate the benefits of international electricity interconnections and explain the countries’ interest in expanding this infrastructure and advancing energy integration in the subregion.

8. Energy transition is inadequate and contentious

Hydropower continues to be the second most widely used renewable resource after biomass. Although currently it is used mainly in the development of small- and medium-capacity projects, with very large private and public investment, unfortunately there are glaring shortcomings in social and environmental licensing. This has provoked growing public opposition. In line with the human rights approach to development, action should be taken to ensure that the people affected by such initiatives are involved in project design, implementation and evaluation. By ensuring that human rights impact assessments are carried out prior to tendering projects and guaranteeing genuine shared benefits, such opposition could be prevented and initiatives could help implement the rights of affected communities and individuals.

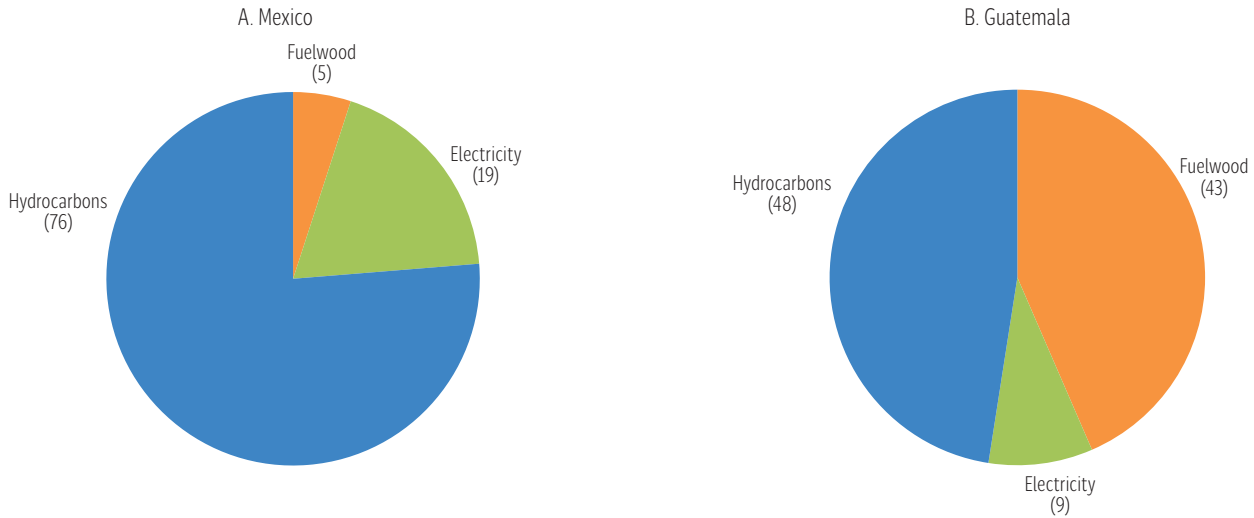
In some countries, public opposition has increased in the face of limited progress with rural energy infrastructure and the poor quality and management of electricity services. In Honduras, this issue (compounded by erratic policies for electricity purchasing and excessive incentives for promoting renewable energy) has led to a severe deterioration in the finances of the State electricity company, with negative repercussions on the country's public finances. In Guatemala, inadequate policies and legal and regulatory frameworks have allowed municipalities to turn electricity billing into a tax collection mechanism, where the electricity charge is only a small part (especially for low-income families), leading to growing social discontent and calls for electricity distribution services to be nationalized or renationalized.

In northern Central America and Mexico, 32 million people (one in five families) have no access to modern fuels for cooking (50% live in Mexico, 33% in Guatemala, 15% in Honduras and 2% in El Salvador), meaning that they turn to local sources of energy (fuelwood and biomass residues) and traditional stoves. Such stoves lack proper systems for disposing of emissions, undermining people's health, especially that of women and children. A significant portion of such biomass residues is collected with no heed to the sustainable use of forests, which contributes to deforestation. Paradoxically, much of the agricultural and forestry waste goes unused and could encourage forest fires.

Hydrocarbons (mostly derived from oil but also from natural gas in the case of Mexico) and electricity satisfy the largest share of final energy consumption. Hydrocarbons are used mainly in transportation and, together with electricity, also satisfy the needs of the industrial, commercial, residential and other sectors. The energy mix is supplemented by local energy sources, forming two patterns of consumption: one with a very high share of modern energy sources (Mexico and El Salvador) and the other with a high share of traditional energy sources (Guatemala and Honduras). Mexico has the highest share of hydrocarbons and Guatemala, the highest share of biomass (see figure I.40).

With the partial exception of El Salvador and Mexico, the multidimensional dimension of poverty has failed to give adequate consideration to energy. Low-income sectors of the population, especially in rural areas, face much greater obstacles than the rest of the population in acquiring their subsistence energy basket. Energy poverty and lack of other basic services are drivers of migration flows.

Figure I.40
Guatemala and Mexico: final energy consumption, 2017
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Secretariat of Energy and official statistics.
Note: El Salvador’s final energy consumption matrix is very similar to that of Mexico, while the matrix of Honduras is very similar to that of Guatemala. The data for Mexico relate to the national total.

The current models of energy organization and management provide for private sector participation. In some countries, State energy companies remain strong, while in others they have been substantially reduced. Despite the obvious increase in investment for the development of new electricity production capacity, the current organization of the electricity industry does not appear appropriate for promoting rural energization and providing universal access to modern energy services. Community participation models (such as cooperatives, small- and medium-sized energy and environmental service companies, municipal corporations and non-governmental organizations) could lead the way in furthering the aforementioned goals and reducing the prevailing social and environmental conflict in the territories.

In the states of south-southeast Mexico, an average 64.7% of the population has access to modern fuels (liquefied petroleum gas and electricity), compared with 89.7% in El Salvador, 39.1% in Guatemala and 51.1% in Honduras.

9. Rural electrification coverage is insufficient

Conditions of access to housing (including housing quality and overcrowding) and access to basic services, especially electricity, are the basic infrastructure shortcomings that have the heaviest impact on poverty.

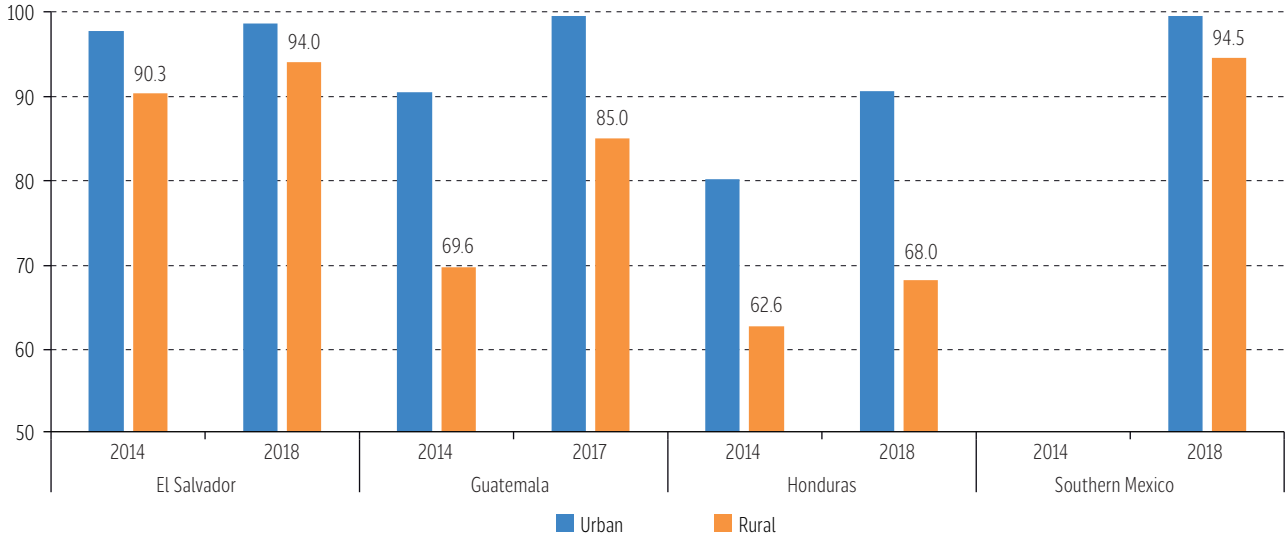
In 2018, an estimated 5.6 million people in northern Central America and Mexico had no electric power supply (11% and 1.5% of the population, respectively).

The lack of such basic services, particularly electricity, has negative consequences for the population’s educational level, health, communications (such as the Internet) and

employment opportunities, which drives people into poverty and hence to emigrate in search of better opportunities. This is particularly marked in rural areas, in small and remote settlements and communities and in city suburbs.

The biggest lags in access to modern energy sources are found in rural and semi-urban areas and in the smallest and most remote settlements. The geographical location, smaller size and greater dispersion of dwellings, coupled with poor infrastructure, make the delivery of modern energy services to such areas more expensive and less profitable from a business standpoint (see figure I.41).

Figure I.41
Northern Central America and states of south-southeast Mexico: urban and rural electricity coverage, 2014 and latest year available (Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.
Note: The figures for 2017 in Guatemala and for 2018 in south-southeast Mexico are estimates.

Owing to their remoteness (from substations and distribution transformers), dispersion and low potential demand, the electrification of these areas (referred to as “last-mile” connections) is very costly and generally not an attractive business proposition for the electricity distribution companies that have concessions in the respective territories (such as in El Salvador and Guatemala).

In many territories and rural areas, there is an environment of conflict stemming from low social investment and the fact that the population has obtained little or no benefit from the (public or private) exploitation of renewable energy. This conflict is linked to regressive pricing structures (which penalize consumers that use energy more efficiently), the integration of electricity billing with other services (Guatemala) and the steady downgrading of social safeguards (reduction in subsidies in Guatemala and Honduras). All this has led to threats and assaults against community advocates seeking to improve the implementation of their rights. Environmental advocates and advocates for the right to land and territory have been particularly vulnerable in this regard; many of the most assaulted advocates come from indigenous communities.

D. Distress migration is the most dramatic manifestation of a development model characterized by multiple exclusions, rigidities and weaknesses

1. Reasons for migrating are multifactorial

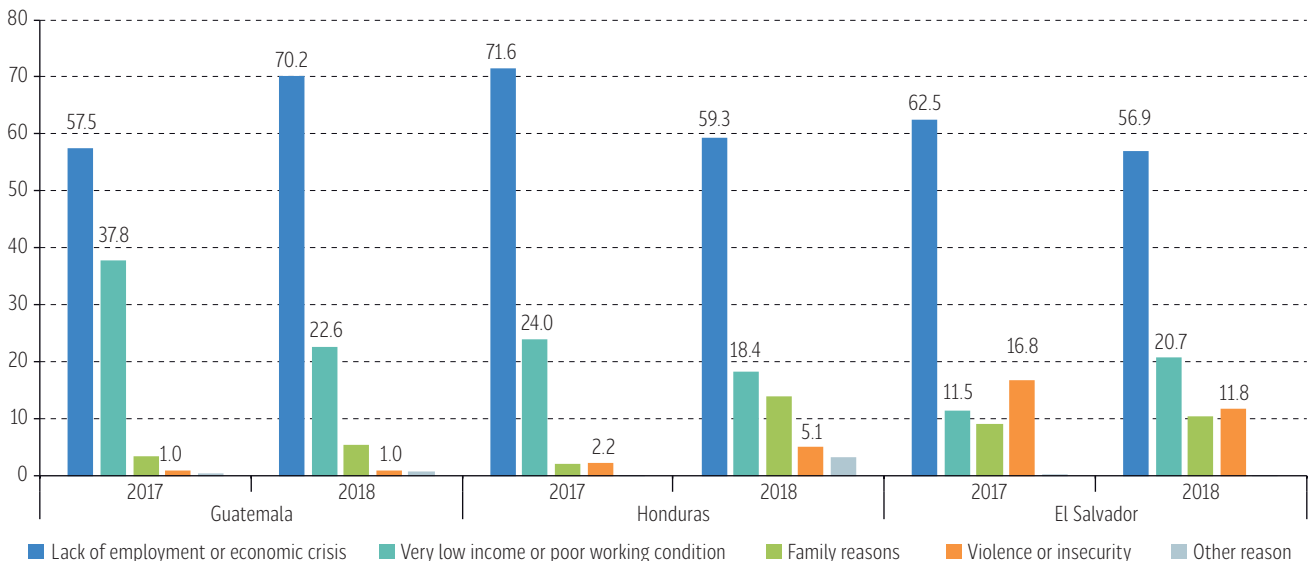
The predominant migration trend in Central America and Mexico is to the north. By 2015, roughly 25 million migrants from Latin America and the Caribbean had embarked on their journey northward and were living North America.¹⁰²

The reasons for migrating are diverse. According to surveys of returnees from Mexico in 2017-2018, the main reasons for northern Central Americans emigrating were as follows (see figure I.42).¹⁰³

- Lack of employment and an economic crisis in their country of origin.
- Low income for their work and poor working conditions in their country of origin.
- Violence and insecurity.
- Family reunification.

Figure I.42

Northern Central America: reasons for deciding to migrate (first option), 2017–2018
(Percentage of all migrants deported to their countries of origin by the United States authorities)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Colegio de la Frontera Norte and others, Survey of Migration at the Southern Border of Mexico [online] www.colef.mx/emif.

Two distinct reasons were cited by 40% of those surveyed, including a combination of economic and violence-related motives, reflecting the multi-causal nature of human mobility in the region.

¹⁰² See International Organization for Migration (IOM), *World Migration Report 2018*, Geneva, 2018, p. 92.
¹⁰³ Based on the responses of migrants deported to their countries of origin by the United States authorities.

A further two major reasons for migrating, which are not reflected in the abovementioned survey, are lack of access to social services (such as health and education) and vulnerability to climate change and natural disasters.

Children and adolescents migrate mainly because they lack educational opportunities, they are victims of different types of violence or they seek reunification with family members who, in most cases, are already in the north, mainly Mexico.

The high incidence of violence as a reason for people to migrate is also reflected in the number of refugees and asylum seekers from northern Central America, totalling around 353,000 in 2018. However, in the case of El Salvador and Guatemala, numbers are below the levels registered in the early twenty-first century (see figure I.43).

Figure I.43
Northern Central America: refugees and asylum seekers around the world, 2000–2018



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Office of the United Nations High Commissioner for Refugees (UNHCR), Refugee Data Finder [online database] <https://www.unhcr.org/refugee-statistics/>.

In the case of the states of south-southeast Mexico, the main reasons why people emigrated to the United States were to look for work (83%), family reasons (5%) or to study (4%).¹⁰⁴

According to a study on food security and emigration by the World Food Programme (WFP) and the International Organization for Migration (IOM), with the support of the International Fund for Agricultural Development (IFAD), the Organization of American States (OAS) and the Inter-American Development Bank (IDB), there is a clear link between migration and food security. Of the households surveyed in Dry Corridor communities of northern Central America that are characterized by high levels of migration, 47% were in a situation of food insecurity and 72% had adopted emergency survival strategies, such as selling household assets. The main causes

¹⁰⁴ These were return migrants who had lived in the United States in the five years prior to 2018. Estimates based on data from the National Institute of Statistics and Geography (INEGI), *National Survey of Demographic Dynamics 2018*, Aguascalientes, 2018.

of emigration reported by the interviewees were lack of employment or economic difficulties (65%), low income (19%) and violence and insecurity (9%), with only 1% citing family reunification as a reason for emigrating.¹⁰⁵

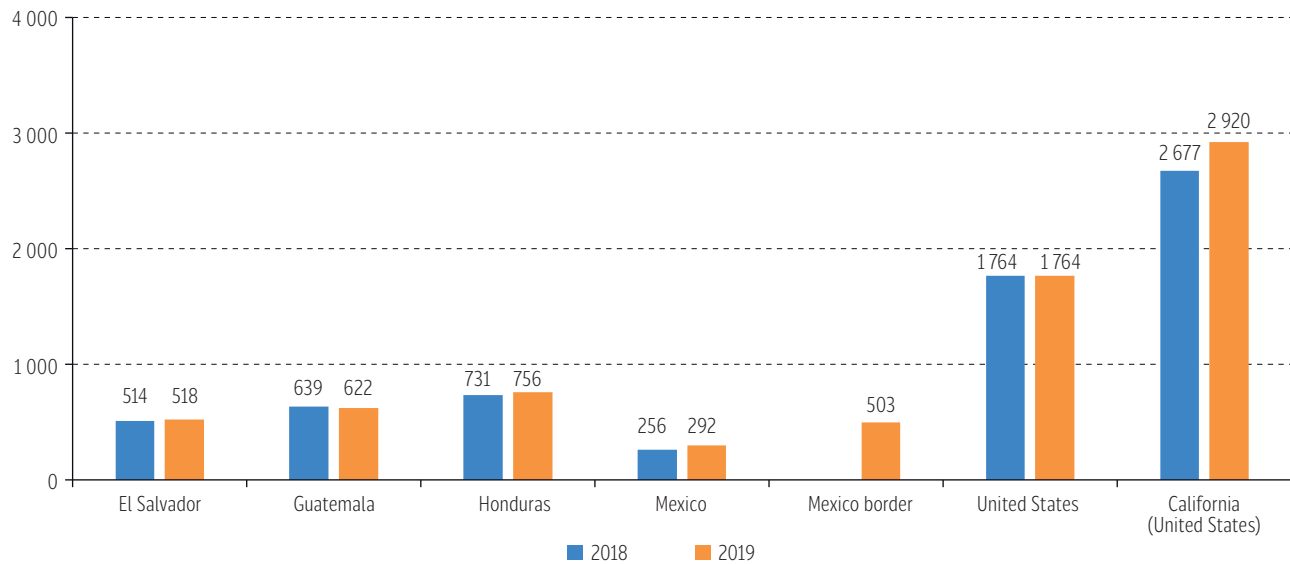
Probably one of the biggest push factors for migration from northern Central America and Mexico to the United States is the wage gap.

In northern Central America in 2018, the average minimum wage of US\$ 628 purchasing power parity (PPP) was 36% that of the United States.

Mexico reported an even greater lag in the minimum wage: just 14% that of the United States in 2018 and 17% in 2019. Doubling the minimum wage in the northern border region of Mexico in 2019 reduced this gap by 12 percentage points (29%). There are also significant gaps in the average wage (see figure I.44 and figure I.45).

Figure I.44

Northern Central America, Mexico and the United States: monthly minimum wage, 2018 and 2019 (Purchasing power parity dollars)

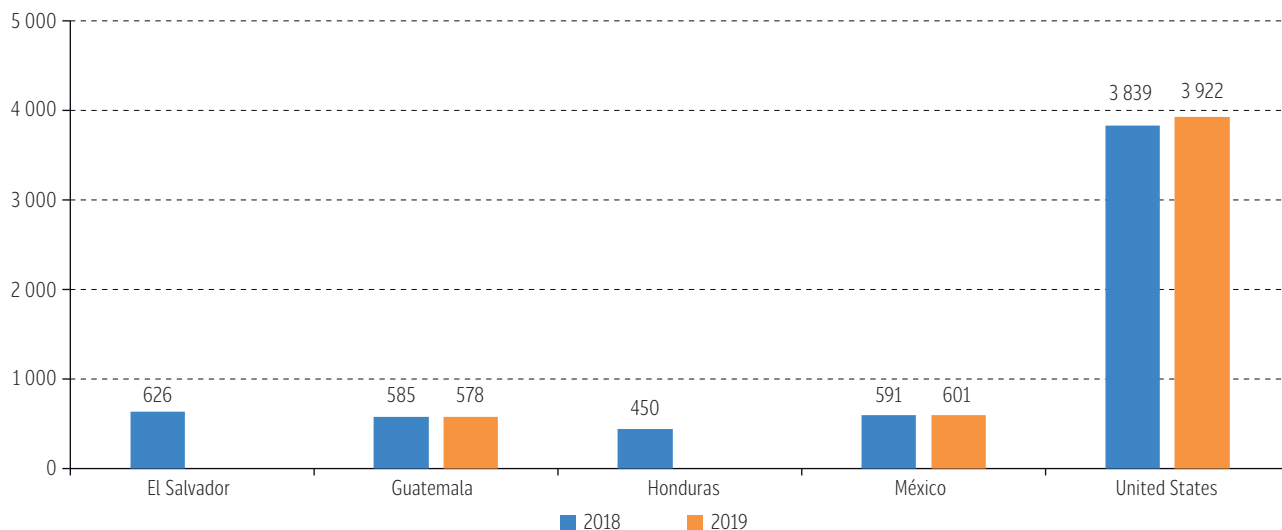


Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Labour Organization (ILO), ILOSTAT [online database] <https://ilostat.ilo.org/data/>; United States Census Bureau, Current Population Survey (CPS) [online] www.census.gov/programs-surveys/cps.html; World Bank, World Bank Open Data [online database] <https://data.worldbank.org/>; Ministry of Labor and Social Welfare, “Tarifas de salarios mínimos vigentes a partir del 1º de enero de 2018” [online] <https://www.mtpps.gob.sv/avisos/salarios-minimos-2018/>; Ministry of Labour and Social Welfare, “Acuerdo Gubernativo Número 297-2017”, *Diario de Centro América*, vol. 308, No. 72, Tegucigalpa, 2017; General Directorate of Salaries, “Tabla de salario mínimo, vigente a partir del 1 de enero del año 2018” [online] <http://www.trabajo.gob.hn/wp-content/uploads/2018/01/Tabla-SM-2018-ipc-4-73.pdf>; “Tabla de salario mínimo, vigente a partir del 1 de enero del año 2019” [online] <http://www.trabajo.gob.hn/wp-content/uploads/2019/01/Tabla-Salario-2019.pdf>; National Commission of Minimum Wages, “Salarios Mínimos. Vigentes a partir del 1º de enero de 2018” [online] <https://www.gob.mx/cms/uploads/attachment/file/285013/TablaSalariosMinimos-01ene2018.pdf>; “Salarios Mínimos. Vigentes a partir del 1º de enero del año 2019” [online] https://www.gob.mx/cms/uploads/attachment/file/426395/2019_Salarios_Minimos.pdf; United States Department of Labor, “Minimum wage” [online] <https://www.dol.gov/general/topic/wages/minimumwage>.

¹⁰⁵ See Inter-American Development Bank (IDB) and others, *Food Security and Emigration: why people flee and the impact on family members left behind in El Salvador, Guatemala and Honduras*, Washington, D.C., 2017.

Figure I.45

Northern Central America, Mexico and the United States: monthly average wage, 2018 and 2019
(Purchasing power parity dollars)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of International Labour Organization (ILO), ILOSTAT [online database] <https://ilostat.ilo.org/data/>; United States Census Bureau, Current Population Survey (CPS) [online] www.census.gov/programs-surveys/cps.html; World Bank, World Bank Open Data [online database] <https://data.worldbank.org/>; Ministry of Labor and Social Welfare, “Tarifas de salarios mínimos vigentes a partir del 1° de enero de 2018” [online] <https://www.mtps.gob.sv/aviso/salarios-minimos-2018/>; Ministry of Labour and Social Welfare, “Acuerdo Gubernativo Número 297-2017”, *Diario de Centro América*, vol. 308, No. 72, Tegucigalpa, 2017; General Directorate of Salaries, “Tabla de salario mínimo, vigente a partir del 1 de enero del año 2018” [online] <http://www.trabajo.gob.hn/wp-content/uploads/2018/01/Tabla-SM-2018-ipc-4-73.pdf>; “Tabla de salario mínimo, vigente a partir del 1 de enero del año 2019” [online] <http://www.trabajo.gob.hn/wp-content/uploads/2019/01/Tabla-Salario-2019.pdf>; National Commission of Minimum Wages, “Salarios Mínimos. Vigentes a partir del 1° de enero de 2018” [online] <https://www.gob.mx/cms/uploads/attachment/file/285013/TablaSalariosMinimos-01ene2018.pdf>; “Salarios Mínimos. Vigentes a partir del 1° de enero del año 2019” [online] https://www.gob.mx/cms/uploads/attachment/file/426395/2019_Salarios_Minimos.pdf; United States Department of Labor, “Minimum wage” [online] <https://www.dol.gov/general/topic/wages/minimumwage>.

Although average wages (PPP) among northern countries of Central America and Mexico are remarkably close, a considerable gap persists between them and the United States. The combined average wage in northern Central America and Mexico is worth only 15% of the United States average wage.

2. Human mobility from northern Central America and Mexico is concentrated heavily on the United States

Mexico and the northern countries of Central America have a negative migration balance, with the result that the number of people born in those countries living abroad now stands at more than 15.4 million. The country with the largest share of its nationals living abroad as a percentage of the national population is El Salvador, where nearly a quarter of the population has emigrated (22.1%). It is followed by Mexico (8.9%), Honduras (6.9%) and Guatemala (5.8%).

Most emigrants from the region reside in the United States (88.9%). In the case of emigrants from Guatemala, 5% live in Mexico and a significant absolute number of emigrants from Honduras, El Salvador and Mexico live in a European country (see table I.12).

Table I.12

Northern Central America and Mexico: international migration, 2015
(Number of people)

Indicator	El Salvador	Guatemala	Honduras	Mexico
Population	6 312 478	16 252 429	8 960 829	125 890 949
Emigrants	1 436 158	1 017 517	648 520	12 339 062
Immigrants	42 045	76 352	28 070	1 193 155
Net migration balance	-1 394 113	-941 165	-620 450	-11 145 907
Absolute migration rate (percentage)	-22.1	-5.8	-6.9	-8.9
Emigrants in the United States	1 276 489	881 191	530 645	12 050 031
Emigrants in Mexico	10 054	53 128	15 027	..
Emigrants in Europe	29 995	19 918	44 292	118 767

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of United Nations, *World Population Prospects: The 2017 Revision*, New York, 2017; *Trends in International Migrant Stock: The 2015 Revision* (POP/DB/MIG/Stock/Rev.2015), New York, 2015.

Note: The term migrants refers to people born in a certain country of origin who reside abroad (emigrants) or people born in another country who reside in a destination country (immigrants). The term is usually identified with absolute or lifelong migration.

According to UNHCR consolidated figures up to mid-2019, in the United States there were 305,591 refugees and asylum seekers from northern Central America and 47,358 from Mexico.

Over the fiscal period 2014–2017, the United States granted 4,378,221 permanent resident cards, 18% of which were to people from northern Central America and Mexico (815,434 visas).

Over the fiscal period 2016–2018, the United States issued a total of 492,360 H-2A visas (for temporary agricultural workers). Approximately 93% of these visas were granted to people from northern Central America and Mexico (461,611 visas).

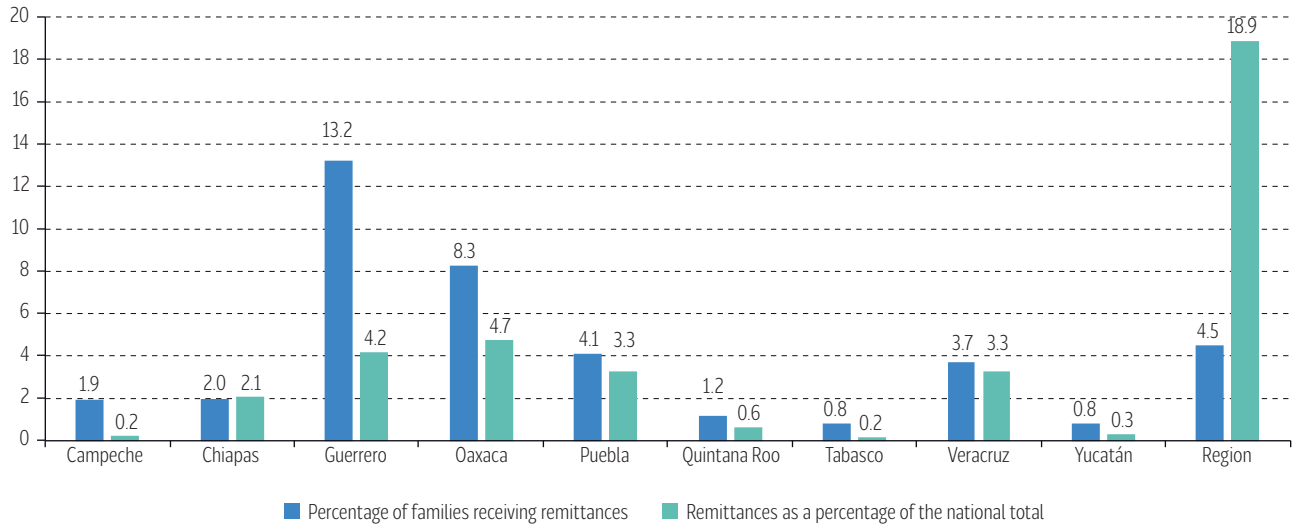
Student and exchange visitor visas issued in the United States account for approximately 10% of non-immigrant visa registrations. In the 2017 fiscal year, around 2.5 million non-immigrant visas were issued, almost 250,000 of which were for people from countries involved in the Comprehensive Development Plan.¹⁰⁶

Migration to the United States from south-southeast Mexico is low, with the exception of the states of Guerrero, Oaxaca and Puebla, where 13.2%, 8.3% and 4.1% of families, respectively, receive remittances. Of total remittances received by Mexico, 18.9% goes to households in south-southeast Mexico (see figure I.46).

¹⁰⁶ See United States Department of Homeland Security, “Nonimmigrant admissions”, 2017 [online] <https://www.dhs.gov/immigration-statistics/nonimmigrant>.

Figure I.46

States of south-southeast Mexico: families receiving remittances and percentage of remittances received by each federal entity, 2018
(Percentages)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of National Institute of Statistics and Geography (INEGI), National Survey of Household Income and Expenditure (ENIGH).

Northern Central America and Mexico are the main beneficiaries of the Deferred Action for Childhood Arrivals (DACA), which allows unlawful immigrants who arrived in the United States as children to remain there and to access services. In January 2019, as a country of origin, Mexico had approximately 543,630 DACA beneficiaries, El Salvador had 25,920, Guatemala had 17,700 and Honduras had 16,300.¹⁰⁷

El Salvador and Honduras have also been the main beneficiaries of Temporary Protected Status (TPS) in the United States, which grants temporary residence to nationals from a country facing armed conflict, natural disasters or other extraordinary conditions that prevent them from returning safely. In November 2018, El Salvador had 251,526 TPS beneficiaries, as a result of an earthquake, and Honduras had 80,633, as a result of Hurricane Mitch.¹⁰⁸

The Central America-4 Free Mobility Agreement (CA4) is a relevant policy for regular and facilitated migration. This regional treaty, signed in June 2006, established the free movement of citizens between El Salvador, Guatemala, Honduras and Nicaragua without the requirement of a passport and through fast-track procedures. The agreement also created a harmonized visa regime for nationals from other countries or, in other words, a single Central American visa to simplify travel (by land) between the four countries.

¹⁰⁷ U.S. Citizen and Immigration Services. 2019. Approximate Active DACA Recipients —Feb 28 2019. Available at: https://www.uscis.gov/sites/default/files/USCIS/Resources/Reports%20and%20Studies/Immigration%20Forms%20Data/All%20Form%20Types/DACA/1_Approximate_Active_DACA_Recipients_-_Feb_28_2019.pdf.

¹⁰⁸ Congressional Research Service. 2019. Temporary Protected States: Overview and Current Issues. Available at: <https://fas.org/sgp/crs/homsec/RS20844.pdf>.

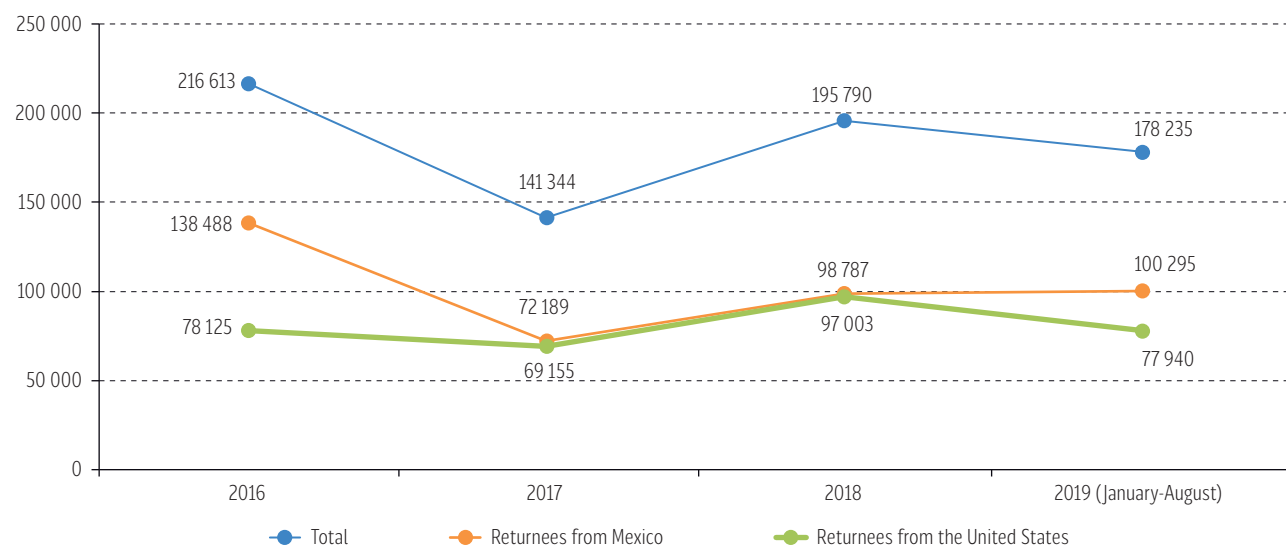
There are opportunities for strengthening the CA-4 to ensure that freedom of movement is actually translated into a transfer of social, economic and political rights for migrants once they leave their country of origin. While the CA-4 facilitates legal movement between the four Central American nations, many policies regarding the rights of foreign citizens are determined at the national level in the countries' respective constitutions and immigration laws. This means that, even though the CA-4 allows nationals of signatory countries to travel with few restrictions, the enjoyment of social services and participation in the labour market still depend largely on the individual legislation of receiving countries.¹⁰⁹

The return and reintegration of migrants who are unable or unwilling to remain in host or transit countries is arousing renewed political interest in national and international policy-making. Many migrants end up in situations of hardship and irregularity, while others are eventually deported by governments or return voluntarily.

Between January 2016 and August 2019, there were 731,982 returnees from Mexico and the United States to the northern countries of Central America. Of these, an average 81% were men and 19% were women. Between January 2019 and August 2019, the majority of returnees from Mexico and the United States were heading to Honduras (79,417) and Guatemala (72,960), with far fewer bound for El Salvador (25,858 returnees) (see figure I.47).¹¹⁰

Figure I.47

Returnees to northern Central America from Mexico and the United States, 2016–2019 (January–August)
(Number of people)



Source: International Organization for Migration (IOM), Northern Triangle Migration Information Management Initiative [online] <https://mic.iom.int/webntmi/>.

¹⁰⁹ See Central American Integration System (SICA), “Convenio de Creación de la Visa Única Centroamericana para la Libre Movilidad de Extranjeros entre las Repúblicas de El Salvador, Guatemala, Honduras y Nicaragua” [online] https://www.sica.int/documentos/convenio-de-creacion-de-la-visa-unica-centroamericana-para-la-libre-movilidad-de-extranjeros-entre-las-republicas-de-el-salvador-guatemala-honduras-y-nicaragua_1_82962.html.

¹¹⁰ See International Organization for Migration (IOM), Northern Triangle Migration Information Management Initiative [online] <https://mic.iom.int/webntmi/>.

The well-being of these migrants, their families and communities depends partly on how they reintegrate upon their return. Reintegration is a crucial part of a comprehensive approach to migration management that seeks to ensure the orderly and humane return and reintegration¹¹¹ of migrants, both those who participate in assisted voluntary return programmes (migrants who are unable or unwilling to remain in host or transit countries and wish to return voluntarily to their countries of origin) and those who are deported by governments.¹¹²

According to the IOM Assisted Voluntary Return Programme, between 4 November 2018 and 26 July 2019, a total of 1,791 migrants availed themselves of assisted voluntary return. Most were returning from Mexico, 22% of whom were heading for Honduras, 20% to El Salvador and 8% to Guatemala.

There are also links between networks smuggling migrants from Latin America to the United States. The UNODC global study on smuggling of migrants concludes that the business around the smuggling of Central American migrants to Mexico and from there to the United States is worth around US\$ 2 billion per year.¹¹³

The majority of refugees and asylum seekers from northern Central America are in the United States, although their relative share of the total decreased from 90% in 2015 to 79% in mid-2019. In contrast, a growing number of people are choosing Mexico as their country of asylum and the proportion of refugees and asylum seekers from northern Central America who are in Mexico increased from 3% in 2015 to 12% in mid-2019.

At the national level, the lowest return migration rates from the United States of people formerly residing in south-southeast Mexico are recorded in Yucatán, Quintana Roo and Tabasco (see figure I.48).

Residents of south-southeast Mexico prefer to migrate to the country's interior. Apart from Quintana Roo and Yucatán, all states have a negative migration balance. Top of the list is Guerrero (with a rate of -28.3 per 1,000 inhabitants) most of whose migrants head to the country's central region (State of Mexico, Mexico City and Morelos), Baja California, Michoacán and Oaxaca. Second is Chiapas (-20.4 per 1,000 inhabitants) whose migrants head to the central region (Mexico City and State of Mexico) and other southern states. Third is Veracruz (-18.1 per 1,000 inhabitants) whose migrants head to the central region (Mexico City, Puebla and State of Mexico), Tamaulipas and Oaxaca.¹¹⁴

¹¹¹ See International Organization for Migration (IOM), *Towards an Integrated Approach to Reintegration in the Context of Return*, Geneva, 2017.

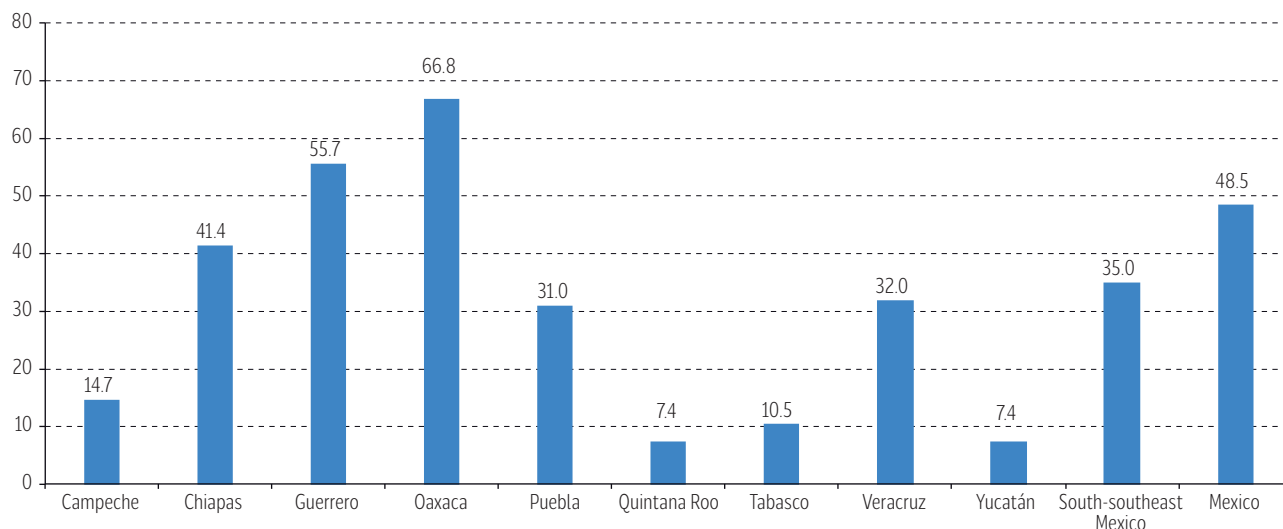
¹¹² See International Organization for Migration (IOM), *Towards an Integrated Approach to Reintegration in the Context of Return*, Geneva, 2017.

¹¹³ See United Nations Office on Drugs and Crime (UNODC), *Global Study on Smuggling of Migrants, 2018*, Geneva, 2018.

¹¹⁴ Own estimate on the basis of National Institute of Statistics and Geography (INEGI), National Survey of Demographic Dynamics 2018, Aguascalientes, 2018.

Figure I.48

States of south-southeast Mexico: population that changed residence, in the past five years, from the United States to Mexico (return migration), 2018
(Rate per 10,000 inhabitants)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of National Institute of Statistics and Geography (INEGI), *National Survey of Demographic Dynamics 2018*, Aguascalientes, 2018.

According to the United States Census Bureau, most recent-entry migrants from the subregion are young people (86.8% are under 40 years of age). Men predominate (the masculinity ratio is 126) and are well educated (56.5% have completed secondary or higher education and 21.5% have completed primary education). Most are working, and the labour force participation rate of recent-entry migrants to the United States is 75%. However, there are gender differences: women's labour force participation rate is 60.6%, while that of men is 86.4%, with both figures based on people who entered the United States after 2010.

Some of the main characteristics of northern Central American migrants deported by the United States authorities are as follows (see table I.13):

- The majority are men (88.4% on average).
- Levels of education among Guatemalans are low (53% have completed primary education or less) but are higher among Hondurans and Salvadorans (28.6% and 25.5% respectively have completed primary education or less).
- Among Hondurans, 38.9% have completed baccalaureate, technical or higher education, rising to 43.7% of Salvadorans.
- Nearly one third of Guatemalan deported migrants belong to an indigenous community or people. No migrants from El Salvador and Honduras belong to an indigenous community or people.
- Among migrants from Guatemala, 47.5% replied that they were the family's main breadwinner, a figure that drops to 26.2% and 26.5% for migrants from Honduras and El Salvador, respectively.

- The largest proportion of unrelated accompanying children under the age of 15 is among migrants from El Salvador (11%) and Guatemala (8.5%).

Table I.13

Northern Central America: characteristics of migrants deported by the United States authorities, 2018
(Percentages)

Characteristics	Guatemala	Honduras	El Salvador
Place of birth	46.2	31.4	22.3
Sex			
Man	88.9	91.0	85.3
Woman	11.1	9.0	14.7
Level of education (highest level of education completed)			
None	5.9	0.6	3.3
Primary	47.1	28.0	22.2
Basic or secondary	24.7	32.5	30.8
Baccalaureate, technical, etc.	19.9	36.0	39.1
University or higher	2.4	2.9	4.6
Member of an indigenous people or community			
Yes	31.3	0.0	0.0
No	68.7	100.0	100.0
The main breadwinner in the family			
Live alone	16.8	12.0	15.8
Yes	47.5	26.2	26.5
No	35.7	61.8	57.7
Place of residence			
United States	52.2	6.2	30.6
Mexico	0.5	0.1	0.4
Non-urban	25.2	67.6	27.0
Urban	22.2	26.0	42.0
Accompanying persons			
Yes, and none were under 15 years of age	69.7	8.8	30.0
No accompanying persons	21.0	89.7	57.8
Yes, and all were the migrant's children	0.8	0.6	1.2
Yes, and some were the migrant's children	0.1	0.1	0.0
Yes, and none were the migrant's children	8.5	0.8	11.0

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Colegio de la Frontera Norte and others, Survey of Migration at the Southern Border of Mexico [online] www.colef.mx/emif.

The higher migration flows are caused not only by an increase in the number of people but also by a substantial change in their composition. The data show a significant increase in the proportion and number of migrant women and girls detained in Mexico since 2012. Whereas, in 2012, the Mexican authorities registered 11,336 detentions of women, who accounted for 13% of all adults, in 2017, the 30,541 detained women accounted for 25% of all adults. In the first few months of 2019, their share grew to 30%. The increase in female migration from northern Central America and major

changes in the application of Mexico's immigration law appear to be driving the rise in detentions. Girls under the age of 18 from northern Central America account for an even higher proportion of detained children (32% in 2017).

Migration institutions agree that not only has female participation in migration flows increased, in 2019 there was also a significant rise in the number of family groups, with a greater presence of older adults.

3. Migrants face huge obstacles during transit and at their destination

Transit migration is a distinctive characteristic of the migration process in the subregion. Although there are no official figures for the number of northern Central American migrants who transit through Mexico to the United States, it has been estimated that they numbered around 417,000 in 2015, of whom only 19% completely their journey successfully and reached the United States.¹¹⁵ These migrants are at varying degrees of vulnerability and risk on their journey, including robbery, kidnapping, extortion, rape, forced labour and human trafficking, both in transit and in their destination countries. According to figures from the Network for Documentation of Migrant Defense Organizations (REDODEM), 10% of people in transit assisted by this network of shelters and organizations in 2018 reported having witnessed or been the victim of a crime. According to the Survey of Migration at the Southern Border of Mexico, nearly one third (30.9%) of migrants deported by the Mexican authorities had to endure extreme temperatures and one fifth (21.3%) faced hunger.

Just over half the migrants in transit through Mexico hired illegal guides (*coyotes*) to help them cross into the United States.¹¹⁶

Between 2016 and August 2019, an estimated 1,994 migrants went missing or died in Central America and at the border between Mexico and the United States (see figure I.49).¹¹⁷

The irregular migration of migrants from outside the region transiting through countries involved in the Comprehensive Development Plan has increased significantly since 2014. Nearly as many extraregional migrants were brought before the Mexican authorities in the first eight months of 2019 as in the whole of 2018. Prior to 2018, Asian migrants had been the largest group but, in the first few months of 2019, they were surpassed by migrants from Africa (see figure I.50).

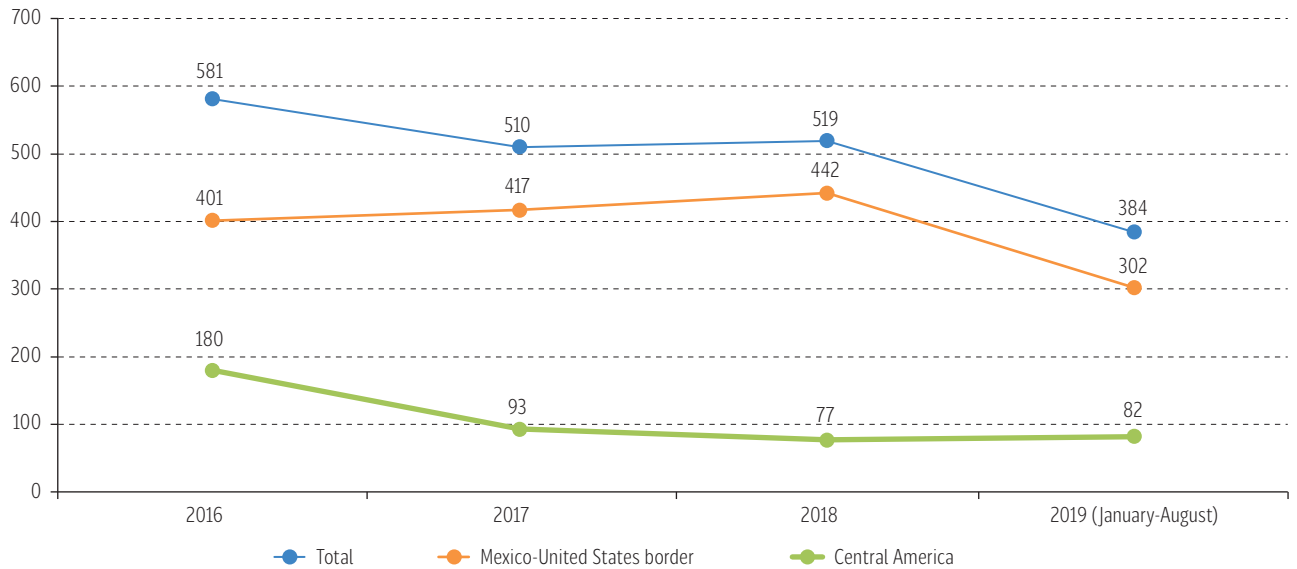
¹¹⁵ See A. Canales and M. Rojas, "Panorama de la migración internacional en México y Centroamérica", *Population and Development series*, No. 124 (LC/TS.2018/42), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2018.

¹¹⁶ A. Canales, J. A. Fuentes and C. R. de León Escribano, *Desarrollo y migración: desafíos y oportunidades en los países del norte de Centroamérica* (LC/MEX/TS.2019/7), Mexico City, Economic Commission for Latin America and the Caribbean (ECLAC), 2019, p. 62.

¹¹⁷ See International Organization for Migration (IOM), Missing Migrants Project [online] <https://missingmigrants.iom.int/>.

Figure I.49

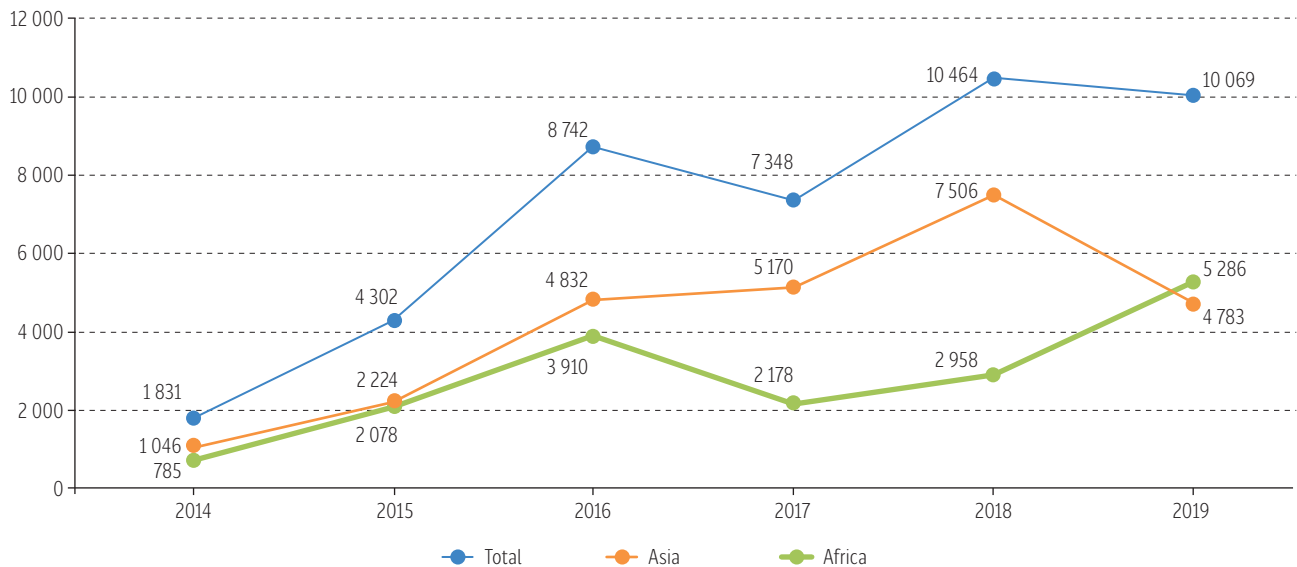
Migrants who have gone missing or died while in transit through Central America and the border between Mexico and the United States, 2016–2019 (January-August)
(Number of people)



Source: International Organization for Migration (IOM), Missing Migrants Project [online] <https://missingmigrants.iom.int/>.

Figure I.50

Extraregional migrants brought before the Mexican immigration authorities, 2014–2019 (January-August)
(Number of people)

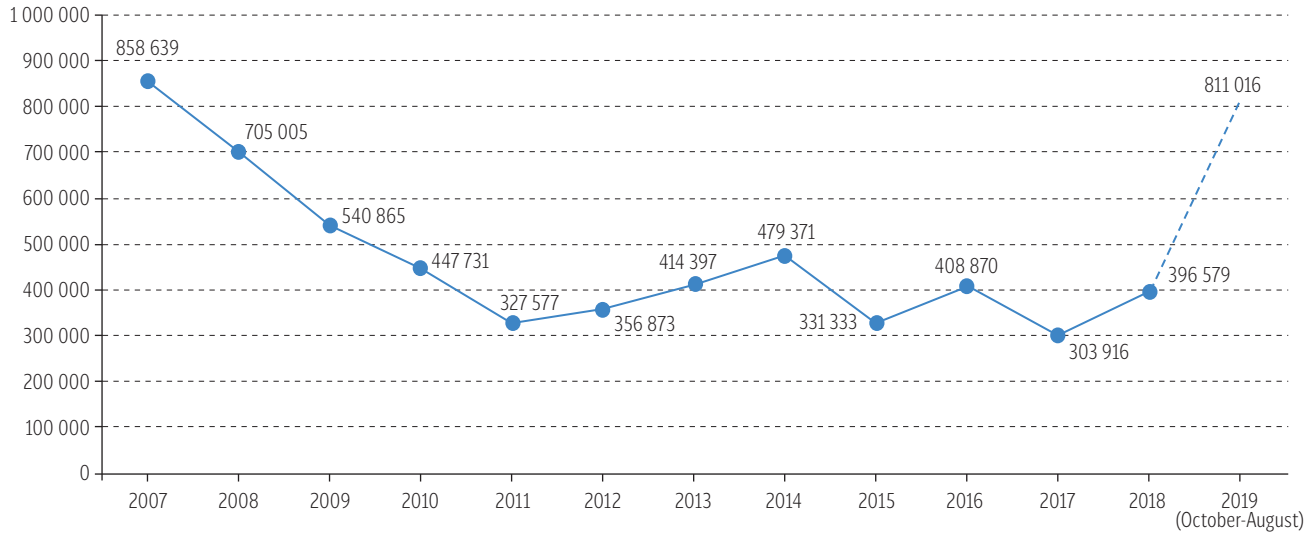


Source: Migration Policy Unit and Secretariat of the Interior.

Detentions on the southern border of the United States increased sharply over the period October-August 2019, to figures as high as those registered in fiscal year 2007. Approximately 95% of detentions were of migrants from Mexico and northern Central America (see figure I.51).

Figure I.51

Annual detentions of migrants on the southern border of the United States, fiscal years 2007–2019 (October–August)
(Number of people)



Source: United States Customs and Border Protection.

The number of people from northern Central America detained in Mexico and the United States for not having the documentation required by the country's authorities has increased significantly in the past two years, particularly in 2019 (see figure I.52). According to immigration authority figures, during fiscal year 2019 (October 2018 to August 2019), 606,227 people from northern Central America were detained on the southern border of the United States (134% more than in the whole of fiscal year 2018). Of these migrants, 44% were from Guatemala, 42% from Honduras and 15% from El Salvador. Up to August 2019, a total of 11,928 detentions of people from northern Central America had been registered in Mexico, 65% higher than the same period in 2018. Of these, 55% were Honduran, 31% Guatemalan and 13% Salvadoran.

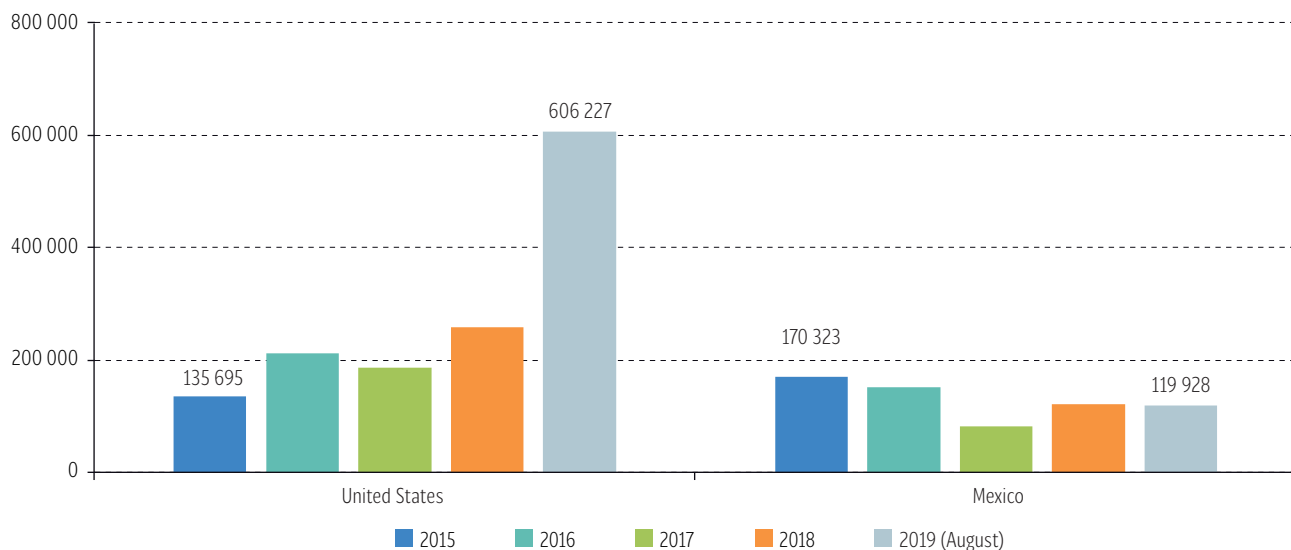
Women and girl migrants face both structural risks and circumstantial risks related to extreme difficulties on their journey north. They experience disproportionately high rates of sexual violence and may become victims of *coyotes*, gangs, cartels or the police. Of the female migrants and refugees entering Mexico, 68.3% reported having been victims of violence during their transit to the United States. Nearly one third of the women surveyed had suffered sexual abuse during their journey (31.4%). Considering only rape and other forms of direct sexual violence, 10.7% of women were affected during their transit through Mexico. Of all those surveyed, 47.1% said that the violence they had suffered had affected them emotionally, with enormous consequences for their psychological well-being and ability to reach out for help.¹¹⁸

In recent years, the profile of migrants and refugees from northern Central America in transit to Mexico and the United States has changed from one of single men to one of families, women and unaccompanied minors and adolescents. In fiscal year 2019, of all those detained in the United States, 71% were travelling in family units, compared with 11% in 2015.

¹¹⁸ See Doctors without Borders (MSF), *Forced to flee Central America's Northern Triangle: A Neglected Humanitarian Crisis*, Geneva, 2017.

Figure I.52

Northern Central America: people detained in the United States (by fiscal year) and Mexico (by calendar year), 2015–2019 (Number of people)



Source: United States Customs and Border Protection, “Southwest Border Migration” [online] <https://www.cbp.gov/newsroom/stats/sw-border-migration>; Secretariat of the Interior, “Boletines estadísticos” [online] http://portales.segob.gob.mx/es/PoliticaMigratoria/Boletines_Estadisticos.

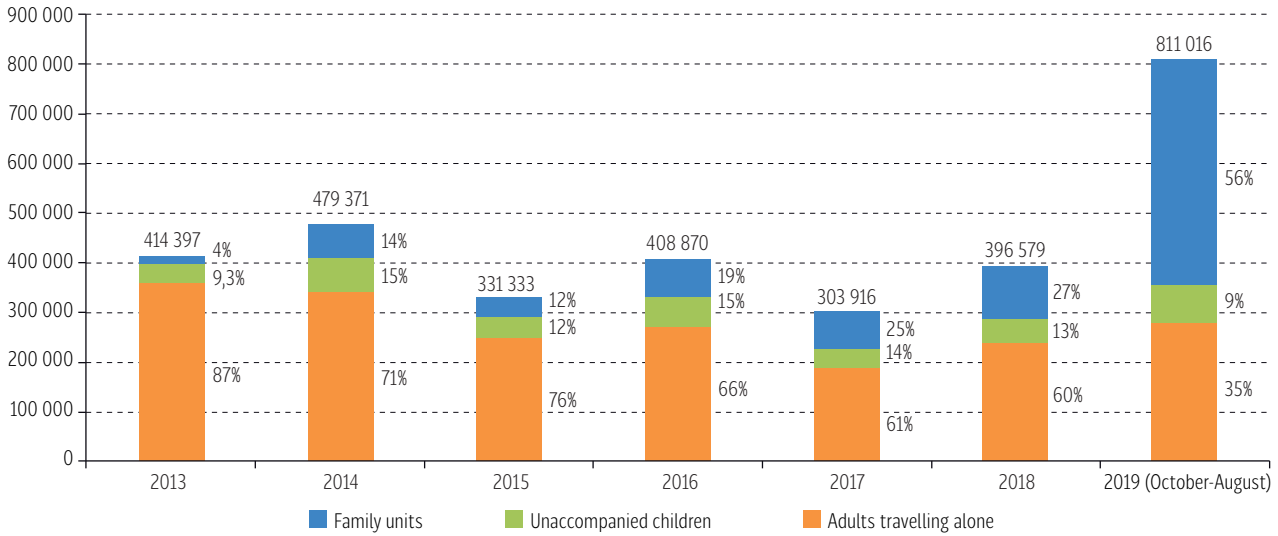
Unaccompanied migration and the detention of children and adolescents raise another of the most crucial issues that migration in the subregion has been highlighting and amplifying because they reflect not only a failure to protect minors but also severe infringements of the best interests of the child. According to immigration authority figures, between 2015 and 2019, a total of 229,600 unaccompanied or separated children were detained on the southern border of the United States, in addition to the 62,200 unaccompanied children detained in Mexico.

The number of families and children involved in migration flows and displacements in northern Central America and Mexico has increased significantly in recent years. In United States fiscal year 2019, out of a total of 811,106 detentions on the south-western border of the United States, 530,444 were of unaccompanied children and family units. In fiscal year 2018, the United States registered 396,579 detentions, 157,248 of which were of unaccompanied children and family units (see figure I.53).

Migrant women and girls have different needs than men and boys. Despite the fact that migration flows currently comprise a large number of families, along the migration routes there is a wide gap in the provision of care services for children and older adults. Owing to a traditional distribution of gender roles, it is women and girls who assume caregiving responsibilities. This has a major impact on their ability to access opportunities for study, training, job-seeking, completing administrative formalities to regularize their migration status, or using legal aid and health services. This gap in care services is particularly pertinent to women claiming asylum who are travelling with family, as they are required to stay for long periods in the border cities where they are claiming protection (90–120 days).

Figure I.53

Family composition of detentions on the southern border of the United States, fiscal years 2013–2019 (October-August)
(Thousands of people and percentages)



Source: United States Customs and Border Protection.

The care services provided by shelters and migrant holding stations, as well as by some entities delivering services to migrant women and girls, lack a gender perspective.¹¹⁹ Major gaps have been identified in the provision of health services, access to medicine, sexual and reproductive health services, and in psychosocial support, which is essential given the high rate of women and girls who suffer various forms of violence during the migration process, particularly for those who have been victims of sexual violence.

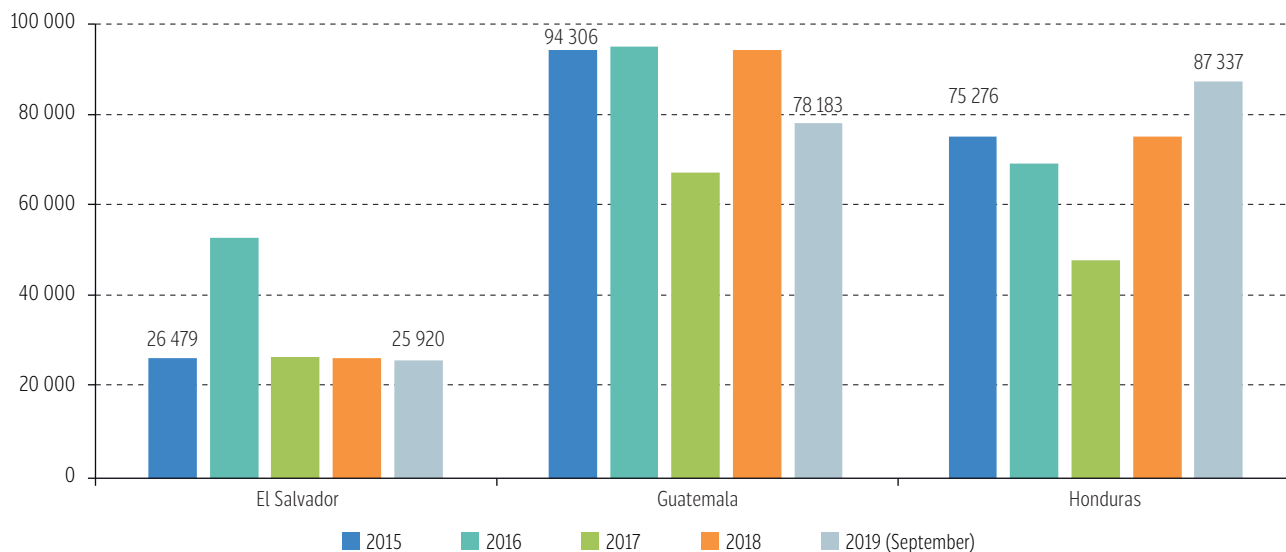
In recent years, the northern countries of Central America have registered around 200,000 returnees or deported migrants from the United States and Mexico every year (see figure I.53). In the first nine months of 2019, a total of 191,400 returnees were registered, 34% more than the same period in 2018. Return and deportation also create vulnerabilities and risks for this population. Many returnees face discrimination, as well as major difficulties in reintegrating sustainably into their places of origin, especially when they have lost their property or when they have no family networks upon their return. According to data presented earlier, a significant proportion of returnees were obliged to migrate because of violence in their country of origin and face protection risks when they return, in many instances making it impossible for them to go back to their communities of origin.

According to the IOM Assisted Voluntary Return Programme, between 4 November 2018 and 26 July 2019, a total of 1,791 migrants availed themselves of assisted voluntary return. Most were returning from Mexico; 22% were heading to Honduras, 20% to El Salvador and 8% to Guatemala.

¹¹⁹ Gender-sensitive, open-door shelters for women/mothers with children/teenage girls offering care services.

Figure I.54

Northern Central America: returnees from the United States and Mexico, 2015–2019
(Number of people)



Source: International Organization for Migration (IOM), on the basis of data from the immigration authorities of the northern countries of Central America.

4. Forced internal displacement stems from the insecurity and violence facing residents of northern Central America and Mexico

The Guiding Principles on Internal Displacement, presented to the United Nations Human Rights Commission in 1998, are a key document for the development of international standards to protect and assist internally displaced persons. According to the Guiding Principles on Internal Displacement, internally displaced persons are people who have been forced to flee or leave their homes or places of habitual residence as a result of conflict, violence, human rights violations and natural or human-made disasters and who have not crossed an internationally recognized border. The Guiding Principles on Internal Displacement also describe the rights of this group and the corresponding obligations of the authorities. Honduras has prepared draft legislation on internal displacement based on the Guiding Principles on Internal Displacement and El Salvador and Mexico are working on federal laws on the same issue.¹²⁰

Internal displacement due to natural or human-made disasters, unresolved conflict, criminal violence and social and economic crises affect many countries in the Americas. In 2018, disasters triggered most of the new displacements in the region, with an increase of 1.7 million, while some 404,000 new displacements related to conflict and violence were also recorded. Of even more numerical significance than new displacements is the fact that various Latin American countries have a large

¹²⁰ Mexico already has a law for the state of Chiapas. See Government of the State of Chiapas/General Secretariat of Government, *Ley para la Prevención y Atención del Desplazamiento Interno en el Estado de Chiapas*, Tuxtla Gutiérrez, 2012 [online] <http://forodfi.cndh.org.mx/Content/doc/Normativo/Ley-DPI-Chiapas.pdf>.

number of internally displaced persons as a result of conflict and violence for which no lasting solutions have been found.

In Honduras, the Inter-Institutional Commission for the Protection of Persons Displaced by Violence (CIPPDV), with UNHCR support, has conducted two characterization studies of persons displaced by violence. The most recent study estimates that Honduras had around 58,500 internally displaced households between 2004 and 2018, comprising 247,090 people (or 2.7% of the country's total population).¹²¹

In El Salvador, a study by the Ministry of Justice and Public Security, with UNHCR support, estimated that, between 2006 and 2016, one of the members of at least 1.1% of families was forced to change their place of residence within the country as a result of acts of violence (around 71,500 people).¹²²

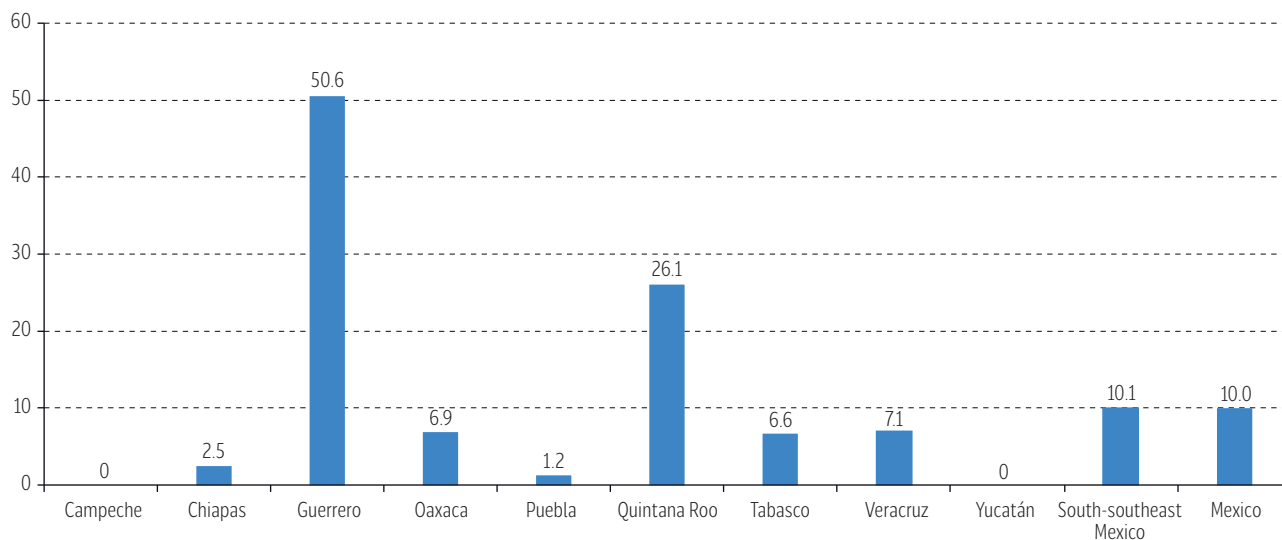
These studies have revealed that the main reasons for population displacement are threats, homicides, extortion and restrictions on movement by criminal groups, mainly youth gangs (*maras* or *pandillas*).

While the proportion of internally displaced persons in Mexico is smaller, in Guerrero and Quintana Roo the proportion is above the national and regional averages (see figure I.55).

Figure I.55

States of south-southeast Mexico: population that changed residence, in the past five years, for reasons of violence and insecurity, 2018

(Rates per 10,000 inhabitants)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of National Institute of Statistics and Geography (INEGI), *National Survey of Demographic Dynamics 2018*, Aguascalientes, 2018.

¹²¹ See Human Rights Secretariat/Inter-Institutional Commission for the Protection of Persons Displaced by Violence, *Estudio de caracterización del desplazamiento interno por violencia en Honduras, 2004–2018*, Tegucigalpa, 2019.

¹²² See Ministry of Justice and Public Security, *Caracterización de la movilidad interna a causa de la violencia en El Salvador: informe final*, San Salvador, 2018, p. 7.

Forced internal displacement undermines the human rights of individuals, families and communities. It causes loss of assets (land, housing, personal property and other possessions), and loss of employment and income. Children and adolescents interrupt their studies and are even more vulnerable when they migrate without their families.

5. Remittances account for a large and growing share of gross domestic product but pose major challenges for economic and social policies

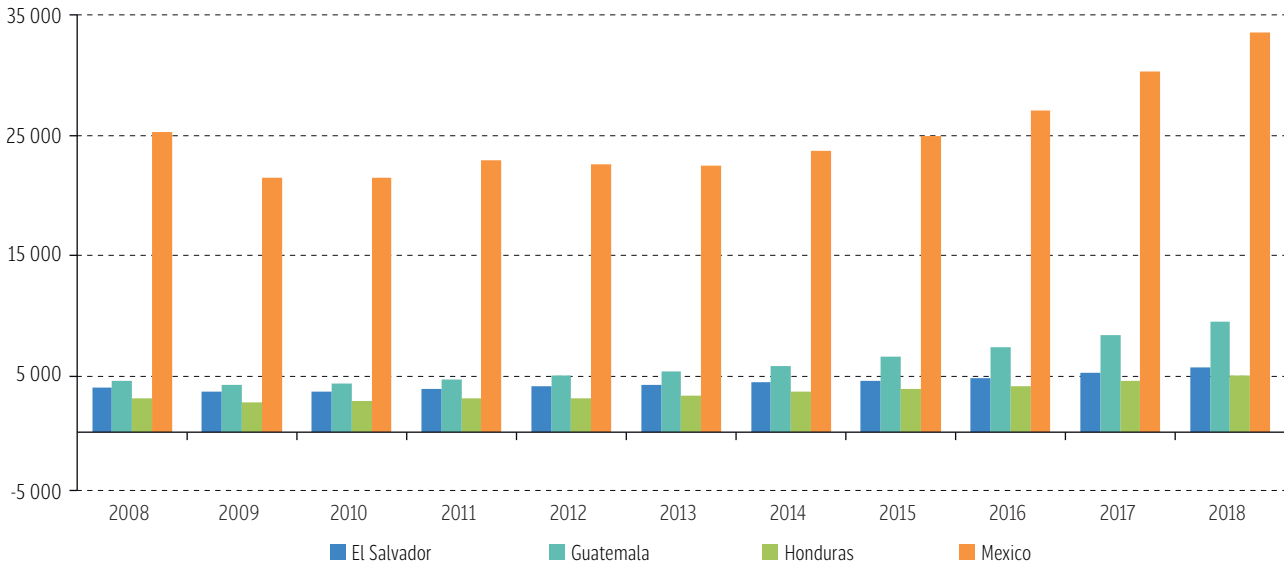
Family remittance flows are a direct consequence of migration. Although they have a huge impact in northern countries of Central America and, to a lesser extent, in Mexico, it is also important to consider the public policy challenges they pose.

Taken together, remittances have an important role to play in achieving family goals, community and national development priorities and the SDGs in general. However, further work is needed to reap the true development benefits of remittances.

Governments can create an enabling environment to encourage remittance flows into productive sectors of the economy. Diaspora communities have contributed routinely to development in their countries of origin through financial flows, such as remittances, investment and trade and the transfer of skills and social, cultural and technological capital. Governments can create stable environments that foster diaspora members' financial and social commitment to their countries of origin through incentives and policies such as: tax breaks, financial education and inclusion, entrepreneurship opportunities and simplified entry and residence schemes.

In 2018, combined remittances to northern Central America totalled US\$ 19 billion, while in Mexico they totalled S\$ 33 billion, by far the largest amounts received anywhere in Latin America and the Caribbean (see figure I.56).

Figure I.56
Northern Central America and Mexico: remittance flows, 2008–2018
(Millions of dollars)



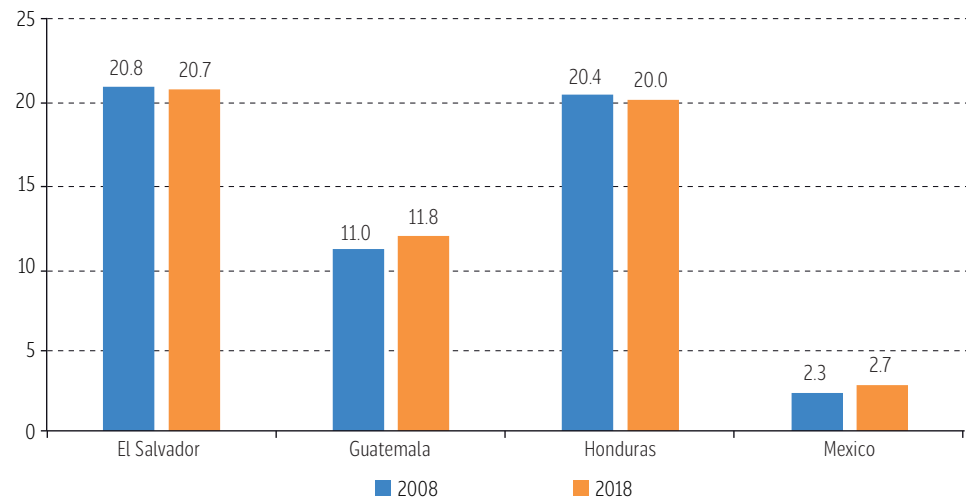
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

Over the past 10 years, remittances have grown steadily to an average annual rate of between 3% (Mexico) and 8% (Guatemala), with just one period of contraction during the global financial crisis of 2008–2009.

Remittances make the biggest contribution to GDP in El Salvador (20.7%) and Honduras (20%), while in Guatemala they contribute 11.8% of GDP and, in Mexico, just 2.7% (see figure I.57).

Figure I.57

Northern Central America and Mexico: family remittance flows, 2008 and 2018
(Percentage of gross domestic product)



Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of official figures.

The highest family remittance flows between the states of south-southeast Mexico are in Oaxaca, Puebla, Guerrero and Veracruz, while in Campeche and Quintana Roo they are very modest. Between 2008 and 2018, the combined remittances received in these nine states, as a proportion of the national total, fell from 29.7% to 23.5% (see table I.14).

Table I.14

States of south-southeast Mexico: remittances received, 2008 and 2018
(Millions of dollars)

	2008	2018	Percentage of state GDP, 2017
Campeche	72.8	79.3	0.3%
Chiapas	811.1	820.5	3.7%
Guerrero	1 435.5	1 620.3	9.8%
Oaxaca	1 522.2	1 736.8	9.5%
Puebla	1 615.7	1 705.5	4.3%
Quintana Roo	97.3	166.5	0.8%
Tabasco	156.0	208.2	0.6%
Veracruz	1 618.3	1 383.7	2.6%
Yucatán	136.1	205.5	1.1%

Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of Bank of Mexico figures.

Remittances make the biggest contribution to state GDP in Guerrero and Oaxaca (9.8% and 9.5%, respectively) and the smallest contribution in Campeche (0.3%) (see table I.14).

The average transaction per operation varies from country to country. In 2018, it was US\$ 275 in El Salvador, compared with US\$ 350 in Guatemala and US\$ 343 in Honduras. In the latter two countries, the trend was up from 2008. In Mexico it was US\$ 322, with a downward trend in recent years.

Some of the factors impacting on remittance levels and dynamics are the age composition (age) of the migrant population, their type of employment (sectors of activity and occupations), their educational level, the gender structure and their length of residence in the destination country.

In Guatemala, 10% of households receive remittances, which account for around 46% of these households' income. In El Salvador, 20% of households receive remittances, accounting for 50% of their income. In Honduras, the shares are 16% and 38% and, Mexico, they are 5% and 20%, respectively.

Although remittances do not provide a way out of poverty, they do represent an important survival strategy for recipient families in northern Central America, which use them to meet basic household needs.¹²³ For example, 94.8% of all Salvadoran recipient families use remittances for consumption (food and clothing), 47.5% to pay for services and 27.5% to pay for medical consultations.¹²⁴ Guatemalan families use remittances for house construction, purchase or repair and savings (49.8%), consumption (35%), economic activities that generate value added and income (7.2%) and health and education (8%).¹²⁵ Hondurans use remittances for consumption (70.1%), health and medicine (20.1%), debt payment (14.1%), payment of services (9.7%) and study (8.2%).¹²⁶

However, a number of studies also report negative economic effects of remittances, by discouraging entrepreneurship and labour force participation, for instance. Other studies have stressed the negative effect of remittances in putting pressure on the exchange rate, commonly known as Dutch disease.¹²⁷

¹²³ The following percentages add up to more than 100% because they are the result of surveys with multiple-choice questions.

¹²⁴ See International Organization for Migration (IOM), *Encuesta Nacional de Migración y Remesas, El Salvador 2017: resultados preliminares*, San Salvador, 2017 [online] <https://mic.iom.int/webntmi/descargas/informes2017/EmiRem2017.pdf>.

¹²⁵ See International Organization for Migration (IOM), *Encuesta sobre Migración Internacional De Personas Guatemaltecas y Remesas 2016*, Guatemala City, 2016 [online] <https://mic.iom.int/webntmi/descargas/informes/encuestaremesasgt.pdf>.

¹²⁶ See International Organization for Migration (IOM) and others, *Flujos migratorios laborales intrarregionales: situación actual, retos y oportunidades en Centroamérica y República Dominicana: informe de Honduras*, San José, 2012 [online] https://www.ilo.org/wcmsp5/groups/public/---americas/---ro-lima/---sro-san_jose/documents/publication/wcms_205970.pdf.

¹²⁷ See C. Ball, C. López and J. Reyes, "Remittances, inflation and exchange rate regimes in small open economies", *MPRA Paper*, No. 39852, July 2012, and D. A. Singer, "Migrant remittances and exchange rate regimes in the developing world", *American Political Science Review*, vol. 104, No. 2, Cambridge, Cambridge University Press, 2010.

An increasing number of countries (more than 30 in 2016) with a high proportion of remittances (equivalent to 5% of GDP or more) are subject to pressure on their exchange rate and face major challenges in the management and effectiveness of their monetary policy, owing to the constant inflow of huge amounts of foreign currency to the country.¹²⁸

In northern Central America and Mexico and worldwide, formal channels for sending remittances predominate: money transfer operators, banking system, money orders and, more recently, digital applications where national regulations so allow. Although transaction costs are declining, reducing them has been a specific and measurable goal for several decades, in pursuit of greater efficiency, equity and benefit for both remittance senders and recipients. This goal was enshrined formally in the SDGs in an indicator entitled “Remittance costs as a proportion of the amount remitted”, aimed at reducing the transaction costs of remittances to less than 3% (SDG indicator 10.c.1). In the main remittance corridor from the United States to northern Central America and Mexico, the average cost of sending remittances was 4.3% in 2018, still above the SDG 10 target (see table I.15).

Table I.15

Northern Central America and Mexico: average transaction cost of sending remittances, 2017-2019^a
(Percentages)

	2017	2018	2019 ^b
El Salvador	4.2	4.0	3.9
Guatemala	5.3	4.6	4.4
Honduras	4.0	4.2	4.0
Mexico	4.7	4.5	4.6
Average ^b	4.5	4.5	4.3

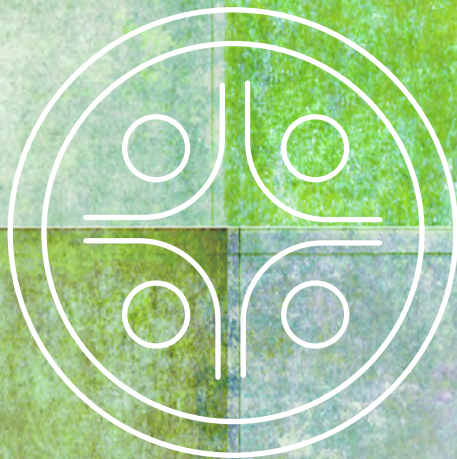
Source: Economic Commission for Latin America and the Caribbean (ECLAC), on the basis of World Bank, Remittance Prices Worldwide [online database] <http://remittanceprices.worldbank.org/>.

^a Simple average.

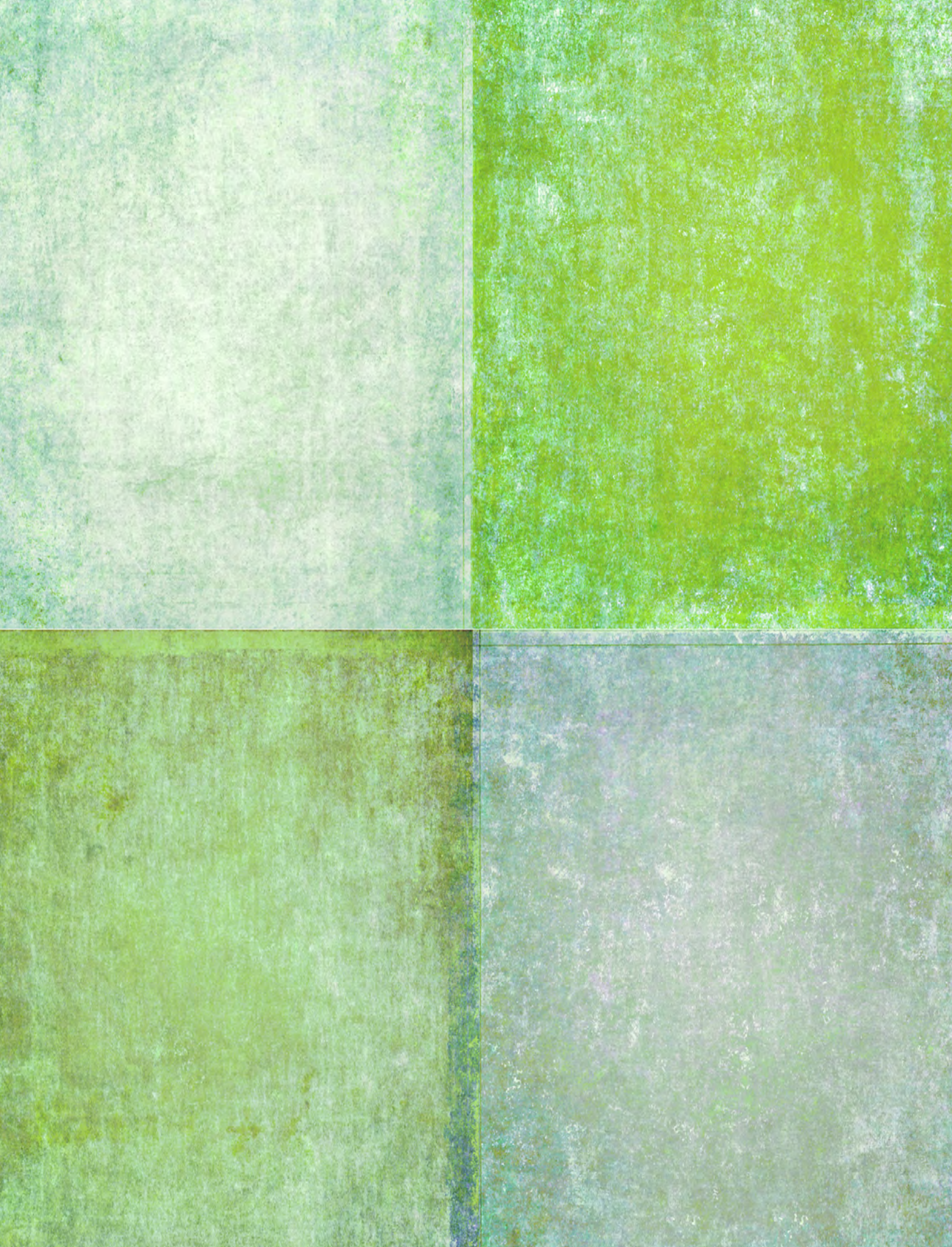
^b Second quarter of 2019.

According to an estimate of the potential resources that could be released by reducing the gap between actual (applied) transaction costs and the 3% SDG target, the four countries combined could release additional resources of around US\$ 750 million (US\$ 492 million for Mexico, US\$ 146.7 million for Guatemala, US\$ 56.2 million for Honduras and US\$ 55.5 million for El Salvador).

¹²⁸ See R. Sahay and others, “Financial inclusion: can it meet multiple macroeconomic goals?”, *Staff Discussion Notes*, No. 15/17, Washington, D. C., International Monetary Fund (IMF), 2015; J.A. Fuentes, “Estrategías de desarrollo necesarias para impulsar una migración regular, segura y ordenada en los países del norte de Centroamérica (NCA)”, *Desarrollo y migración: desafíos y oportunidades en los países del norte de Centroamérica* (LC/MEX/TS.2019/7), A. Canales, J. A. Fuentes and C. R. de León Escribano, Mexico City, Economic Commission for Latin America and the Caribbean (ECLAC), 2019, pp. 121-212.



II. A COMMITMENT TO DEVELOPMENT





A commitment to development

The United Nations system has developed an analytical framework that includes the fundamental concepts of the development approach which has informed and guided preparation of the Comprehensive Development Plan. These concepts are detailed below.

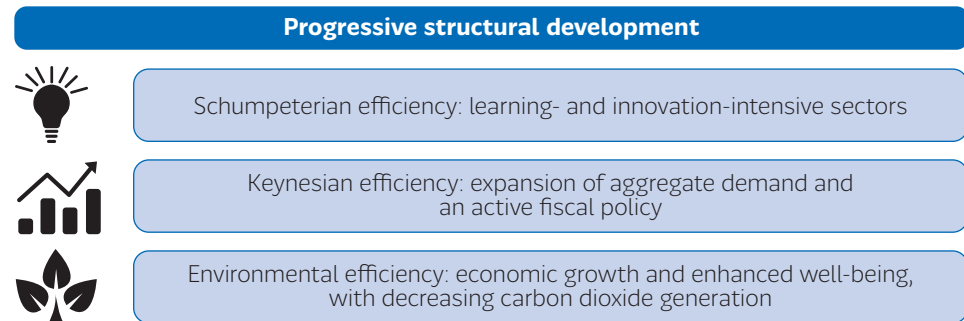
A. The importance of structural change in development

All development success stories entail an intensive process of structural change, understood as restructuring value added and employment. In order to sustain strong economic growth and improve income distribution, overcoming external constraints, cycles of indebtedness and balance of payments crises, it is necessary to build a new production structure and a pattern of specialization oriented towards activities that are: more dynamic in terms of supply and demand; more knowledge-intensive; and more sustainable. This has driven the need to promote progressive structural change, that is to say, a transformational shift towards learning- and innovation-intensive activities and production processes that increase production and foster environmental protection, employment with rights, better social conditions for the population and the development of universal social protection systems¹ (see diagram II.1).

¹ Economic Commission for Latin America and the Caribbean (ECLAC), *Horizons 2030: equality at the centre of sustainable development* (LC/G.2660/Rev.1), Santiago, 2016.

Diagram II.1

Progressive structural change



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Dynamic supply depends on knowledge-intensive sectors, which may have higher rates of productivity, innovation and dissemination of technology, accounting for an increasing share in the production structure. This strengthens multipliers and linkages in the economy. Dynamism depends on stimulating external and internal demand: specialization in sectors in which there is rapidly growing global demand and production of what the domestic market demands. Without a favourable orientation towards dynamic sectors, exports will tend to grow at a slower rate than imports, meaning that economies will have to reduce the growth rate to avoid increasing the current account deficit.

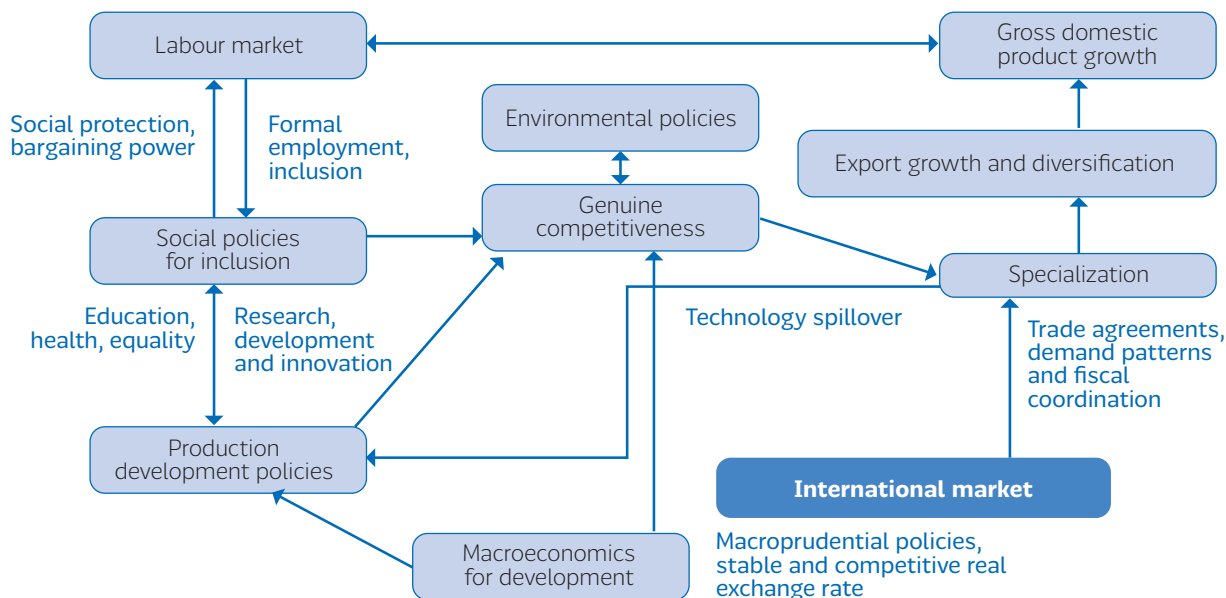
The economies with the greatest potential for sustained growth and quality job creation are those that successfully transform their patterns of specialization in favour of dynamic sectors. Structure matters, as these activities are key to absorbing workers engaged in low-productivity or informal activities, or who are unemployed or underemployed.

B. Progressive structural change requires production development policies

The desired transformation of the production structure does not spring naturally from capital accumulation or market signals. A country specialized in non-dynamic sectors usually remains that way because of strong inertia in technological learning and the fact that productive capacity tends to follow the same patterns as in the past. This creates a trap of low innovation and slow (or zero) productivity growth, which lead to an equilibrium from which companies and countries are unable to escape without public policy intervention.

To overcome the low-growth trap, public policies in different areas need to be coordinated and integrated. Efforts are required to: increase growth and economic stability; diversify the production structure; promote investment, exports and innovation; guarantee social protection; combat inequality; and protect the environment. It is also imperative to combat money laundering and recover the proceeds from the corruption and organized crime that undermine development, destabilize the economic and financial system and increase inequality (see diagram II.2).

Diagram II.2
Policies for structural change



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Production (or industrial) development policy is defined as a dynamic process in which the State deploys a series of instruments designed to promote and strengthen specific economic sectors, activities or agents, based on national development priorities.

At present, production development policies operate in a context dominated by open trade and financial strategies, the attraction of foreign direct investment and a proliferation of bilateral and multilateral trade agreements, all of which constrain available development instruments. However, it is also true that the challenges of rapid technological change have led to a reappraisal of the role of this type of action, not only among the leaders of the world economy but also in a number of developing countries.

Macroeconomic policies for development must be aligned with the objectives of production development policy. In particular, macroprudential, monetary and exchange rate policies should be used to avoid creating asset bubbles and real exchange rate appreciation, which can lead to unsustainable processes of indebtedness or to a loss of international competitiveness that jeopardizes production diversification.²

It is also important for macroeconomic policy to provide the necessary fiscal space to establish countercyclical policies and sustain public investment, as well as to implement social and environmental policies. Without adequate fiscal space, policies to incentivize structural change will lack the necessary resources and public investment will play no role in promoting and guiding private investment.

Macroeconomic policies for development must also provide a stable framework for production development policies. All the success stories of closing gaps in the post-war global economy have involved the implementation of active vertical and

² Economic Commission for Latin America and the Caribbean (ECLAC), *Horizons 2030: equality at the centre of sustainable development* (LC/G.2660/Rev.1), Santiago, 2016.

horizontal industrial policies that made it possible to escape from low-growth traps. These policies had a macroeconomic framework conducive to investment and international competitiveness.

Proper coordination and linkages between macroeconomic and production development policies are central to redefining sectoral incentives and investment in research and development. These policies are intended to promote progressive structural change and genuine competitiveness, that is to say, competitiveness based on technical progress rather than on abundant natural resources or cheap labour.³

C. Equality: objective and instrument of development

Social policies and the pursuit of equality are crucial to creating a virtuous circle where innovation, employment, income distribution and growth complement one another. Equality is key to development for three reasons: (i) it is an ethical foundation underpinning the concept of development; (ii) it is an instrument for furthering an innovation- and learning-centred development model, with a positive impact on employment, productivity, economic sustainability, the environment, knowledge dissemination and democracy and full citizenship; and (iii) inequality is inefficient. So, while equality requires growth, growth also requires equality.⁴ These considerations are fully incorporated into the 2030 Agenda for Sustainable Development and the Sustainable Development Goals, as summarized in the pledge that no one will be left behind⁵ (see diagram II.3).

Diagram II.3
Sustainable Development Goals



Source: United Nations.

Equality encompasses equality of means, opportunities, capacities and recognition. Equality of means translates into a fairer distribution of income and wealth and a wage bill that accounts for a greater share of domestic output, coupled with universal access to social protection. Equality of opportunities entails the absence of all forms of discrimination in or barriers to access to social, economic and political positions.

³ Economic Commission for Latin America and the Caribbean (ECLAC), *La transformación productiva 20 años después: viejos problemas, nuevas oportunidades* (LC/G.2367(SES.32/3)), Santiago, 2008.
⁴ Economic Commission for Latin America and the Caribbean (ECLAC), *The Inefficiency of Inequality* (LC/SES.37/3-P), Santiago, 2018.
⁵ United Nations, *The Sustainable Development Goals Report 2020*, New York, 2020.

Equality of access to capacities covers the skills, knowledge and capabilities that individuals and communities acquire and that enable them to embark on life plans they consider worthwhile. Equality as mutual recognition is expressed in different actors' shares of caregiving, work and power, in the distribution of costs and benefits among present and future generations and in the visibility and affirmation of collective identities, solidarity and reciprocity.⁶

Various interactions exist between policies and economic performance in terms of growth and distribution. There is causality between competitiveness, growth and employment, on the one hand, and equality, on the other. This is associated with labour market formalization and wage increases, both of which are brought about by structural change. There is also causality between social policies and competitiveness and production development. Equality is a prerequisite for the system's dynamic efficiency and its impacts on education and health are the clearest link between equality and productivity. Equality also contributes to creating an institutional, policy and labour environment that prioritizes innovation and capacity-building. The role of equality in capacity-building is more relevant today than ever, owing to the impact of the technological revolution, making it more urgent to close gaps. From this perspective, social and welfare policies are, at the same time, instruments for building capacity and productivity.

D. A big push for sustainability

The countries of northern Central America and south-southeast Mexico need to deepen the transformation of their production structure to redefine their integration into global markets and strengthen their national, regional and subregional markets, absorb underemployment and overcome their peripheral status. Although closing gaps is still a prerequisite for development, changes in the production structure are intrinsically different in the twenty-first century. The change in the paradigm of convergence, by incorporating the dimensions of equality and environmental stewardship, has as its counterpart a technological, productive and institutional leap forward to a new style of development. In the context of the content and aspirations of the 2030 Agenda for Sustainable Development, this new approach could be dubbed a “big push for sustainability” (see diagram II.4). It is a coordinated effort of complementary investments to redefine the path of growth, production and consumption patterns and capacity-building, in a political and institutional context where rights are respected and constitutional democracy is strengthened.⁷

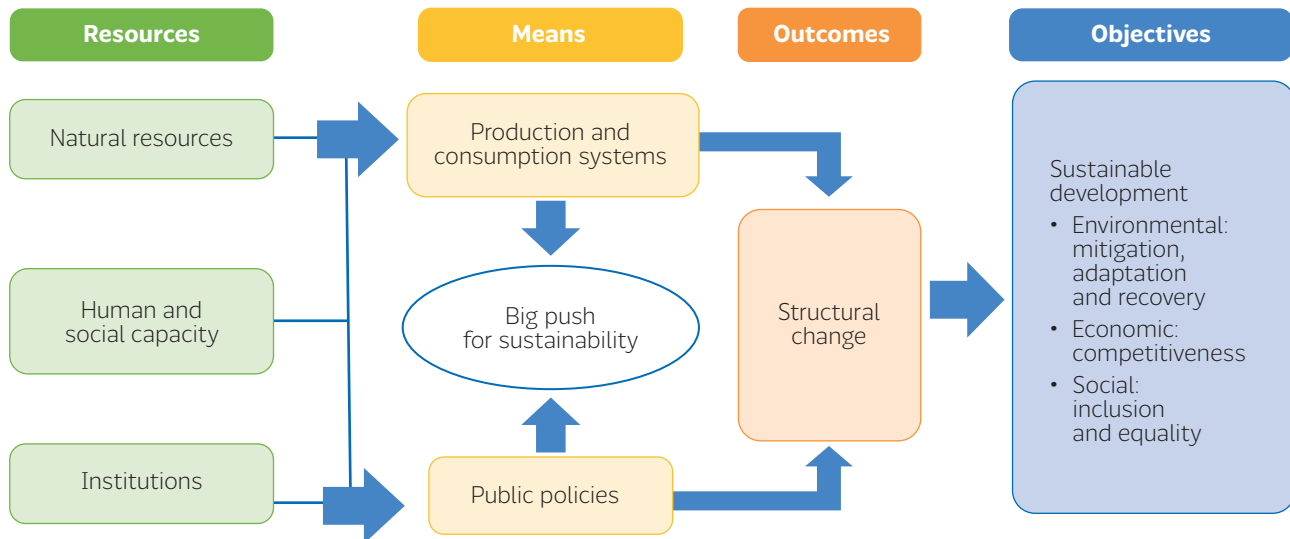
The need for coordination is at the core of the big push for development strategy. Coordination is needed because the return on each investment depends on other investments being made simultaneously. Complementarity between investments has two possible outcomes: one is where everyone invests and obtains a high return, while the other is where no one has an incentive to invest. The desired equilibrium is the first outcome, while the second represents a trap in a slow growth situation created by lack of coordination and other factors.

⁶ See Economic Commission for Latin America and the Caribbean (ECLAC), *The Inefficiency of Inequality* (LC/SES.37/3-P), Santiago, 2018.

⁷ Economic Commission for Latin America and the Caribbean (ECLAC), *Compacts for Equality: Towards a Sustainable Future* (LC/G.2586(SES.35/3)), Santiago, 2014.

Diagram II.4

A big push for sustainability



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

At present, the idea of a big push for sustainable development is based on a combination of public policies, economic and social agents and human and financial resources, with a leading role for research, development and innovation and for moving closer to the technological frontier. In this dimension, transformation of the energy mix is seen as crucial.

Coordination means that public policies have a key role in ensuring that public and private actors act in concert and that the economy begins a transition towards sustainable development with equality. Public policies play an even bigger role in social and environmental sustainability investment than in other types of investment. This is because complementarities and scale are especially important when it comes to reconfiguring a style of development. For instance, transforming the energy mix and shifting to renewable energies requires not only investment in energy production but also changes in distribution systems, infrastructure and the production equipment and processes that use renewables. Changes in mobility patterns call for city infrastructure to be redesigned, as well as for educating consumers and modifying deeply ingrained forms of behavior. Taxation and regulation for sustainability requires a policy design which avoids initial redistributive impacts that harm the poorest, where social and skills investment require the sectors demanding them to be already present, or in the process of being established, in the production structure.

Increasing application of the technological revolution to sustainability creates uncertainty about its impact on developing economies' competitiveness and balance of payments. While an economy can become more environmentally sustainable by importing environmental technologies, this could have negative consequences for growth and employment. The way out of this conundrum is to build technological capabilities in developing economies, coupled with production and skills diversification. These capabilities are necessary not only from a competitiveness standpoint but also to tackle countries' specific environmental problems. This might be to mitigate and,

most important, adapt to the impact of climate change, as well as to halt degradation of the natural heritage (including natural soil productivity, water quality and access and biodiversity richness), in line with relevant international standards.

E. Territorial and regional dimension of structural change

The wide diversity in the economies and societies of northern Central America and south-southeast Mexico subregion is most apparent in the territorial dimension. The differences created and sustained by a culture of privilege translate into wide multidimensional gaps between territories and individuals, where territories home to indigenous and Afrodescendent populations tend to be more disadvantaged.⁸ The territorial, multicultural and multi-ethnic dimension of development, with its multilevel characteristics, must therefore be made central to all strategies designed to achieve progressive structural change. Local networks play a key role in these processes, as they are the main sphere of action for civil society.

The extension of the national vision to include subnational territories has its counterpart in the application of that vision to a multinational or regional space. Although regional integration is a multidimensional process that encompasses historical, social, cultural, economic, commercial, political and environmental issues, strengthening the production dimension of integration can stimulate structural change, especially in view of ongoing changes in the global economy (see diagram II.5).

Diagram II.5
Production integration for structural change



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

⁸ Economic Commission for Latin America and the Caribbean (ECLAC), *The Inefficiency of Inequality* (LC/SES.37/3-P), Santiago, 2018.

Inequality is a systemic problem that is impossible to tackle solely by means of social policies. Indeed, “social issues are not played out in the social sphere alone, nor are economic issues resolved only in the economic sphere”.⁹ There is a direct link between a strategy of growth with equality and strengthening the regional economic space. For further changes in the production structure to help to reduce inequalities, more and better productive employment is needed, coupled with a greater presence of micro-, small and medium-sized enterprises in exports of manufactures and services. These characteristics are better represented in intraregional trade than in any other kind of trade. Renewing the impetus of industrialization by diversifying exports and increasing the knowledge and value added embedded in them also leads to a greater commitment to regional integration.

To implement national strategies of growth with equality, it is essential to complement this process with improved effectiveness and regional coverage of infrastructure, production chain integration, regulatory policy convergence and support for intraregional trade. Pooling national and regional efforts is likely to improve the subregion’s attractiveness to investors and hence the economic outlook.¹⁰

F. Migration as a human rights and humanitarian development challenge rather than a security problem

Migration is a historical feature of human mobility associated with structural changes in socioeconomic development and population dynamics, prompting people to move from one sector of the economy to another, from rural to urban areas or from one country to another. However, not all kinds of migration are linked to such structural changes. Increasingly, migration is the result of forced displacement by extreme natural events, violence, human rights violations, climate change, conflict over land, sociopolitical crises and an accelerated economic downturn in some countries, as well as lack of access to fundamental rights such as education, health and work.

The official dominant narrative on migration, which explains its causes and consequences and guides governance and public policies, is based on a national security paradigm that focuses on security and border controls. This masks or underestimates the structural causes of migration, disregards its contribution to the economy, society and culture, infringes migrants’ human rights, creates protection gaps for displaced people, undermines the importance of establishing systems to identify international protection needs, criminalizes irregular migration and simplifies and politicizes a complex and multicausal phenomenon.

⁹ Economic Commission for Latin America and the Caribbean (ECLAC), *The Inefficiency of Inequality* (LC/SES.37/3-P), Santiago, 2018.

¹⁰ Economic Commission for Latin America and the Caribbean (ECLAC), *Regional integration: towards an inclusive value chain strategy* (LC/G.2594(SES.35/11)), Santiago, 2014.

El Salvador, Guatemala, Honduras and Mexico have signed the Convention and Protocol relating to the Status of Refugees, which provides that no refugee should be returned to a country where they fear being persecuted and that a country is legally obliged to ensure access to its territory and to the procedures and rights of refugees to asylum.

It should be possible to achieve the Sustainable Development Goals, adopted by the United Nations General Assembly in September 2015, and the objectives of the Global Compact on Refugees, affirmed by the United Nations General Assembly in December 2018, as well as to comply with the principles of the Global Compact for Safe, Orderly and Regular Migration (signed by representatives of more than 150 countries in Marrakech, Morocco, in December 2018), if a more comprehensive approach were to be adopted, which incorporates a human rights perspective and the human security paradigm into migration and development policies, assessing the structural causes of migration and putting people at the centre.

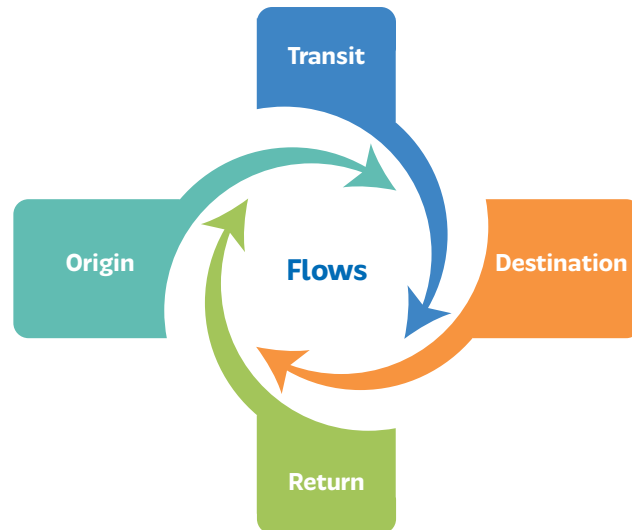
Migration is not a process with a defined or predetermined outcome. To a large extent, the start and continuation of this process depend on multiple factors and rationales subject to great uncertainty in all phases of the migration cycle. They include: the inability to find protection in the country of origin; the possibility (or impossibility) of securing regular social and economic inclusion in the destination country; subjective reasons and individual life strategies; migrants' accumulation of assets and human capital; and migration policies.¹¹

Human mobility as a social process begins at the place of origin (with the reasons leading people to migrate or be forcibly displaced), choosing a destination and considering financing alternatives and family arrangements to bring this process to fruition (including seeking greater social protection through formal and informal channels). There are some circumstances where people have no other option but to flee and have no time to choose their destination, or to organize the journey or consider different alternatives.

Once the process has begun, there is an intermediate transit phase with different timescales and risks, depending on the destination, route and means of transport used. The duration of this phase can vary greatly, particularly when legal and geographical obstacles, as well as hostile (or even criminal) environments need to be overcome to reach the destination. Upon arrival at the destination, a new phase unfolds, with multiple possible outcomes for migrants' inclusion. The most desirable outcome is social and economic inclusion, a process whose duration and feasibility are determined by individual, community, social, economic, political, institutional and cultural factors. Lastly, the possibility of returning to the place of origin, whether voluntarily or not, also poses risks because it entails social, economic, family and institutional reintegration, with variable possibilities and difficulties. In the case of people needing international protection, no form of return is possible (see diagram II.6).

¹¹ A. I. Canales, J. A. Fuentes and C. R. de León Escribano, *Desarrollo y migración: desafíos y oportunidades en los países del norte de Centroamérica* (LC/MEX/TS.2019/7), Mexico City, Economic Commission for Latin America and the Caribbean (ECLAC), 2019.

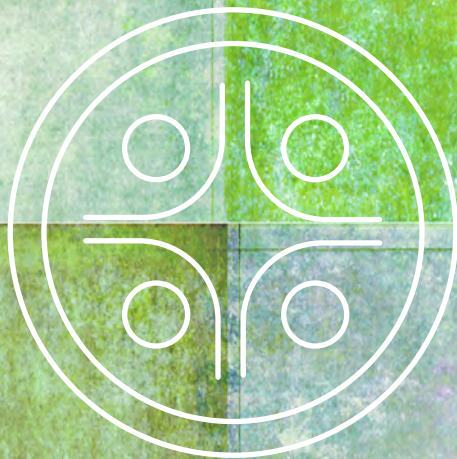
Diagram II.6
Migration cycle



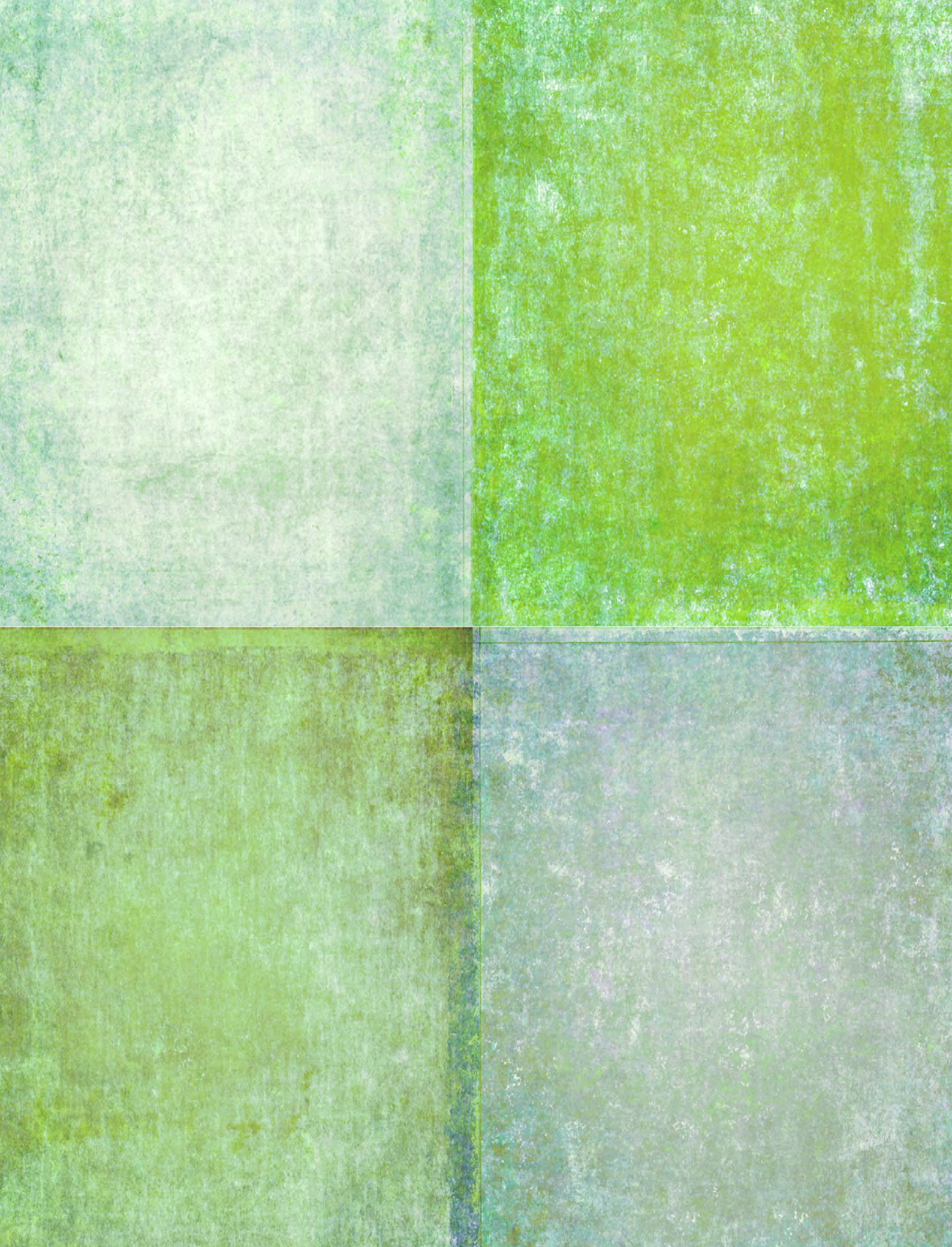
Source: Economic Commission for Latin America and the Caribbean (ECLAC).

The United Nations postulates the human right to freedom of movement. To guarantee the human rights of all migrants, regardless of their country of origin, nationality, or legal, migration or other status, during all phases of the migration cycle, calls for a shift in approach from containment to one that guarantees the full enjoyment of human rights and builds conditions for development in the place of origin, to make migration a choice rather than an obligation. This approach also focuses on risks, vulnerabilities and the most pressing needs of migrants in different phases of the migration cycle. The United Nations would also have to uphold the right of people crossing borders to claim and receive asylum and international protection.¹²

¹² L. Reboiras (comp.), "Migración y desarrollo sostenible: la centralidad de los derechos humanos. Textos seleccionados 2008–2019", *Select Pages of ECLAC* (LC/M.2019/4), Santiago, Economic Commission for Latin America and the Caribbean (ECLAC), 2019.



III. POLICY RECOMMENDATIONS





Policy recommendations

Based on the foregoing diagnosis and analytical framework, discussions with the Governments of El Salvador, Guatemala, Honduras and Mexico and contributions from the various funds, programmes and specialized agencies of the United Nations Systems, this section adopts a historical and structural perspective of development to present the four countries with a set of indicative policy recommendations within the context of the 2030 Agenda for Sustainable Development and the various instruments concluded on such matters as migration, refugees and climate change. The recommendations provide a framework, with a strategic perspective, into which countries can embed their own implementation priorities and sequences. The implementation of the Comprehensive Development Plan could be based on a variable geometry approach that includes subregional, trilateral or bilateral agreements and is tailored to the national priorities and realities defined by each country's planning institutions.

Recommendation 1. Align the set of public instruments and actions to implement a macroeconomic policy for inclusive development that leads to higher and more sustained economic growth, is intensive in decent job creation, is conducive to changing the production structure and enhances income distribution to improve implementation of the human rights obligations of countries of origin and transit.

A macroeconomic policy for development means transcending the rationale of nominal stability and aligning the set of monetary, fiscal and financial policies to achieve higher levels of sustained and sustainable growth and to produce a market effect on job creation and transformation of the fabric of production under a rationale of innovation, high productivity and high value added.

Recent experience has highlighted the need for sufficient space in which to implement countercyclical policies. This means accumulating resources during boom periods in

order to reduce episodes of volatility and to minimize the deterioration of well-being. As discussed below, this entails putting in place a wide-ranging fiscal policy, aimed at resolving the chronic shortage of tax revenues, as well as improving public spending adequacy, efficiency and effectiveness. Exchange rate policy in countries with large and sustained flows of remittances should take into account their impact on the production structure and their implications for a country's long-term production development.

Recommendation 2. Promote policies for progressive structural change that centre on leveraging opportunities arising from the environmental big push and from the urgent need to move towards an environmentally sustainable economy.

Climate change mitigation and adaptation pose a great challenge for El Salvador, Guatemala, Honduras and Mexico, which are particularly vulnerable to extreme weather events. However, the transition to a green economy provides an opportunity for public policy to make a decisive impact on changing the production structure, identifying complementarities and mobilizing resources. Achieving sustained growth over time calls for macroeconomic policies aimed at achieving growth with equality and sustainability, which not only make the economy resilient to such shocks but also leverage existing synergies with production convergence policies.

Recommendation 3. Carry out a wide-ranging fiscal policy that effectively combats tax evasion, avoidance and privileges, substantially increases collection capacity, mobilizes resources to boost growth based on progressive structural change and the requirements of the 2030 Agenda for Sustainable Development and improves the progressivity and quality of public spending.

One of the public finance challenges facing the northern countries of Central America (El Salvador, Guatemala and Honduras) and Mexico is that the level of public spending continues to be determined by limited tax revenues and various external shocks. It is important to consider the following elements for a wide-ranging fiscal policy.

- The countries require a macroeconomic policy that contains greater fiscal policy support for growth, including public budgets with more room for social and infrastructure investment. This new fiscal policy should also expand universal social protection ambitiously, as it is a key element for social adaptation to technological and climate change.
- Northern countries of Central America and Mexico tend to have limited fiscal space to accommodate higher public spending. However, they could increase levels of social and infrastructure investment temporarily, in line with the levels required to meet the Sustainable Development Objectives (SDGs) by 2030. In the medium term, higher levels of public investment in the SDGs should be financed through a combination of increased tax collection efficiency, fewer tax privileges, fighting corruption, public spending transparency and efficiency and, where appropriate, comprehensive tax reform that reflects new fiscal covenants in each country.
- For this initiative, it is essential to strengthen tax administrations in terms of auditing capacity, cross-functional information systems, monitoring of large taxpayers and customs inspections and controls.

- Assessing the relevance of numerous tax incentives, preferential tax treatment and other tax privileges in the four countries. Tax waivers not only constrain public capacity to undertake development but also undermine taxation equity and create opportunities for tax evasion.
- Greater flexibility is also needed in the execution of public spending and the initiation of strategic projects for implementing the Comprehensive Development Plan and meeting the SDGs. Legal and administrative provisions define as *ex ante* around 90% of public spending in northern countries of Central America and Mexico. Greater budgetary flexibility will make it easier to comply with the 2030 Agenda for Sustainable Development, respond to external shocks and implement multi-year plans and strategic projects, such as those in the Comprehensive Development Plan.
- Private sector participation through public-private partnerships can raise significant resources if the projects result in costs lower than those of traditional infrastructure construction and management systems and if the tax contingencies they generate are taken into proper consideration in public finances.
- Close monitoring by civil society and control over public spending are essential to ensure higher public spending efficiency and less corruption.

It is also recommended to use fiscal policy as an instrument to strengthen public investment systems, in order to meet the challenges of climate change and accelerate the transition to sustainable and inclusive economies, by means of:

- Building the capacity of ministry of finance staff to design fiscal sustainability policies that reduce climate risks and encourage production and resilient infrastructure.
- Enhancing the design and evaluation capability of national public investment systems to build climate resilience with the ministries in charge of health and education infrastructure, transport and roads and energy (especially hydroelectric power), including an economic valuation of climate risk from the design phase.
- Options for the formulation of sector budgets to build climate resilience (integrated into results-based budgeting initiatives, where applicable).
- Risk insurance and management programmes at public sector level and in economic sectors, such as agriculture.

Recommendation 4. Broaden monetary policy objectives beyond nominal stabilization to encourage a change in the production structure that allows fairer distribution of resources and income, as well as improving and consolidating mechanisms for coordinating monetary policy with other macroeconomic policies.

In a context of capital account liberalization by El Salvador, Guatemala, Honduras and Mexico, the diversity of their exchange rate regimes leads to varying degrees of monetary policy independence in each country. As a result, the main policy challenges differ. In all four countries, it is necessary to continue reinforcing the strategy of financial inclusion to ensure greater access to and effective use of the various instruments, such as savings, credit and insurance. In Guatemala, Honduras and Mexico, the challenge for monetary policy is to keep expectations anchored with respect to the medium-term evolution of prices.

This makes it necessary to consolidate mechanisms for coordinating monetary policy with other macroeconomic policies, as well as to strengthen the mechanism for monetary policy transmission. Considering the typically high levels of income and wealth inequality in countries of the region and the impact of such inequality on monetary policy effectiveness, one of the most important measures for strengthening the monetary policy transmission mechanism in the context of macroeconomic policies for development is to build households' capacity to manage risk. This is true of mechanisms for unemployment insurance, financial inclusion, universal access to social security and labour market formalization.

Recommendation 5. Build capacity and carry out the necessary actions to implement policies that stimulate public and private investment, incorporate innovation and technological change into the fabric of production, promote financial inclusion and develop national and regional value chains.

Over and above its stabilization role, macroeconomic policy should consider the following measures to increase productivity and improve the distribution of resources and income.

- The first measure should be to boost both public and private investment. It is not enough simply to increase the level of public investment, as effective investments are required to support higher economic growth and to achieve equality and environmental sustainability. Public infrastructure is a key element of this, in order to promote higher productivity levels.
- It is also necessary to take into account the role of bank credit and, more generally, financial intermediation (including development banking), as constraints on or drivers of the process of investment, as well as production development policies as determinants of the processes of industrialization and building a climate of trust that stimulates private investment.
- The gradual incorporation of more knowledge-intensive activities and processes is essential for structural change. It is vital to incorporate technological change into the various productive activities. In all sectors, there is ample room for a gradual transition to activities that require greater knowledge and specialization and help to increase the growth rate and improve working conditions.
- It is also important to create denser networks and value chains within and between the four countries in the subregion. By incorporating micro, small and medium enterprises (MSMEs) into global value chains, export growth will have a greater impact on expanding gross domestic product (GDP) growth. The incorporation of small-scale rural producers into local and regional chains will also enable them to increase their production and efficiency, as well as spaces for value capture. A highly promising concept for achieving this is to link migrant remittances to value chains and industrial policy instruments.

Recommendation 6. Carry out public actions to promote greater productive use of remittances, in cases where families are able to do so, to ensure that they become platforms for entrepreneurship and productive use.

Family remittances are extremely important to the economies of El Salvador, Guatemala, Honduras and Mexico, and opportunities exist to boost their impact in terms of economic and social development.

- First, it is recommended to implement initiatives to promote greater productive use of remittances. While the vast majority of remittances are allocated to current expenditure, experience in other regions has shown that, with appropriate instruments and incentives, there are great opportunities for families to use them as a platform for entrepreneurship and strengthening ongoing productive activities and, in so doing, to increase their income.
- Second (closely related to the first point), it is recommended to work with the financial system to ensure that remittances act as an entry point for greater financial inclusion in the broad sense, that is to say, they facilitate not only access to savings accounts but also a gradual scaling up to more complex instruments, such as insurance and credit.
- Third, it is recommended to work with the financial system to improve efficiency in the payment of remittances, to reduce costs and extend access to the entire recipient population, while keeping in mind that remittances are private resources that households are free to dispose of as they see fit.
- A fourth point to be borne in mind is that remittances have been substituting for social policy, in that they have provided an income stream to families with little or no social protection: the social policy created by families themselves should be used positively for implementing social programmes targeted at vulnerable households, such as those headed by women living in rural areas with dependent children and older adults.

Along with the significant contribution of remittances, their adverse economic effects should also be analysed, including exchange rate appreciation, an import-intensive structure of consumption and reduced labour supply. It is important to consider the macroeconomic management of economies with huge, long-standing flows of foreign currency, like the northern countries of Central America and, to a lesser extent, Mexico.

Recommendation 7. Implement a common policy for trade facilitation between Mexico and northern Central America, with a view to increasing trade links, improving the balance of trade and substantially reducing non-tariff barriers to trade between the four countries involved in this initiative.

As trade tariffs among Central American countries and between them and Mexico are very low, they do not pose a serious problem for increased trade. However, the various non-tariff barriers and costs associated with customs procedures are indeed a problem to be considered. The costs of customs procedures are the main barrier to Central American intraregional trade and can even be quantified as *ad valorem* equivalents.

The regional space is key for production and export diversification, as it is the most important space for trade in manufactures, which absorbs the highest number of export products and is supplied by the highest number of export companies, especially small and medium-sized enterprises (the companies with the greatest impact on formal employment).

The ability to exploit the full potential of the regional market in terms of scale and the creation of production linkages is linked directly to the rules applicable to trade and investment in the regional space. The greater the regulatory fragmentation, the higher the transaction costs companies will have to pay. Furthering gradual harmonization or mutual recognition, in terms of transparency, formalities, institutional arrangements, cooperation, paperless trade and transit facilitation, would be an important contribution to trade and production integration between El Salvador, Guatemala, Honduras and Mexico.

According to estimates, full implementation of the World Trade Organization (WTO) Trade Facilitation Agreement, including voluntary commitments, could cut the costs associated with trade by between 12% and 17%, depending on a country's income level. In order to reduce these costs, it is recommended to further the harmonization and simplification of documents, as well as the automation of customs procedures.

Central America is moving on two fronts to facilitate trade. On the one hand, it is taking forward the Central American Strategy for Trade Facilitation and Competitiveness with Emphasis on Coordinated Border Management and, on the other hand, it is implementing a Customs Union between El Salvador, Guatemala and Honduras. It is very important to address El Salvador's concerns to make the Customs Union operational in the three countries in the near future. Mexico could also build on Central America's ongoing actions and coordinate trade facilitation measures with that subregion, not only within the framework of the WTO Trade Facilitation Agreement but also in alignment with the Central American Strategy for Trade Facilitation and Competitiveness with Emphasis on Coordinated Border Management. Trade facilitation and the closure of trade gaps between Mexico and neighbouring countries in northern Central America are two of the ways to foster stability and interdependence between the four countries.

It is important to avoid the mistake of thinking that overcoming technical obstacles means eliminating or reducing sanitary controls or measures. Rather, it is about harmonizing, standardizing and recognizing peer-to-peer processes and certification to reduce transaction costs and times.

Recommendation 8. Design regional industrial policies and strategies that lead to the promotion and establishment of increasingly complex and high-productivity sectors.

The region can initiate this process by identifying leading sectors that have value addition potential, with a view to developing regional value chains. In regional value chains, value is added in a number of countries with common economic features and geographic proximity, through activities characterized by the dispersal of their parts, processes or components. The different countries provide inputs, collaborate and compete and address regional production aspects jointly.

Two types of linkage effect can be identified in this regional approach to value chains. First is a local or intraregional linkage of the sector, which has an impact on the economy of the region itself. The second is an interregional linkage, which refers to economic interdependence between sectors in different regions. The process of Central American integration has facilitated the creation of regional value chains and some sectors have already achieved production integration, which has created a space conducive to the design of regional production policies. This can be broadened and deepened still further.

Recommendation 9. *Develop a regional research, development and innovation agenda, especially with a view to meeting the challenges and opportunities of the new technological revolution for sustained growth that aspires to greater social inclusion and a fairer distribution of income.*

New products, new processes and new ways of organizing production change the structure of the economy and society and can contribute to a fairer distribution of income. Despite the obvious benefits, the northern countries of Central America and Mexico face persistent challenges that hinder cross-industry innovation.

There continue to be difficulties in integrating innovation system components, missed opportunities to forge linkages with strategic sectors, limited use of local and regional research capacity, a disconnect between academic and production agendas and difficulties in accessing finance, all compounded by gender, ethnic and territorial gaps.

Regional coordination offers great opportunities to develop joint regional agendas for research, development and innovation, especially with a view to meeting the challenges of the new technological revolution, many of which transcend borders, such as cybersecurity, intellectual property protection, the use of big data for decision-making and job automation.

Such coordination would also help to achieve economies of scale and to promote regional and global production linkages based on the intensive use of knowledge and technology. The generation and dissemination of endogenous knowledge and technological capabilities are key to sustained growth designed to increase social inclusion and ensure a fairer distribution of income. The production, innovation and regional integration agenda should include innovation as one of the linchpins of regional collaboration.

Recommendation 10. *Develop policies to promote innovation and improve the productivity of micro, small and medium-sized enterprises.*

As MSMEs account for up to 99% of the fabric of production in countries of the subregion, it is a prerequisite for innovation promotion policies to consider the needs and opportunities of MSMEs. In addition, targeted policies would help to address the heterogeneous development of local companies, export-oriented companies and multinationals.

It is necessary to promote the creation and growth of high-tech MSMEs, while recognizing the innovation opportunities of traditional, subsistence and family businesses. It is also important to assess the innovation potential of sectors linked to rural territories and to support their efforts to scale up productivity and the value of their products.

Recommendation 11. *Promote the perspective of inclusive territorial development in public policy actions designed to promote and strengthen local capacity, close gaps, create denser public service provision and link the economic, social and environmental dimensions.*

The territory is both a strategic area for development and a space for structuring inequalities: inequalities of opportunity, access, full enjoyment of rights and prospects for progress and social mobility. With regard to migration, the goal is to make it a choice rather than an obligation. Important factors in tackling the causes of migration are investing in food and nutrition security, achieving sustainable rural development and climate change adaptation and building the resilience of rural livelihoods, and all these actions need to be implemented with a territorial approach. Programmes, projects and investments should therefore be organized and implemented on the basis of a rural-urban territorial development approach with an emphasis on local development rather than as independent sector initiatives.

In prioritized territories, a comprehensive territorial development strategy could be formulated, combining and coordinating the most pertinent and highest-priority policies, programmes and measures for each particular territory's circumstances. A territorial approach has the additional advantage of allowing projects, programmes and investments already being developed in each territory to be combined and leveraged. This would enhance, develop and expand on what already exists.

The territory matters and strategies should have a solid foundation of territorial specificity. A key element for the creation of a common economic space among the four countries is to link the territorial dynamics of the northern countries of Central America with the territorial dynamics of the area of influence of investments in south-southeast Mexico.

With respect to actions to promote development, it is important to consider implementing programmes for the substitution of illicit crops (poppy and coca). In the states of south-southeast Mexico and in the northern countries of Central America, this impacts on security conditions and undermines economic growth.

One area of opportunity is to implement alternative development programmes aimed at reducing the supply of drugs through a social component of economic incentives to rural communities, with technical, social and environmental support that enables policies and programmes for productive inclusion and the regulation of land tenure to be designed, formulated and implemented in order to reduce the incidence of illicit drug trafficking. Alternative development actions should be carried out in conjunction with State policies and programmes, using a comprehensive approach to provide sustainable employment options to farmers reliant on income from growing drugs. It is necessary to strengthen government institutions at different levels and for States to establish agreements with agricultural producers, as well as to ensure the participation of local communities and civil society in designing, implementing, monitoring and evaluating the impact of alternative development programmes.

This makes it crucial to promote the exchange of best practice and foster international coordination, as well as to have the support of international organizations in developing data collection and analysis methodologies for monitoring illicit crops in the territories, building technical capacity to generate evidence-based information and supporting national, local and regional leaders in preparing diagnoses and building partnerships in the territories.

Recommendation 12. *Support the consolidation of the Electricity Interconnection System for the Countries of Central America (SIEPAC) and promote Mexico's electricity interconnection to SIEPAC.*

The Economic Commission for Latin America and the Caribbean (ECLAC) and the Central American Integration System (SICA) have promoted the electricity interconnection of the Central American countries (through SIEPAC) and the creation of a regional electricity market as one of the means for achieving the optimal, rational and efficient use of the energy resources of countries in the subregion. Its benefits derive from the development and coordinated operation of an interconnected power grid that leads to savings and a more secure electricity supply, although there are still obstacles to consolidating the system, which must be overcome through dialogue and cooperation.

The roadmap discussed by the countries to obtain all the expected benefits from the gradual integration of their power grids includes:

- Strengthening the institutional framework and regional strategic alignment.
- Developing and fully implementing regional regulation.
- Promoting the expansion of regional generation and transmission, including the construction of a second SIEPAC circuit.
- Promoting Mexico's regional interconnection to SIEPAC.

Recommendation 13. Boost regional infrastructure projects that promote natural gas penetration and logistics integration.

Natural gas is a cleaner fuel than oil derivatives. Abundant reserves and technological advances (allowing far higher efficiencies) have led to the development of this hydrocarbon. Natural gas is an option that improves the competitiveness of the manufacturing industry, especially energy-intensive manufacturing. It also provides great benefits to the transport sector.

For the past two decades or so, Central American countries have been promoting natural gas supply projects, which have begun to come to fruition with the inauguration of the first natural gas combined cycle power plant in Panama in 2018. In El Salvador, construction on the first natural gas-powered thermal power plant began in 2019.

A gas pipeline connecting Mexico with northern Central America will not only diversify energy supply but will also lead to the development of thermal power generation to facilitate the implementation of larger-scale projects for the regional electricity market. The project will require the gas pipeline system in south-southeast Mexico to be expanded.

Another project that would increase natural gas penetration in the subregion is a natural gas-powered combined cycle power plant at Puerto Cortés on the Caribbean coast of Honduras, close to the San Pedro Sula industrial zone. This project also requires infrastructure for liquefied natural gas carriers, a regasification terminal, the respective storage facilities and electric power infrastructure, including a 75-kilometre-long 230 kilovolt double-circuit transmission line. The thermal power plant will be connected to the Honduran grid and to SIEPAC, probably at the San Buenaventura substation.

A vigorous national highway investment scheme should end the centrality of large cities, connect essential public services and promote new routes for trade integration. Adequate rural road provision is essential to boost domestic markets, promote local

development and reduce inequality. The four countries could harmonize and consolidate the multitude of regulations for the road sector to promote regional mechanisms for planning, developing, maintaining and financing roads. A harmonized subregional system would enhance competitive private sector participation in road development in the subregion.

It is also recommended to provide a strong boost to the SICA logistics and mobility policy and the Mesoamerica Project by: (i) building the capacity of coordination bodies for infrastructure evaluation and financing; (ii) incorporating the private sector into the organization of regional markets; and (iii) promoting regional regulations, the formulation of methodologies and the adoption of harmonized procedures to facilitate subregional infrastructure prioritization and financing, with an approach that fosters complementarity between the different economies. It is important to agree with the countries a regional logistics integration strategy that can coordinate the different technical and economic standards and regulations and that fosters production integration among the northern countries of Central America and Mexico.

Recommendation 14. Deepen cooperation between Mexico and northern Central America on energy efficiency programmes and standards.

Energy efficiency and conservation are seen as key factors in reducing greenhouse gas emissions and achieving other energy policy goals, including better positioning to meet the challenges of high energy input costs. Mexico's support in these matters has been very important. It is recommended to maintain it, especially with regard to energy efficiency standards, building learning networks, forming funds to improve efficiency and horizontal cooperation in the field of sustainable mobility in urban centres.

Recommendation 15. Diversify the energy mix of the electricity subsector through strategic regional investments in infrastructure and technology using indigenous renewable energy sources.

The renewables share of electricity production in Mexico is very low but is substantially higher in northern Central America (23.2% and 68.4% in 2018, respectively). Although hydropower continues to be the most widely used renewable resource, all countries show a marked increase in the use of non-conventional renewable energy sources (solar and wind and, to a lesser extent, biogas) and biomass as an input for industrial cogeneration. While geothermal energy makes a significant contribution to all four countries, especially El Salvador, it is not growing as fast because, despite being an abundant resource, its high pre-investment and investment costs make it uncompetitive, especially in free market environments.

Mexico has a well-defined roadmap for developing renewable resources, built on the mandates established in its climate change and energy transition laws. The northern countries of Central America also have policies, plans and roadmaps for developing renewables. Despite the acknowledged major obstacles to the development of some technologies (the abovementioned investment costs in the case of geothermal power plants, conflicts over the use of water resources in the case of hydropower plants and environmental impacts), there is great potential to continue developing

renewable energy. The development of renewables could serve as the basis for a viable subregional clean energy corridor between Mexico and northern Central America, which, in turn, would be the coordinating mechanism for an environmental big push in the four countries' economies.

In addition to the abovementioned renewable energy sources (hydropower, modern biomass, solar, wind and geothermal energy), it will be necessary to encourage the use of cleaner fuels, such as natural gas, biogas and biofuels, and to promote distributed power generation. All this will support the goal of universal access to modern energy services for the people of El Salvador, Guatemala, Honduras and Mexico.

Recommendation 16. Provide universal effective access to modern energy services.

In the northern countries of Central America, an estimated 3.5 million people have no electric power supply and 14 million depend on fuelwood for cooking, which affects mainly women and girls. Universal access to affordable, reliable, sustainable and modern energy services is a great challenge that was included in the 2030 Agenda for Sustainable Development.

In the case of Mexico, according to the latest inter-census survey (2015), 45% of the rural population and 7% of the urban population used mainly fuelwood for cooking, often in combination with liquefied petroleum gas. On that basis, an estimated 18 million people rely exclusively on fuelwood and other organic waste for cooking. Air pollution inside homes from the use of fuelwood is one of the environmental risks with the heaviest impact on health, particularly that of women, children and older persons.

An estimated 1.7 million people in Mexico have no electric power supply.

As most of the homes without electricity are located in rural areas where electrification is more difficult owing to the costs associated with access problems, low population density, remote power grids and low household consumption, energization will require the development of off-grid solutions or mini-grids, through the use of renewable and sustainable energy technologies, such as photovoltaic solar panels, biogas, wind turbines and mini-hydroelectric plants. Improved communication, health and education services, as well as the impetus that electricity provides to change the production structure, makes it a key element of this initiative.

Providing universal access to modern energy services calls for heavy investment in such areas as:

- Extending power grids or developing microgrids and stand-alone power systems.
- Improved logistics for clean fuel distribution.
- Social financing mechanisms to improve home equipment (liquefied petroleum gas stoves and clean biomass stoves).
- Subsidies or transfers to low-income families, for both clean fuel use and electricity consumption.

Providing universal access to modern energy services will help to reduce poverty and increase social well-being and hence to lessen distress migration (both from rural areas to cities and international migration generally).

Recommendation 17. *Prioritize and align policies for sustainable and inclusive adaptation to climate change, reduce vulnerabilities and, as part of the environmental big push, redouble efforts to achieve a transition to sustainable economies with low greenhouse gas emissions and full compliance with the 2030 Agenda for Sustainable Development.*

Owing to the anticipated impacts of climate change on multiple migration-related sectors, the agenda for sustainable and inclusive adaptation and the transition to sustainable economies are key elements in improving people's quality of life and reducing the factors driving migration. To implement this agenda, the climate factor must be included in any analysis of migration, as well as in response policies and in the implementation of national and sector policies. An extra effort must also be made to build technical capacity, which is a strategic area for South-South cooperation.

Furthering forest protection and restoration, along with energy access and efficiency that reduces energy poverty, are part of a sustainable development agenda that could generate simultaneous benefits for all areas and actors, including indigenous and Afrodescendent populations.

There is a need to integrate climate change adaptation strategies with strategies for reducing poverty and inequality. Linking climate change responses with programmes to reduce and eradicate poverty, improve quality of life and expand people's opportunities would be a major challenge for the four countries. While ecosystems that provide multiple services can serve as a source of income for the poorest people, there is a risk that these ecosystems will be lost before there is a chance to leverage their benefits sustainably.

An environmental big push for equality and sustainability is required, supported by coordinated public policies that decouple economic development from environmental externalities and improve people's lives with quality public goods and services and wider coverage.

Recommendation 18. *Strengthen interregional cooperation on comprehensive disaster risk management with a full-cycle approach that includes, as a minimum, prevention, reduction, financial protection, response, reconstruction and comprehensive services, as well as comprehensive insurance and agricultural insurance.*

Given the region's high degree of exposure and vulnerability to disaster risk, it is necessary to build capacity for sustainable and inclusive adaptation, the adoption of comprehensive services to address the interests and needs of small-scale rural producers, and cooperation and capacity for comprehensive disaster risk management, including risk transfer mechanisms at general and sector levels, as well as in agriculture. This means continuing to deepen support for ongoing strategic activities, like the Regional Action Plan for the Implementation of the Sendai Framework for Disaster Risk Reduction 2015–2030 in the Americas and the Strategy for Disaster Risk Management in the Agriculture Sector and Food and Nutrition Security in Latin America and the Caribbean (2018–2030) of the Community of Latin American and Caribbean States (CELAC).

ECLAC experience also allows other priority areas to be identified, an analysis of which would allow wide-ranging strategies for comprehensive disaster risk management to be developed, providing sound data on which to base disaster risk management and its systematic evaluation.

Recommendation 19. *Substantially improve health services and people's effective access from a comprehensive, universal and decommodified perspective that includes actions for the promotion, prevention, care, recovery and rehabilitation of people's health, with an emphasis on municipalities and territories that are more predisposed to migration. This will ensure that these services are sufficient, timely, high quality, relevant and near at hand, with a rights approach and a gender and intercultural perspective. All this in a context where the social determinants of health are addressed simultaneously and holistically and where the primary care dimension is strengthened.*

Effective access to enjoyment of the right to health is one of the biggest social deficits in northern Central America and in the nine federal entities of south-southeast Mexico. It is also one of the reasons for forced migration. However, experience shows that the existence of nearby, timely and relevant health services is one of the factors that encourage people to put down roots in territories.

The subregion has a shortfall of doctors per inhabitant and beds per hospital. There are frequent complaints and expressions of discontent concerning the lack of timely and adequate service provision, as well as the inadequate supply of medicines. This is also a consequence of low per capita health spending in these countries (some US\$ 120 in 2010), which is around 10 times lower than that of more developed countries.

An indication of existing health lags in northern countries of Central America is life expectancy at birth. While it was 73.9 years in Guatemala, 74.2 years in El Salvador and 73.8 years in Honduras in the period 2015–2020, this is still nearly two years shorter than average life expectancy in Latin America and the Caribbean (75.7 years), and the gap is even wider if life expectancy is disaggregated by territory.

In Mexico, average life expectancy is 77.3 years, with sharp differences between states. According to data from the National Population Council (CONAPO), in 2017 life expectancy in the eight states of southern Mexico was shorter than average life expectancy in Latin America. With a life expectancy of 72.9 years, the state of Guerrero is below the northern Central American average, while the state of Chiapas has the same years of life expectancy as Guatemala and the state of Oaxaca has the same years of life expectancy as Honduras.

Guatemala and Honduras are in the worst situation in terms of under-five mortality, with rates higher than those of El Salvador and Mexico and the regional average. In the states of south-southeast Mexico, mortality is above the national average and Chiapas and Oaxaca are the states with the highest infant mortality, with 18.9 and 17.2 infant deaths per 1,000 live births, respectively.

Even before the COVID-19 pandemic, a substantial improvement in health services was seen as one of the highest government priorities in the four countries' development plans. The lessons learned from the pandemic drive home the urgent need to strengthen and significantly expand health services as one of the linchpins of a new welfare and social protection regime.

Recommendation 20. *Build robust systems of universal social protection and promote high-impact decent employment policies to successfully eradicate poverty and significantly reduce inequalities.*

While Governments' efforts and achievements in terms of employment and social protection are recognized, there is still a long way to go to make them adequate and robust. It is therefore necessary to reinforce the process and speed up the creation of a human rights-based social policy that provides lifelong protection against risk. This includes such measures as: guaranteeing decent work (namely a job that respects labour rights and pays a high enough wage to allow a decent standard of living); strengthening the pillar of care for children and older persons; ensuring protection against accidents at work, disability and death, as well as unemployment insurance; and implementing policies to guarantee a basic income and reduce catastrophic personal health spending.

It is important to ensure access to social protection for the migrant population that has been forced to return, and to distinguish it from the population that returns voluntarily. People in transit and returnees, as well as migrant minors, are part of a wide array of target populations. The portability of social security and health contributions and benefits is especially important in the case of the northern countries of Central America and Mexico. Priority should be given to implementing a strategy to guarantee the pensions of older persons through at least the following actions:

- Implementing a programme for the portability of social contributions among countries in the region, starting with Mexico and moving on to the United States. To this end, the existing Ibero-American Multilateral Agreement on Social Security should be taken into account.
- Promoting a regional agreement on the repatriation of contributions made to social security and to Medicare in the United States by irregular migrants who have returned to their countries of origin, to allow these individuals and their families to be incorporated into national social security systems.
- Strengthening and guaranteeing universal transfers for older persons and gradually extending them to the rest of the population with a life cycle approach (infancy) or in territories devastated by disasters, as several countries are already doing.

It is crucial to make progress on guaranteeing the right to health, in order to build universal access systems to overcome the current hierarchical and fragmented provision of services and so fulfil the mandate of guaranteeing the right of everyone to the enjoyment of the highest attainable standard of health, as established in the International Covenant on Economic, Social and Cultural Rights. The reform of health systems from a perspective of rights, universality, adequacy, relevance and standardization around more comprehensive services and benefits is one of the most important transformations in social institutions in countries of the region. Moreover, a strategy to reduce morbidity and mortality from non-communicable diseases needs to be implemented immediately.

Recommendation 21. *Implement policies to achieve substantive equality between women and men, close inequality gaps and move forward with guaranteeing women's physical, economic and political autonomy.*

Without substantive equality between women and men there will be no development. The gender dimension is that relevant and decisive in the formulation and implementation of all policies. Policies geared towards gender equality should be mainstreamed and progressive. Among other things, they must: close the gaps between women and men in economic and political participation; secure recognition for unpaid work, as well as reconciling productive and reproductive work, and personal, work and family life; guarantee sexual and reproductive rights; create opportunities for education and training and better employment conditions; and improve contributory coverage for women of reproductive age. The priority must be to guarantee all women and girls the right to a life free from violence, to combat femicide comprehensively and effectively, and to substantially improve their right to effective access to justice.

Recommendation 22. Prioritize long-term youth and early childhood policies.

In view of the demographic context of northern Central America and Mexico, it is important to meet the demands, needs and aspirations of the youth population and broad-based, wide-ranging comprehensive policies for early childhood are needed urgently. The first requirement is to strengthen social protection systems for socially and economically vulnerable families with children and adolescents.

There should also be a regional strategy for the prevention of violence against children and adolescents, in accordance with the Global Partnership to End Violence against Children. In destination countries, it is important to support family tracing and reunification. It is also a priority to promote the care of child and adolescent refugee claimants, offering them consular protection, as well as to advocate for increased access to early childhood education and care services. During the return stage, it is imperative to ensure proper reintegration of children and adolescents into their communities by designing education transition programmes.

Early childhood investment should be seen as vital for improving the opportunities of adolescents and young people in adult life, which is why it is essential for social policies to adopt a life-cycle approach, especially at the early childhood stage. What is or is not done in early childhood has lifelong repercussions, and gaps in care and coverage at this stage turn into inequality gaps that continue and amplify throughout people's lives.

It is also necessary to promote policies to facilitate the transition from youth to adulthood, including: a humanistic and civic education; preparation for work; mechanisms to link education provision with labour market demand; and the acquisition of experience. Public secondary education coverage in the northern countries of Central America is still low and there are wide quality gaps, especially in rural territories with a large indigenous youth population.

Significant investment in education is needed to empower the next generation in the subregion and to tackle the root causes of migration. Higher levels and quality of education are linked to economic growth and individual income: one additional year of schooling is estimated to increase a person's income by up to 10%¹ and to increase average annual GDP growth by 0.4%.²

¹ C. Montenegro and H. Patrinos, "Returns to Schooling around the World", background paper for the *World Development Report 2013*, World Bank, 2013.

² E.L. Glaeser, "Why does schooling generate economic growth?", *Economics Letters*, vol. 44, No. 3, 1994.

To this end, a strategy could be implemented to enhance secondary and technical education in countries of origin, in order to build young people's capacity and promote their increased social and labour force participation.

It must also be a priority for young people to be able to function in a global, interconnected and diverse world, as this type of education is an antidote to xenophobia and the rejection of others for being different. Efforts should be made to ensure that the whole of society learns to live in a democracy and to be aware of and participate in the fundamental decisions affecting collective life.

This calls for a care strategy that incorporates the vision of early childhood development to improve children's learning skills and that, in turn, facilitates the labour force participation of mothers and fathers. All this should be complemented by a strategy to reduce maternal, newborn and infant mortality.

Recommendation 23. Guarantee the individual and collective rights of indigenous peoples and ensure they achieve an equal level of well-being, prioritizing the closure of inequality gaps that affect indigenous peoples and rural populations in general in each of the countries. This includes making sure that indigenous peoples are consulted on all decisions affecting them, with a culturally appropriate approach and in good faith, in order to obtain their free, prior and informed consent.

For decades, a recurring finding in social diagnoses of El Salvador, Guatemala, Honduras and Mexico has been that indigenous peoples (including those living in cities) and rural populations in general have the worst indicators of poverty and extreme poverty, life expectancy and access to rights. They also experience basic deprivations and higher levels of inequality. This is a structural reality, with strong elements of chronicity. The situation of indigenous and rural populations is the main challenge for meeting Goal 1 of the 2030 Agenda for Sustainable Development (to end poverty in all its forms everywhere).

It is seen as essential to implement a new cycle of policies targeted at indigenous and rural populations, with a focus on rights, including collective rights. In support of this, all countries have made legislative progress on the matter and a range of international law instruments exists, including the United Nations Declaration on the Rights of Indigenous Peoples and the recently adopted United Nations Declaration on the Rights of Peasants and Other People Working in Rural Areas.

Recommendation 24. Guarantee food and nutrition security through efficient and effective food chains that provide good nutrition, reduce food loss and waste, break the vicious circle between poverty and environmental degradation and make efficient use of water and resources used in the food system.

Over the past six years, the Central American Dry Corridor has endured repeated pest attacks and periods of drought that have had a heavy impact on the rural population of El Salvador, Guatemala and Honduras.

During the months of July and August 2018, an extreme rainfall deficit caused severe losses in the main (first) harvest, which affected some 282,000 hectares of maize and beans. An estimated 2.2 million people were adversely affected, mainly subsistence farmers and agricultural wage workers. Crop losses led to lost income, decreased

food consumption and depletion of assets and left many households with few or no food reserves. The combination of drought and excessive rainfall during the second crop cycle left large numbers of people food insecure.

Central America has a regional food and nutrition security policy that seeks to ensure that people have food availability and can access, consume and use food constantly and in a timely manner, in sufficient quantity and with the variety, quality and safety necessary to meet their dietary needs and food preferences for an active and healthy life. The policy implementation period is from 2012 to 2032.

The agriculture sector has established the Climate-Adapted Sustainable Agriculture Strategy for the Central American Integration System (2018–2030) (EASAC), which links agricultural development directly to food and nutrition security and climate change. There is also Mesoamerica Hunger Free, a Mexican cooperation initiative to strengthen food and nutrition security actions across the seven SICA countries. The actions under this initiative are based on a Cooperation Framework Agreement signed by the Government of Mexico and the Food and Agriculture Organization of the United Nations (FAO).

It is deemed prudent to reassess acceptable levels of import dependence and food security, to consider the application of measures to stimulate national production and healthy diets based on diversified local production and to establish trade mechanisms and other mutual support agreements to provide for food contingencies. To implement a sustainable food system, it is necessary not only to increase production but also to avoid post-harvest losses and waste. Measures should include stabilizing food and nutrition security in the region, implementing strategies to address climate vulnerability in key sectors (coffee, maize and beans) and boosting sustained income generation for rural families.

Recommendation 25. Ensure that States adhere fully to international standards and guarantee the dignity of people and the fulfilment of their rights; and formulate comprehensive human mobility policies based on empirical data and on an integrated governance approach, which focus on rights and the dignity of people and adopt the human security approach in its various dimensions.

Under international human rights law, countries in the subregion have an obligation to respect, protect and guarantee the human rights of all persons within their territory or subject to their jurisdiction, including all migrants, and to establish national laws, policies and programmes in accordance with international law. These obligations are based on the Universal Declaration of Human Rights and core human rights treaties, including the International Covenant on Civil and Political Rights, the International Covenant on Economic, Social and Cultural Rights and the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families. Further obligations arise from international law in general, such as international refugee law, humanitarian law, employment law, law of the sea and international criminal law. Regional human rights instruments and mechanisms are also relevant in this context, including the American Convention on Human Rights.

For migration to take place in conditions that respect human dignity and in a safe, orderly and regular manner, it is essential to comply with international standards on human rights and migration. This translates into two key obligations: on the one

hand, it means respecting, protecting and fulfilling the rights of migrants, irrespective of nationality or migration status and without any form of discrimination, in order to preserve their safety, physical integrity, well-being and dignity; on the other hand, it means taking action against racism, xenophobia and discrimination. In addition, good migration governance with a human rights approach obliges States to strive to identify migrants in vulnerable situations or at risk of having their rights violated and to apply approaches that take into account age group and gender issues and are culturally appropriate.

It is vital for migration policies to be based on an analysis of the opportunities and challenges that human mobility poses for States. This entails collecting, analysing and systematizing reliable information on demographics, transboundary movements, internal displacement, diasporas, labour markets and seasonal trends, as well as the education and health of migrants and their families. Consideration of these aspects not only highlights each State's specific circumstances in relation to migration, it also ensures that migration policymaking is based on empirical data.

This makes it possible to formulate migration policies that are based on an assessment of the different stages in the migration cycle and that incorporate the link between migration and other related areas, such as nationality, labour markets, economic and social development, gender, local service availability, health and education. In order to link migration policies with these aspects, it is necessary to apply an integrated governance approach, which includes all State entities whose responsibilities relate in some way to migration. At the same time, efforts should be made to link migration policies with cross-cutting issues such as environmental degradation, climate change and crisis situations. Measures that could be implemented include: improving migration policies, regulations and programmes in accordance with the Migration Governance Framework approved by the countries; preparing studies on cross-border labour dynamics; continuing to develop the interactive health and migration map in order to improve public health policies and actions based on empirical data and with a gender perspective; and identifying best practice and lessons learned in order to improve migration governance.

Recommendation 26. Develop specific policies and actions to cater specifically for each stage in the migration cycle (origin, transit, destination and return), in order to ensure safe, orderly and regular migration and due respect for the rights of migrants, refugees and asylum seekers.

The countries in the subregion have been active members of the Regional Conference on Migration since it was established in 1996. This space for intergovernmental consultation is best suited to reinforcing actions already carried out, based on cooperation and dialogue, ranging from the creation of anti-trafficking networks to the proposal of care protocols for migrant women and minors. It is important to strengthen this forum and others like it.

It is essential to ensure respect for the human rights of migrants and those needing protection, taking into account the principles established in key instruments of the United Nations, especially the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights (1976), as well as the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990), the Global Compact for Safe, Orderly and

Regular Migration, adopted in Marrakech (Morocco) (2018), the Convention relating to the Status of Refugees (1951) and its Protocol relating to the Status of Refugees (1967), the Guiding Principles on Internal Displacement (1998) and the Global compact on refugees (2016 and 2018).³ Governments in the region must bear in mind the principles of the primacy of human rights and of differential treatment of migrants according to their vulnerability.

In particular, as established in the two aforementioned global compacts, they must guarantee that the human rights of all people are respected during the different stages of human mobility, that their specific needs are understood and met appropriately and that they are empowered as agents of change. It is necessary to mainstream the gender perspective, promote gender equality and empower all women and girls, recognizing their independence and leadership, in order to move beyond a vision of migrant women as victims. It is also necessary to ensure that the rights of displaced persons, asylum seekers and refugees are respected and that internal or international protection is available, accessible and effective in accordance with international, regional and national standards.

A. Origin

With respect to policies in the place of origin, and in line with the recommendations on inclusive economic development and significant expansion of social protection, it is vital to incorporate the criterion of territorial development as a central tool for substantially and comprehensively improving the living and production conditions of individuals and families in municipalities and regions more predisposed to migration. This will lead to significant improvements in people's standard of living in the territories and offers the prospect of social progress to reinforce their attachment and sense of belonging to the territory and community, which would reduce the recurrence of violence and participation in criminal activities as an alternative to lack of opportunities.

Gender equality and women's empowerment must be mainstreamed from analysis to the formulation of solutions in countries of origin because the factors motivating the mobility of women and girls may not be the same as those motivating men and boys, so proposals tailored to these different realities are needed in each case.

Corruption is a cross-cutting factor that drives migration in two ways: (i) through events that inhibit people's well-being; and (ii) through acts that encourage irregular migration. With the first driver, corrupt practices, such as embezzlement, influence peddling, fraud, money laundering, nepotism and cronyism, divert public resources, which results in the State failing to comply with its obligation to guarantee citizens' economic and social rights, in turn promoting the formation of criminal cells and, hence, scenarios of instability that influence distress migration.

With the second driver, corruption as a cause of migration is present in countries of origin, transit and destination, in the form of bribery, influence peddling and abuse of office, which weakens the border control system and undermines effective law

³ On 17 December 2018, the General Assembly of the United Nations agreed a new Global compact on refugees, which seeks to guarantee that refugees and the people hosting them receive the support they need. The Global compact on refugees sprang from the New York Declaration for Refugees and Migrants of 2016.

enforcement.⁴ To this end, and in accordance with the United Nations Convention against Corruption and the targets of SDG 16, it is necessary to promote policies to ensure strong institutions and preventive actions in the form of zero tolerance measures for acts of corruption, accountability, document protection, policies for managing and supervising human resources assigned to migration offices, as well as response measures for the detection, investigation and prosecution of such acts, to which international cooperation contributes by developing methodological tools and providing technical assistance in prevention, investigation, public administration and legislative implementation.⁵

A further consideration is that violence in countries of origin and transit, coupled with a weakening of law enforcement institutions, has the effect of increasing migration flows. States must guarantee a life free from violence and promote conditions of human security by such means as implementing: public crime prevention policies; community security programmes, which also include a gender-based violence approach; crime prevention and detection actions; effective measures to combat organized crime and access to justice; and policies to ensure adequate care for victims. International organizations can assist with: the institutional strengthening of justice systems and law enforcement institutions; promoting the rule of law; developing tools for crime prevention and control standards; facilitating collaboration with various local and national actors to reduce the incidence of crime and criminal practices; and developing actions to promote a culture of peace and legality.

B. Transit

In the transit stage, it is vital to strengthen policy coordination and harmonization between the four countries, while respecting each country's sovereignty and priorities but starting from the assumption that migration governance and an effective asylum and protection system are possible only by taking a multilateral approach and abiding by international law. Among the measures that could be implemented or reinforced is the establishment of increased migration and mobility facilities to order and regularize people's mobility and ensure their safety. It is extremely important to improve and strengthen mechanisms for coordinating consular protection among the four countries. It is also necessary to build the institutional and financial capacity of national entities in the four countries in charge of migration, caring for refugees and combating discrimination.

During the transit stage, it is important to ensure that all migrants, particularly women and girls, benefit from optimum guarantees to undertake the migration route safely and to take advantage of this process to empower themselves and build their capacity as agents of change.

Establishing mechanisms to ensure migrants' and refugees' access to justice (at all levels) is key from a rights perspective. To this end, consideration should be given to creating a transitional mechanism that guarantees migrants and refugees full access to justice. It is also necessary to define expedited procedures to provide them with effective access to basic social services during transit, irrespective of their migration status.

⁴ Article 18 and Article 19 of the United Nations Convention against Corruption.

⁵ Article 43 of the United Nations Convention against Corruption.

The prevention of violence and all types of crime against migrants and refugees should be one of the highest policy priorities. It is necessary to eliminate unsafe migration corridors and promote safe, orderly and regular migration, combat smuggling of migrants and human trafficking effectively and guarantee all migrants, particularly women and children, the right to a life free from violence.

There is ample experience and capacity for improving policies targeting the transit of migrants. For example, systems for the four countries to exchange data on fraud and vulnerabilities, best communication and logistics practice to mitigate the aggravation of potential conflict in border crisis situations, processes for harmonizing border management measures between the four countries and monitoring of migration flows in the region could all be strengthened and expanded.

The rights of migrants and their roots in their territories of origin must be respected and guaranteed and migration corridors, in which assistance is unregulated and organized crime groups operate using refugee centres and shelters to pinpoint potential victims, should not be promoted. Capacity should be built in institutions involved in the care and profiling of migrants who are vulnerable or at risk (including migrant women who have been subjected to gender-based violence, victims of human trafficking, unaccompanied minors, members of indigenous or Afrodescendent populations, lesbian, gay, bisexual, transgender and intersex people and persons with disabilities). Capacity should also be built on the rights and obligations of migrants (including labour rights in the destination country), the dissemination of information on risks and reporting systems.

States must guarantee the protection of migrants, during the transit stage, against violence, physical injury, human rights violations and intimidation.⁶ They must also implement policies to investigate and punish such acts, provide assistance to victims, ensure their access to justice and, in particular, order full redress measures. This calls for the effective implementation of regulatory frameworks to prevent and punish the crimes of human trafficking and smuggling of migrants in accordance with international instruments.

The health dimension is also extremely important in the transit stage. This makes it necessary to build States' capacity to provide an intersectoral response to the health needs of migrant populations in transit, through: the Health, Border and Mobility Management (HBMM) framework of the International Organization for Migration (IOM); technical support for the development of health care and psychosocial assistance pathways for the migrant population in transit; and application of the Electronic Personal Health Record to facilitate the exchange of information and continuity of treatment of migrants across borders, in accordance with the right to privacy and the protection of personal data.

It is extremely important from a human rights perspective to make commitments, design policies and establish protocols for investigating and solving crimes against migrants, with the active participation of the State and the support of committees of relatives, non-governmental organizations and other entities. This makes it necessary to facilitate access to justice, improve techniques and strategies to search for missing migrants and reinforce policies for family reunification and psychosocial support

⁶ Article 16 of the United Nations International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990).

for reunited families. Countries' experiences are often shared in forums such as the Regional Conference on Migration and they need to be followed up to establish measures in the region.

A point to be borne in mind is that, in accordance with international human rights standards, the Global compact on refugees and the Global Compact for Safe, Orderly and Regular Migration, the detention of migrants should be an exceptional, last-resort measure and that, in the event of resorting to this measure, due process must be respected, detention must not be applied arbitrarily, it must be provided for in law, it must be the result of an individual analysis and it must be applied for only a short period of time. It should also be stressed that, in accordance with international human rights standards, children should never be detained for reasons relating to their immigration status, or that of their parents, and that States should halt or eradicate the immigration detention of children quickly and completely. The detention of any child as an immigrant should be prohibited by law and should be applied fully in practice.

C. Destination

In places of destination, active, high-impact policies are needed to protect the rights of migrants and refugees over and above their immigration status and to boost existing efforts to regularize migrants and provide access to international protection. Increasing the consular network's attention and timely response capacity is a basic prerequisite for achieving these goals, as well as for identifying and referring cases in need of protection, as appropriate.

The main reason people decide to migrate is to find employment and earn enough income to provide for themselves in their place of destination and, where appropriate, to send funds to their place of origin. It should therefore be one of the dimensions that shapes employment and integration policies. This will make it necessary to: develop or improve labour market information systems in Mexico and northern countries of Central America to determine priorities, gaps and needs; support the development of labour policies for migrants and refugees in order to respond in a timely manner to labour market demand as determined by the labour market information system; promote and expand temporary migration programmes from a perspective of regional labour mobility; and scale up systems of migration information, labour intermediation and regularization of migrants through job offers, adopting a social inclusion rationale.

General recommendation 26 on women migrant workers of the Committee on the Elimination of Discrimination against Women (CEDAW) states that "to understand the specific ways in which women are impacted, female migration should be studied from the perspective of gender inequality, traditional female roles, a gendered labour market, the universal prevalence of gender-based violence and the worldwide feminization of poverty and labour migration."

Special attention should be paid to policies, programmes and actions for achieving family reunification, one of the increasingly important reasons for people deciding to migrate. The societies of all four countries are becoming ever more cross-border in nature. This makes it necessary to strengthen the bond between people in the place of

origin and communities abroad, over and above migration conditions. Essentially this means recognizing the presence of transnational practices requiring deterritorialized policies, in such areas as citizenship, pensions and new forms of taxation.

There must also be a focus on encouraging active policies for receiving and hosting migrants and refugees in places of destination, in accordance with the principle of equality and non-discrimination, which help to prevent them from falling victim to racism, xenophobia, aporophobia (rejection of the poor) or any other manifestation of discrimination and, instead, promote a culture of diversity, appreciation and mutual respect between destination societies and migrant and refugee families.

D. Return

Return does not necessarily mean the end of human mobility but it is a stage of opportunities and demands for countries. Return must be free and voluntary and, when it is forced (as tends to be the case in the subregion), all the rights and guarantees of deportees should be ensured. One of the biggest public policy challenges in this area is to create the right conditions to ensure that returnees decide to reintegrate into their countries and to fulfil their life plans there. Particular attention should be paid to policies targeting returnee women and girls who are stigmatized upon their return. Improving individual registration mechanisms and enhancing due consideration of returnees' needs and aspirations will be essential to bolster their decision to reintegrate. In the case of returnees who have contributed to social security in their destination country, alternatives for ensuring that their contributions are portable will be vital, as will access to their contributions and the rights deriving from them.

The set of public policies and actions targeted at returnees includes: improving data recording, in order to facilitate matching of supply with demand; enhancing reception centres for migrant returnees at central and local levels; designing or reinforcing comprehensive care protocols for migrant returnees, including health services, psychosocial assistance, protection and reintegration into work and education; active and empathetic support for the reintegration of returnees, tailored to their profile and specific needs; and designing programmes for equivalence of qualifications to facilitate returnees' entry into the local labour market or the creation of new sources of employment.

Throughout the different stages of mobility (origin, transit, destination and return), it will be necessary to improve and expand institutional and community-based psychosocial assistance for both returnees and their families (especially women, children, adolescents and older persons) who remain in their places of origin. Due attention to health needs during the mobility cycle should include all the dimensions of mental health and emotional well-being.

Recommendation 27. *Guarantee that all persons in need of international protection have effective access to the territory and to procedures for determining their refugee status; and include asylum seekers and refugees in public services and social programmes to enable them to meet their basic needs, in compliance with the Global compact on refugees.*

New development cooperation policies and their implications for migration should incorporate substantive mechanisms for protecting people fleeing violence, such as the asylum system, the issuance of permanent residence permits and long-term integration. The United Nations system and its specialized agencies can contribute by providing systematic information on the asylum-seeking population's reasons for leaving, as well as good practice for the inclusion of this population in host countries.

It is essential to guarantee that all persons in need of international protection have effective access to the territory and to procedures for determining their refugee status, as well as to acknowledge unreservedly that, in countries in the region, violence has become an increasingly important reason for people moving or migrating. The necessary procedures should be established to include asylum seekers and refugees in public services and social programmes to enable them to meet their basic and immediate needs and to become integrated. To this end, the United Nations system works with federal, State and municipal authorities, as well as civil society and private sector organizations.

The objective of a Comprehensive Development Plan for El Salvador, Guatemala, Honduras and south-southeast Mexico to tackle the underlying causes of migration and internal and cross-border displacements is consistent with the approach of both the Global Compact for Safe, Orderly and Regular Migration and the Global compact on refugees. It also complements the comprehensive regional protection and solutions framework (MIRPS), which is the regional application of the Global compact on refugees. Its core focus is forced displacement in northern countries of Central America, which is linked closely with the broad approach of multidimensional population movements.

For all the above reasons, it is essential to have a regional strategy aligned with national priorities to comply with both the abovementioned international compacts and the MIRPS. It is urgent and pressing to build asylum systems commensurate with the scale of the challenges facing the four countries. In the specific case of Mexico, the MIRPS takes the form of a set of Government commitments to reinforce the asylum system and the protection of children and adolescents, meet the basic needs of asylum seekers and refugees and support both their socioeconomic integration and that of host communities. Rigorous mechanisms for monitoring and evaluating these commitments provide a vital tool for measuring progress, consolidating strengths and overcoming the shortcomings of these extremely important commitments. The commitments are to:

- Provide full information to the population in need of international protection, by means of individual counselling, printed material and social networks.
- Work with the Mexican Commission for Aid to Refugees and the National Institute of Migration to facilitate access to the territory and to procedures for determining the refugee status of people fleeing violence and persecution, through applications at border crossing points, airports and migrant holding centres.
- Guarantee that branches of the National System for the Comprehensive Protection of Children and Adolescents (SIPINNA) ensure the best interests of the child and boost assistance to unaccompanied minors.

- Build the capacity of shelters and civil society organizations to provide humanitarian and legal assistance, as well as support, to asylum seekers and refugees, giving differential treatment to women, unaccompanied minors and persons with specific needs.
- Establish integration programmes that include the relocation of asylum seekers and refugees to connect them with employment opportunities and social security and so help to ease congestion in reception and protection spaces in southern Mexico.
- Support host communities, through activities that promote peaceful coexistence and enhanced public services.

Recommendation 28. Mainstream the gender perspective and the principle of non-discrimination into the governance of the migration cycle and of internal and international protection; guarantee the best interests of the child; enhance assistance and protection for unaccompanied children and adolescents and for lesbian, gay, bisexual, transgender and intersex people; and recognize the rights and address the specific needs of indigenous and Afrodescendent migrants.

In population terms, migration in the region has become increasingly complex: the number of women, children, adolescents and members of indigenous and Afrodescendent populations involved in migration is increasing all the time. These are population groups at high risk of having their rights and dignity violated and of falling victim to physical, sexual or economic violence. As they also undertake the migration process under more difficult and disadvantageous conditions, it is extremely important for there to be actions, measures and action protocols aimed at tackling these particular situations.

As has been emphasized above, the gender perspective and substantive equality should be mainstreamed into migration cycle management under a rationale of empowering women and girls as rights holders and subjects of change.

Child policies and measures that should be implemented or reinforced (such as those already being implemented by virtue of the Regional Conference on Migration) include: improving the technical capacity of consular staff and other entities working in the field of consular protection of migrant children and adolescents, through training and protocol development; increasing the access of children, adolescents and their families to early childhood education and care services in transit countries, including non-formal education programmes; and designing and implementing communication for development strategies that foster the educational inclusion of migrant children and adolescents, as well preventing stigma, discrimination and xenophobia at school in transit and destination countries.

It is also necessary to develop and evaluate childcare protocols during emergencies (including protection of the rights of migrant women, children and adolescents) and in host communities during disasters and to promote the best interests of the child in the different stages of the migration process, including early childhood care and a guaranteed right to education. It is particularly important for response strategies in transit and destination countries to take into account educational and development needs in early childhood, childhood and adolescence, focusing on the most vulnerable

(including young or unaccompanied children). Existing protocols for the reception and reintegration of children and adolescents in El Salvador, Guatemala and Honduras should be implemented, expanded and disseminated, including programmes to prevent discrimination and stigmatization of returnee children and adolescents.

The management of the child protection system should be enhanced to ensure the proper reintegration of returnee children and adolescents into their communities, guaranteeing their reintegration into education, health and social protection services. Special attention should be paid to educational inclusion in both early childhood and adolescence, by such means as accelerated programmes, educational bridges and non-formal education programmes. Backing should also be given to the design and implementation of specialized psychosocial support and education transition programmes for returnee children and adolescents.

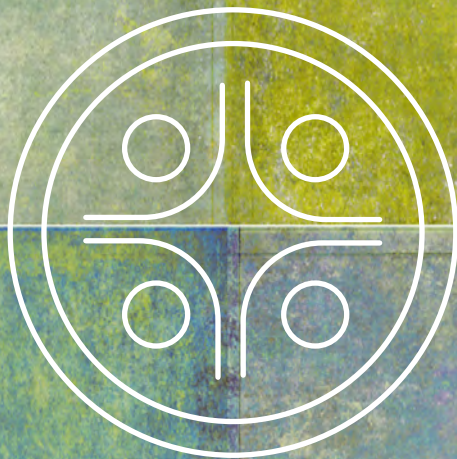
In the case of members of an indigenous people, ancestral and traditional patterns of mobility (many of which are circular and, in some cases, predate current-day States) should be understood, respected and harmonized with national legislation, and specific policies with a rights approach should be designed to address migration patterns based on family, community and compatriot networks. It is also essential to have flexible mechanisms for providing translation and interpretation services to all those who are not Spanish speakers or who prefer to use their indigenous language in administrative procedures or in access to justice.

Recommendation 29. Develop specific policies and actions for the care of persons internally displaced by violence and conflict or disasters.

In accordance with the MIRPS, it is necessary to foster a legal and institutional environment for the care of displaced persons that facilitates the development of public policies for prevention, protection and finding solutions. Funding must also be guaranteed to enable these policies to be implemented and to highlight the issue of addressing internal displacement in the four countries.

As public participation is vital, consultations should be held with communities and organizations and spaces for dialogue between State institutions and groups of displaced and at-risk people should be promoted. It is also imperative to organize awareness events with decision makers responsible for internal displacement and for assistance and protection pathways, as well as to build technical and operational capacity.

It is essential to develop strategies to prevent and address specific risks to women, children, transporters, traders and people at risk of being dispossessed of their land, as well as to formulate and implement a prevention and protection strategy in schools. Information systems to determine more accurately the number of persons internally displaced by violence and conflict or disasters should be designed and implemented and a confidential system for registering abandoned property and homes should be established.



IV. COMPREHENSIVE DEVELOPMENT PLAN: A STRATEGIC PROPOSAL

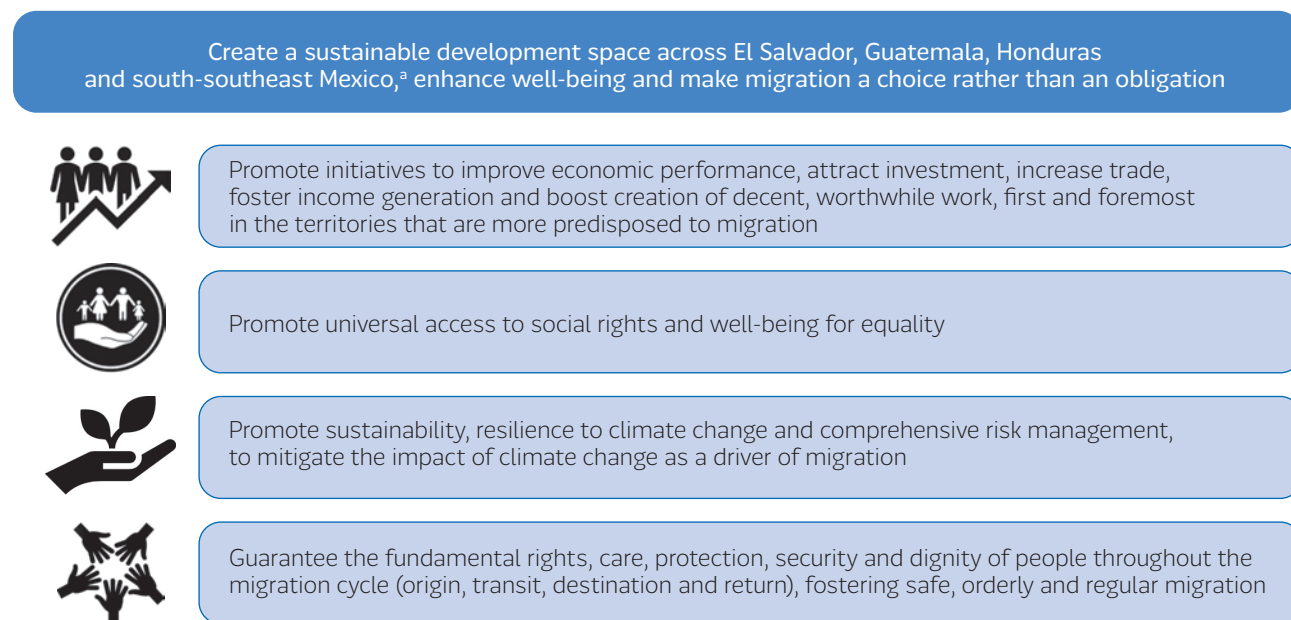




A. General and specific objectives

Diagram IV.1

General and specific objectives of the Comprehensive Development Plan



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

^a South-southeast Mexico comprises the states of Campeche, Chiapas, Guerrero, Quintana Roo, Oaxaca, Puebla, Tabasco, Veracruz and Yucatán.

Map IV.1

Geographic coverage of the Comprehensive Development Plan (CDP) for El Salvador, Guatemala, Honduras and south-southeast Mexico



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

B. Guiding principles

The guiding principles are criteria and definitions that organize the work and maintain consistency between the proposed objectives and the means for achieving them. In the event of conflict, they also provide elements for the correct interpretation of the proposals. Broadly speaking, the guiding principles provide the structure, method of operation and content of the proposals for action and their subsequent evaluation. The Comprehensive Development Plan's strategy and actions are based on 13 guiding principles (see diagram IV.2).

Diagram IV.2

Guiding principles of the Comprehensive Development Plan for El Salvador, Guatemala, Honduras and south-southeast Mexico



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

C. Strategic pillars

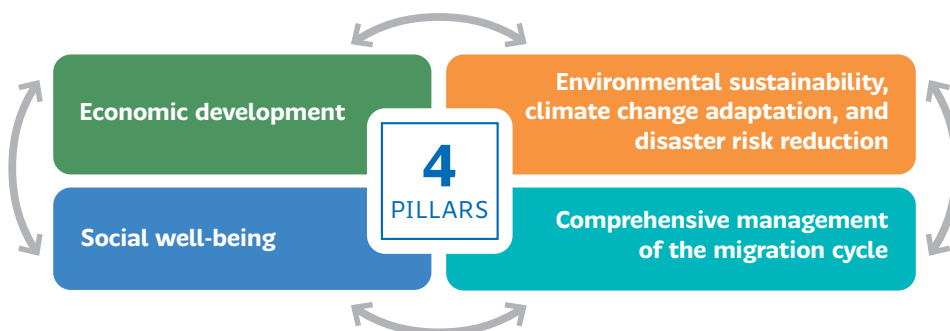
The Comprehensive Development Plan for El Salvador, Guatemala, Honduras and south-southeast Mexico is divided into four strategic pillars agreed by the countries: (i) economic development; (ii) social well-being; (iii) environmental sustainability, climate change and adaptation, and disaster risk reduction; and (iv) comprehensive management of the migration cycle. Given their characteristics, the strategic pillars do not operate in isolation but, on the contrary, act as a sorting criterion to facilitate interconnectedness between pillars. In other words, each strategic pillar meets specific objectives and makes sense in itself but, given the Plan’s comprehensive nature, some strategic areas reinforce others and the proposed actions are interrelated (see diagram IV.3).

For this reason, two basic criteria were established for classifying the various recommendations, actions and projects under the strategic pillars:

- Activities shall be assigned to the pillar where the most resources are concentrated.
- Activities relating to the migration cycle management pillar pertain only to migrants who are in transit, awaiting asylum or have expressed the desire to return to their country of origin.

Diagram IV.3

Comprehensive Development Plan: strategic pillars

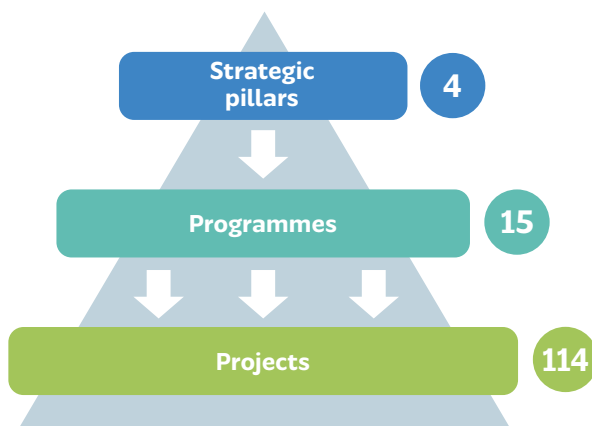


Source: Economic Commission for Latin America and the Caribbean (ECLAC).

For implementation of the Comprehensive Development Plan, the strategic pillars have been disaggregated into two levels: programmes and projects (see diagram IV.4).

Diagram IV.4

Comprehensive Development Plan: implementation levels



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Based on consultation with the countries, an analysis of the actions of the funds, programmes and specialized agencies of the United Nations system and the interventions of different national donors and multilateral and financial institutions in the four countries, a taxonomy has been developed that allows the strategic pillars to be linked with concrete projects, establishing programmes to coordinate the various actions associated with the Plan’s implementation (see table IV.1).

Table IV.1

Comprehensive Development Plan: strategic pillars and programmes

Strategic pillars	Programmes
Economic development	Enabling infrastructure
	Trade promotion and regional integration
	Productive development
	Territorial development
	Macroeconomics for development
Social well-being	Social and labour inclusion
	Life skills
	Comprehensive child development
	Lifelong health
	Violence prevention and a culture of peace
Environmental sustainability, climate change and adaptation, and disaster risk reduction	Knowledge creation, data and tools for climate change adaptation and disaster risk
	Resilience-building to prevent disaster displacement
	Climate change and nature-based solutions
Comprehensive management of the migration cycle	Comprehensive national responses
	Regional actions

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

In order to provide the realism that the Comprehensive Development Plan requires, ECLAC, in its role as coordinator of this initiative, has made an effort to gather and agree on a set of concrete project proposals. These are organized under the 15 programmes of the four strategic pillars of the Plan. This process has involved the funds, programmes and specialized agencies of the United Nations system and the Governments of El Salvador, Guatemala, Honduras and Mexico, as well as the highest authorities of the states of south-southeast Mexico. These project proposals are a tool to visualize countries' needs and priorities and to connect them to the mechanisms and actors that allow their financing and subsequent implementation. Financing may come from the restructuring of the public budget, loans secured from international banks or various sources of international cooperation. Furthermore, bearing in mind that it is not a complete and closed set, the 114 project proposals included in this document allow for the implementation of initiatives that give life to the Comprehensive Development Plan. In fact, some of the proposals are ongoing or soon to be implemented initiatives, which could easily be scaled up and expanded to provide greater coverage. The Comprehensive Development Plan is a framework that allows for the generation of synergies between the multiple initiatives that are currently being deployed in the subregion.

1. Economic development pillar

Poor levels of development in the northern countries of Central America and south-southeast Mexico act as triggers for migration. This is evident when comparing these countries with some of their neighbours, such as Costa Rica or Panama, which have higher levels of human development and small migration flows. There is a close relationship between migration and unequal socioeconomic structures incapable of creating enough decent jobs and guaranteeing citizens' individual and social security. Labour productivity in the United States is more than 10 times that of El Salvador, Guatemala or Honduras, and more than 4 times that of Mexico. Added to this is demand for low-cost, unskilled labour from the United States and other countries, which have legislation that inadvertently fosters illegal, disorderly and unsafe migration flows. In recent times, migration dynamics have been altered by tighter border containment measures, a situation that has been exacerbated by disruptive events, such as environmental disasters and high levels of violence.

If Governments fail to promote adequate levels of investment and decent job creation, people's improved capacity as a result of social policies may lead to a greater propensity to migrate. A strong investment push is therefore needed to create large-scale decent work, while continuing to build workforce capacity. Synchronized social and economic policies encourage people to put down roots and they build confidence, turning migration into a choice rather than an obligation. If there is no big investment push and productivity and wage gaps are not closed, the pressure to migrate will continue.

Low productivity and insufficient decent job creation are also the result of a weak production structure. The production of goods and provision of services in rural areas of northern Central America and south-southeast Mexico, which are major migrant-sending countries, are low value added. Value chains have few linkages between segments and contain power asymmetries that give control (with the resulting appropriation of value) to traders and intermediaries, to the detriment of producers. Poor capacity, scarce financial resources for investment and innovation and infrastructure problems limit progress on quality and competitiveness.

To overcome these problems, the Comprehensive Development Plan includes an economic development pillar divided into five programmes, with their associated actions:

- Enabling infrastructure
- Trade promotion and regional integration
- Production development
- Territorial development
- Macroeconomics for development

(a) Enabling infrastructure development programme

Infrastructure helps to enhance productivity and competitiveness through improvements in connectivity, energy sources, access to resources and markets and even human capital formation. Infrastructure also facilitates the provision of such services as health, education, housing, transport, sanitation, security, culture and sport.

Infrastructure construction contributes to growth in gross domestic product (GDP) through its role as a multiplier in the use of basic inputs such as steel, cement, finishing materials and equipment. Owing to its impact on job creation, it also contributes to growth in domestic demand by increasing consumption capacity.

Many social programmes resort to implementing small-scale infrastructure investment plans as a means of transferring resources rapidly to the most vulnerable sectors, using employment-intensive methodologies.

Infrastructure management and construction is a sensitive area of resource allocation. The large-scale resources involved and options for making them available, the risks of non-transparent practices in the definition of infrastructure projects and their characteristics, as well as in the award of contracts and in cost review and control, often place them at the centre of a public outcry. This can lead to reluctance by officials responsible for implementing projects, who end up obstructing investment processes for fear of being plunged into legal challenges and proceedings.

In northern Central America and south-southeast Mexico, the capability of States to provide enough of the good-quality public goods that are an intrinsic part of their people's development and aspiration is poor. Fiscal weakness leads to low levels of public investment in both infrastructure and social services.

For the private sector to act as investor and help to close infrastructure gaps, it will be necessary to define a robust legal framework that provides conditions of security for both the investor and the States involved. This framework should incorporate best practices that discourage corruption and may be based on various forms of public-private partnership, co-financing or concessions to mobilize resources from private investors, sovereign wealth funds and investment funds.

The Comprehensive Development Plan highlights the need to undertake large-scale infrastructure projects and reduce energy costs to support the integration of countries and territories, strengthening local economies, securing food supplies and reversing environmental damage. Over the past decade, infrastructure investment in northern Central America and south-southeast Mexico has focused on transport and energy. In the transport sector, the little investment made has been concentrated in major road corridors, ports and airports, which has contributed to gradually eroding the coverage and quality of secondary roads, country roads and bridges: all infrastructure that is essential to social connectivity and economic development.

The objective of the enabling infrastructure development programme is to create conditions for development in territories with high levels of poverty and unemployment stemming from lack of infrastructure, in order to increase social cohesion and lessen the factors inducing people to leave their place of origin. The distinctive economic, social and geographical characteristics of the remotest areas mean that their populations have little access to markets and services (health, education and sanitation).

To advance the programme, ongoing actions that could contribute to its implementation need to be taken into account: (i) Central American Regional Framework Policy on Mobility and Logistics, approved by the Heads of State and Government of Belize, Costa Rica, Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua and

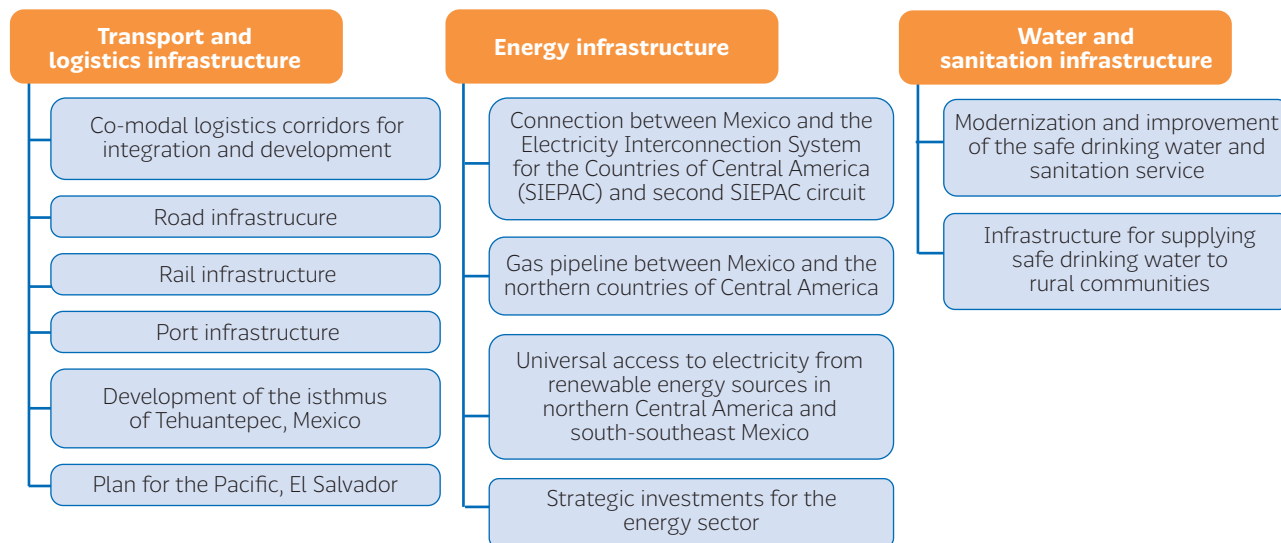
Panama in December 2017; (ii) national road maintenance programmes in Guatemala, El Salvador, Honduras and Mexico; and (iii) recommendations by the Office of the United Nations High Commissioner for Human Rights on human rights and infrastructure.

To develop actions at regional, national and territorial levels, the programme is divided into three subprogrammes:

- Transport infrastructure to: create the conditions for the coordination of large investments in regional transport infrastructure (co-modal corridor); promote road, rail and port infrastructure projects in accordance with national priorities; and support initiatives for the development of logistics infrastructure in specific territories, such as the isthmus of Tehuantepec in Mexico and the Plan for the Pacific in El Salvador.
- Energy infrastructure to create the conditions for investment in production development and a transition towards renewable energy sources, regulatory convergence and the subregional interconnection of these infrastructure projects.
- Safe drinking water and sanitation infrastructure required to improve the coverage and quality of essential services.

Diagram IV.5

Enabling infrastructure development programme



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Table IV.2

Enabling infrastructure development programme

1. Actions	2. Impacts
<ul style="list-style-type: none"> • Connect the Electricity Interconnection System for the Countries of Central America (SIEPAC) with Mexico • Diversify the supply of hydrocarbons for the northern countries of Central America by means of a gas pipeline with Mexico • Develop logistics corridors that create an expanded logistics market • Provide universal access to modern electricity services • Create job opportunities and access to better road infrastructure • Expand access to basic services 	<ul style="list-style-type: none"> • Improved safety, continuity and competitiveness of electric power supply, with 1,800 kilometres of works for the second SIEPAC circuit and 225 kilometres for the interconnection between Mexico and SIEPAC • Introduction of natural gas to the northern countries of Central America and creation of 6,000 direct jobs during the construction phase and 20,000 direct and indirect jobs in the long term • 30% reduction in logistics costs in subregional trade and 25% reduction in road accidents • Solar panels installed in 200,000 homes and 10,000 schools and health centres • 10 terawatt-hours of electricity generated annually and 4 million annual tonnes of carbon dioxide equivalent avoided • Improved access and connections in 50% of inland settlements • New road infrastructure in prioritized territories
3. Programme project proposals	
1.1	Connection between Mexico and the Electricity Interconnection System for the Countries of Central America (SIEPAC) and second SIEPAC circuit
1.2	Gas pipeline between Mexico and the northern countries of Central America
1.3	Co-modal logistics corridors for integration and development
1.4	Universal access to electricity from renewable energy sources in northern Central America and the states of south-southeast Mexico
1.5	Plan for the Pacific, El Salvador
1.6	North-south rail connection, Guatemala
1.7	Development of rural roads, Guatemala
1.8	Modernization and improvement of the safe drinking water and sanitation service, Honduras
1.9	Road logistics infrastructure, Honduras
1.10	Strategic investments for the energy subsector, Honduras
1.11	Development of the isthmus of Tehuantepec: multimodal interoceanic corridor, Mexico
1.12	Infrastructure of autonomous solar water-pumping systems in rural communities, state of Campeche
1.13	Reconstruction of interregional feeder roads, state of Chiapas
1.14	Modernization and expansion of Chiapas Port, state of Chiapas
1.15	Highway between Acapulco International Airport and the new Pacific tourist development, state of Guerrero
1.16	Rehabilitation of the market area in Oaxaca's 'Central de Abastos' wholesale market (Margarita Maza de Juárez market), state of Oaxaca
1.17	Highway to the Papaloapan basin and bypass in the city of Tuxtepec, state of Oaxaca
1.18	Access road to the new port of Frontera, state of Tabasco
1.19	Industrial and logistical infrastructure for trade with Central America, state of Tabasco
1.20	Alvarado multimodal cabotage terminal, state of Veracruz
1.21	Distributed power generation project, state of Yucatán
1.22	Improved connectivity and mobility conditions in the municipalities lagging furthest behind, state of Yucatán

Budget

US\$ 22.425 billion

Duration

5 years

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Note: Projects 1.5 onwards (in bold) are projects prioritized by the Governments of the Northern Central American countries, the Government of Mexico, or the states of South-Southeast Mexico.

(b) Trade promotion and regional integration programme

Much of the trade between the northern countries of Central America, and between them and Mexico, is exempt from tariffs but is subject to non-tariff barriers at border crossings. There are regulatory and logistical constraints, as well as administrative practices, which hamper and drive up the cost of trade between the three countries and Mexico and hinder the creation of regional production chains. This is all the more serious because most of the goods exported to Mexico by the northern countries of Central America come from rural areas, which are responsible for sending the largest number of migrants.

Despite their geographic proximity, Mexico's trade with northern countries of Central America accounts for a small proportion of its total trade and is skewed in Mexico's favour. Trade facilitation measures could increase productivity and competitiveness with actions that allow goods and services to move safely and efficiently. A reduction in trade-related costs through border measures would come from harmonizing and simplifying documents and from automating customs procedures. It is important to advance the harmonization and mutual recognition of animal and plant health standards to limit room for discretion, which creates unnecessary barriers to trade, especially for agricultural products. Actions to advance institutional arrangements and foster cooperation on trade facilitation and the movement of people would therefore deepen production integration between El Salvador, Guatemala, Honduras and Mexico. The proposals contained in this programme mutually reinforce those in the production development programme, which seek to promote linkages between the four countries (see section c).

Table IV.3

Trade promotion and regional integration programme

Budget
US\$ 40.1 million
Duration
5 years

1. Actions	2. Impacts
<ul style="list-style-type: none"> Harmonize institutional arrangements and facilitate movement between the northern countries of Central America and Mexico Promote the harmonization and mutual recognition of skills, requirements and procedures in animal and plant health matters 	<ul style="list-style-type: none"> Increased trade between the northern countries of Central America and Mexico 50% reduction in time and costs associated with customs procedures in the subregion 15% increase in Central American exports of products listed as sensitive Increased trade between the northern countries of Central America and Mexico
3. Programme project proposals	
1.23	Trade facilitation between Mexico and the northern countries of Central America
1.24	Harmonization of standards and reduction of technical barriers to trade: equalizing capabilities between countries
1.25	Deepening trade and production linkages through the Customs Union between El Salvador, Guatemala, Honduras and Mexico, Honduras^a

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

^a Project prioritized by the Governments of the Northern Central American countries, the Government of Mexico, or the states of South-Southeast Mexico.

c) Production development programme

The production development programme fosters progressive structural change, namely greater diversification and technology intensity in the creation of value added and employment, to increase productivity, social inclusion and environmental sustainability. The programme's initiatives seek to: coordinate government support for small producers and increase partnering between them; facilitate the participation of all stakeholders in policy-making and implementation; broaden access to new markets; improve the technological performance of the production structure; promote innovation; and increase climate change resilience and adaptation.

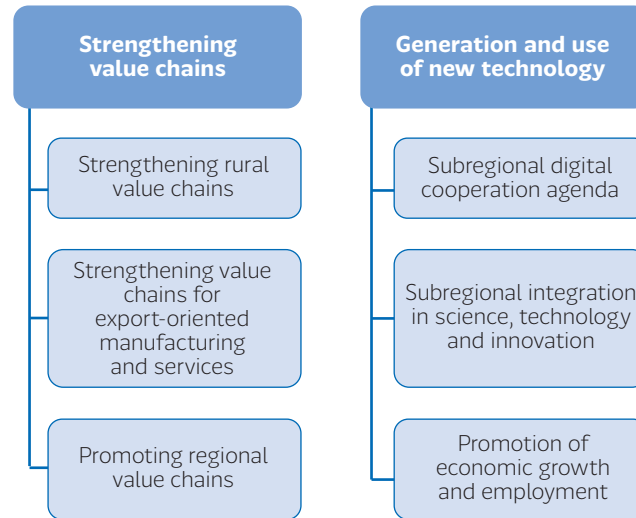
The forces driving migration are magnified in rural areas: low productivity, lower wages, precarious social security, scarce and weak enabling infrastructure, higher risk of agroclimatic disasters and catastrophic events, lack of risk transfer mechanisms and new forms of personal insecurity. In situations of extreme poverty, some of the population resorts to the illegal economy and organized crime to finance the cost of migration, making migrants and their families vulnerable and at risk of exploitation. At the same time, the mass exodus of young people accelerates population ageing.

To overcome the low-growth trap, public policies in such areas as production development, macroeconomics, social development and the environment need to be integrated and coordinated. Industrial or production development policy (of special importance for the objectives of the production development programme) entails the implementation, by certain State institutions and economic actors, of instruments to: boost production, processing or service activities; increase production integration and complementarity; and incorporate growing technology intensity and knowledge into production processes. It includes such instruments as innovation promotion, investment in education and skill-building, export promotion, support for micro-, small and medium-sized enterprises and the promotion of competitiveness. It ranges from policies targeting infant industries and promoting innovation to trade and regulatory policies to create the legal and economic framework for companies to operate.

This programme focuses on production development policies, organized around two subprogrammes (see diagram IV.6).

Diagram IV.6

Production development programme



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

(i) Strengthening value chains

Value chains are strengthened by linking their segments, incorporating new actors and through economic and social upgrading. Economic upgrading means pivoting production patterns in segments of the chain, and in the chain as a whole, towards better products and services, superior production processes or higher value-added, more knowledge-intensive activities. Social upgrading enables actors in the chain and their communities to improve their standard of living based on employment conditions that include social protection, labour rights and a safe working environment, especially for young people and women.

The United Nations system, in particular the Economic Commission for Latin America and the Caribbean (ECLAC), has designed a number of methodologies for strengthening national and regional value chains. A systemic approach has been adopted, which incorporates not only the segments in the chain but also the public and private actors that regulate or support its activities (government agencies, universities, service providers, business chambers or research centres). A core component is dialogue between public and private actors in advisory boards to discuss diagnoses and proposals. This serves to enrich the analysis, establish or reinforce commitments between members of the chain, foster the formulation of innovative strategies, facilitate agreements and increase decision-making transparency.

The objective of this subprogramme is to formulate and implement strategies for social and economic upgrading in selected value chains. The activities are divided into three areas: (i) strengthening rural value chains, where United Nations system activities in northern Central America and Mexico have led to the identification of opportunities in the aquaculture, coffee, agro-industry and rural tourism value chains; (ii) strengthening value chains for export-oriented manufacturing and services; and (iii) promoting regional value chains to enhance regional integration, leveraging economies of scale and complementarity between countries.

This subprogramme has cross-cutting elements. First, the strengthening of each value chain must include climate change adaptation and mitigation actions. Second, the strategies will include the operation of a support fund (trade promotion, technology, and business cluster consolidation and integration) to finance implementation of the strategies. The strategies also provide for promoting the productive investment of family remittances, with a view to the economic upgrading of value chains in migrants' countries of origin and in their principal country of destination, the United States.

(ii) Generation and use of new technology

In Mexico and northern Central America, there is recognition of the importance of science, technology and innovation to increase economic growth rates and advance progressive structural change. However, research and development spending as a percentage of GDP remains very low, having remained largely unchanged over the past 15 years. Other indicators, such as the number of graduates, science and technology researchers and patent applications, also show significant lags.

Countries in the subregion face challenges in terms of connectivity, especially Internet access. The incorporation of digital technologies into the production and service sectors is also extremely limited. Digitization could have a greater impact on improving education, health, gender equality and political transparency, ultimately improving quality of life.

This under-resourcing of science, technology and innovation is set against an international backdrop of increasing segmentation of markets and value chains, amid a technological revolution. This creates opportunities for, and justifies, cross-border policies and initiatives, especially given the need to design and implement strategies requiring large investments. The states of south-southeast Mexico and the northern countries of Central America share a similar pattern of production specialization in which agricultural, agro-industrial and energy activities are extremely important. While there are research centres in these areas with similar lines of work, there are few or no linkages between them, missing an opportunity to enhance their activities, improve their performance and achieve economies of scale.

The objective of this subprogramme is to promote the generation and use of new technology, as well as to enhance innovative activities, with a view to increasing productivity, stimulating economic growth and improving quality of life. The activities seek to boost innovation systems and integration between northern Central America and Mexico in science, technology and innovation for the implementation of regional initiatives to address common challenges. The actions include the creation of a regional fund for science, technology and innovation to support regional initiatives, in particular financing regional basic or applied research groups, regional innovation consortia, academic exchanges and infrastructure sharing.

Another objective is to formulate a cooperation agenda that increases digital inclusion in order to enhance the economic and social impact of the adoption and use of these technologies. This would entail implementing: strategies for broadband expansion and digital inclusion in rural and peri-urban areas; electronic commerce programmes for micro-, small and medium-sized enterprises by means of capacity-building, research, innovative solutions, partnership structures, associations and the incorporation of digital tools; and systems to support the creative industries through finance, partnering programmes and technical assistance for entrepreneurs.

Budget
US\$ 1.54 billion
Duration
5 years

Table IV.4

Production development programme

1. Actions		2. Impacts	
<ul style="list-style-type: none"> Strengthen rural value chains for goods and services with a view to increasing producers' value added and incomes Establish integrated community development models around tourism and the conservation of natural, historical and cultural resources Strengthen export-oriented manufacturing and services value chains Establish regional value chains Develop a cooperation agenda that increases digital inclusion Strengthen innovation systems and integration in science, technology and innovation 		<ul style="list-style-type: none"> Better quality of life for agricultural producers in the subregion: <ul style="list-style-type: none"> Increased productivity of 50,000 coffee producers Creation of a support fund to benefit 20 value chains Incorporation of 600,000 new Internet users and 2,000 companies benefit from support programmes Ten cross-border science, technology and innovation projects <ul style="list-style-type: none"> 20% increase in the profits of participating small and medium enterprises One patent and three scientific publications per project 	
3. Programme project proposals			
1.26	Strengthening rural value chains and creation of a support fund in El Salvador, Guatemala, Honduras and Mexico		
1.27	Strengthening the coffee chain and the production systems of small coffee producers in northern Central America and south-southeast Mexico		
1.28	Digital cooperation agenda between Mexico and northern Central America		
1.29	Towards a regional innovation system in northern Central America and Mexico: integration in science, technology and innovation		
1.30	Promotion of diaspora investment in El Salvador, El Salvador		
1.31	'Walls of prosperity' plan: Guatemala-Mexico, Guatemala-Honduras and Guatemala-El Salvador cross-border development, Guatemala		
1.32	'Sello blanco' white quality label for local products, Guatemala		
1.33	Strengthening value chains to upgrade micro-, small and medium-sized enterprises, Guatemala		
1.34	Development of value chains that boost and create opportunities in the territories, Honduras		
1.35	Improving logistics performance, competitiveness and regional economic integration, Honduras		
1.36	Maya Ka'an project: community development with tourism and conservation of natural, historical and cultural resources, state of Quintana Roo		
1.37	Establishment of a juicing microenterprise in the northern region, state of Veracruz		

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Note: Projects 1.30 onwards (in bold) are projects prioritized by the Governments of the Northern Central American countries, the Government of Mexico, or the states of South-Southeast Mexico.

(d) Territorial development programme

This programme helps to create conditions for development in rural territories with high levels of poverty, food and nutrition insecurity and environmental vulnerability. These territories are linked closely with intermediate cities, which play a key role as service providers and market opportunities. Fostering this link between urban and rural areas is vital to mitigating or eliminating the factors that lead people to leave their place of origin, thereby reducing irregular, disorderly and unsafe migration. In dialogue with national Governments, a number of priority territories have been identified where the main factors driving high migration flows are concentrated:

- South-southeast Mexico, where a rural and smallholder-farming population predominates, with an economy based on maize, beans and other products for home consumption in which production conditions must be improved. The Mexican Government has prioritized these territories, which are home to indigenous peoples with ancient cultures, to benefit from a large share of its public programmes. The

authorities of these states submitted projects to the Federal Government and the United Nations system, which have been incorporated into the Comprehensive Development Plan.

- The northern border of Guatemala is another strategic area that plays a critical role in migration. This area has been prioritized by the Guatemalan Government, which is seeking to create “Walls of prosperity”, based on a local economic development policy focused on job creation and the promotion of micro-, small and medium-sized enterprises and small family farming production units (see section c).
- The tri-national Trifinio region, shared by El Salvador, Guatemala, and Honduras, which has high biodiversity and a large number of smallholder and indigenous farmers, where a development strategy is being implemented that must be boosted by the Comprehensive Development Plan.
- Guatemala’s Atlantic and Pacific coasts, where linkages could be created between tour operators and food and service providers in its budding tourism sector. Something similar could be done in coastal areas of south-southeast Mexico, El Salvador and Honduras, where it is feasible to establish biological corridors, natural parks and biodiversity management mechanisms in a virtuous circle involving tourism, the environment, agricultural development, rural development and the consolidation of urban small and medium-sized enterprises.
- Urban areas in the municipality of Tapachula and in the isthmus of Tehuantepec region, in southern Mexico, which are subject to strong pressure from the flow of migrants and have a large floating population. Municipal, state and national authorities, together with the United Nations system (United Nations Human Settlements Programme, United Nations Development Programme and other agencies), are seeking to implement an urban development programme by applying the concept of integrated urban operations, which deploy territorial strategies at the local level. The aim is to construct a model of planning and social intervention that can be applied to other intermediate cities in the subregion and that complements the rural approach of ministries of agriculture and other development ministries or agencies.

ECLAC and the Food and Agriculture Organization of the United Nations (FAO) have identified further territories that could be prioritized by national Governments.¹ The Comprehensive Development Plan proposes to choose some 40 priority territories on which to focus a strategy of social and productive inclusion that creates opportunities and thereby improves economic and labour force inclusion and the living conditions of individuals and their families. The challenge is to highlight the production potential of each territory that would complement approaches focused on immediate results and purely aid-oriented approaches (which are also essential).

The programme strategy comprises five elements: (i) urban-rural linkages approach to territorial development; (ii) vision of comprehensive territorial development and habitat to enhance links and complementarities between urban and rural realities; (iii) strengthening spaces for participation and local governance; (iv) creating spaces

¹ Economic Commission for Latin America and the Caribbean (ECLAC), “Ruralidad, hambre y pobreza en América Latina y el Caribe”, *Project Documents* (LC/TS.2018/119), Santiago, 2018.

and tools for broadening and deepening multi-stakeholder, multilevel dialogue and collaboration; and (v) generating public goods and support for the productive and social inclusion of vulnerable populations.

The aim and focus of this programme are based on the experiences and lessons learned by Governments, civil society and funds, programmes and specialized agencies of the United Nations system, and are connected with ongoing national and local strategies, which are key to the successful implementation of this component of the Comprehensive Development Plan.

The actions and investments of the territorial development programme will be carried out under the leadership of each Government, together with stakeholders in each of the rural territories. These actions will focus primarily on 40 territories: half the actions will be deployed in northern Central America and the other half in south-southeast Mexico.² In these territories, the interventions will take place at territorial, partnership and individual levels. At the individual level, coverage of 400,000 farms (production units) is planned: 200,000 in northern Central America and 200,000 in south-southeast Mexico. This will be supported by a number of actions, including a single investment fund. In northern Central America, these farmers account for 13.3% of the total universe (1.5 million production units), while in south-southeast Mexico they account for 8% of the total (2.6 million production units). Added to these family farmers is a large percentage of households without access to land. The programme therefore supports a wide range of activities apart from agriculture, which will be promoted through the policy guidelines of the Comprehensive Development Plan, especially those relating to production chains.³ After selecting the territories for each of the programme's interventions, a working model will be implemented to ensure that final beneficiaries are targeted, prioritizing the most vulnerable and food-insecure segments.

The programme is organized into six subprogrammes (see diagram IV.7):

- Strengthening territorial institutions and participation
- Local markets
- Productive investment in lagging territories
- Entrepreneurship by rural young people and women and by indigenous peoples
- Basic services for rural households and territories
- Development of intermediate cities

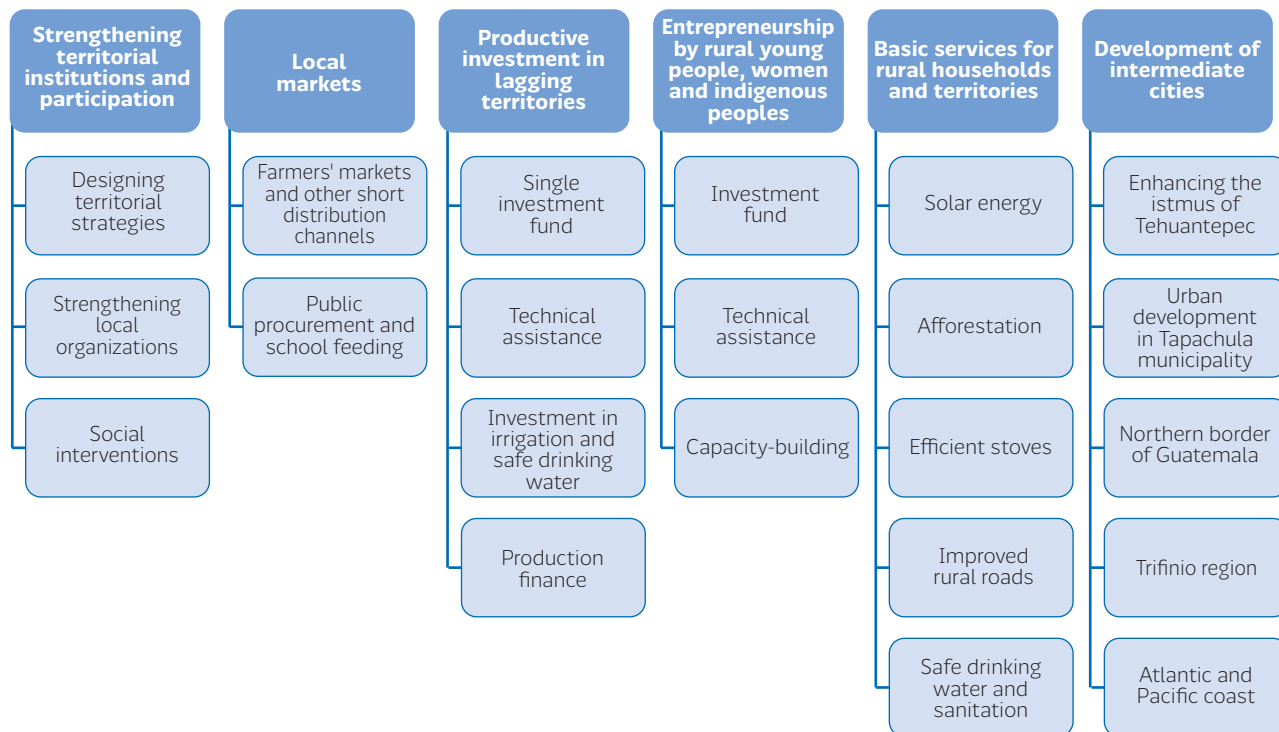
Alongside these actions targeted at rural territories, macrosector actions will be implemented to create conditions for boosting production chains and clusters in such areas as agriculture, industry, agro-industry, tourism, rural services and environmental services.

² As the precise number of territories and their specific selection will be decided jointly with each Government's authorities, the figure of 40 territories is only a guide.

³ See section c) concerning the production development programme.

Diagram IV.7

Territorial development programme



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Table IV.5

Territorial development programme

1. Actions	2. Impacts
<ul style="list-style-type: none"> Strengthen institutions and the participation of local communities Stimulate local demand: markets and public procurement of food Create a single investment fund for production development, innovation and entrepreneurship Support rural entrepreneurs: young people, women and indigenous peoples Provide basic services for households Develop intermediate cities to enhance links between rural and urban areas 	<ul style="list-style-type: none"> Opportunities and economic stability for 400,000 production units (farming families): <ul style="list-style-type: none"> Increased productivity, increased production for home consumption and sale Higher incomes: 160,000 indigenous farmers, 150,000 rural women and 100,000 young people New irrigation systems: 20,000 production units and 60,000 hectares Linkage between local and regional markets: 120,000 producers Quality of life in 40 territories: <ul style="list-style-type: none"> 35% improvement in secondary and tertiary roads Solar power: 200,000 families Safe drinking water: 40,000 households Urban planning and development in intermediate cities
3. Programme project proposals	
1.38	Strengthening territorial institutions and participation
1.39	Local markets and public procurement of food
1.40	Basic investment for production development, innovation and entrepreneurship: single investment fund
1.41	Entrepreneurship: young people, women and indigenous peoples
1.42	Basic services for rural households and territories
1.43	Development of intermediate cities: isthmus of Tehuantepec, Tapachula and northern border of Guatemala

Budget:

US\$ 7.195 billion

Duration:

5 years

Table IV.5 (concluded)

3. Programme project proposals	
1.44	Territorial development of the Trifinio region, El Salvador
1.45	Surf City El Salvador: holistic tourism development programme in the maritime and coastal area, El Salvador
1.46	Territorial economic development in Guatemala, Guatemala
1.47	Strengthening of the tourism sector in Guatemala, Guatemala
1.48	Comprehensive territorial development in the Dry Corridor of Honduras, Honduras

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Note: Projects 1.44 onwards (in bold) are projects prioritized by the Governments of the Northern Central American countries, the Government of Mexico, or the states of South-Southeast Mexico.

(e) Macroeconomics for development programme

Even though macroeconomic (fiscal, monetary and macroprudential) policies affect economic growth, production sector dynamism, social well-being and environmental sustainability, macroeconomic policies in northern Central America and Mexico are not organized around a strategy of long-term economic growth and development.

A sustained increase in investment and productivity is essential to achieving progressive structural change (one that increases the diversification and technology intensity of the production apparatus), which calls for stability and predictability. Macroeconomic policy plays a key role in this by minimizing the amplitude and frequency of business cycles and helping to sustain investment and productivity growth at levels conducive to the continuous expansion and use of productive capacity. Macroeconomics for development must: expand the countercyclical and long-term growth role of fiscal policy; redesign the institutional context in monetary, exchange and credit terms; and strengthen macroprudential policy.

In a slowdown or recession, the most important autonomous component of a countercyclical fiscal policy is public investment, which not only influences the business cycle but also brings about positive medium- and long-term effects. Public investment spending must therefore be protected and prevented from being used as an adjustment variable in the downward phase of the cycle.

As private credit is markedly procyclical, especially in contraction phases, monetary authorities should not only monitor inflation but also pay attention to the dynamics of the financial cycle, its relationship with the level of activity, and other macroeconomic variables such as the exchange rate.

Tax collection rates are particularly low in all four countries, especially Guatemala and Mexico. Stronger public finances and debt sustainability are prerequisites for them to boost their economic growth and lay the foundations for further long-term development.

Fiscal policy needs to support growth and facilitate public budgets with more space for social investment, infrastructure deployment, maintenance and recovery, and the expansion of universal social protection. Tax reform is therefore needed urgently to combat tax evasion, avoidance and privileges and increase collection rates significantly. On the public spending side, efforts should be stepped up to improve progressivity and quality and to ensure greater flexibility in the execution of public spending. Renewed

fiscal covenants, monitored closely by civil society, can improve control over public spending, ensure greater efficiency and transparency and reduce corruption. However, while high and sustained levels of remittances have positive effects on the economies of northern countries of Central America and Mexico, they also create macroeconomic problems, such real exchange rate appreciation, consumer price rises and higher imports. Conversely, if incentives are given and recipients' capacities are built, it is possible to trigger changes in the production structure, by investing in value chains in rural territories, for example.

In the initial phase, the macroeconomics for development programme provides for: preparing country-specific studies, which will serve as the basis for designing and implementing new fiscal strategies; formulating strategies to coordinate macroeconomic policy with policies for production development, social well-being and environmental sustainability; boosting interagency coordination by means of ad hoc technical committees; and designing new fiscal strategies for the collection and efficient use of public revenues. This would help to: improve understanding of the tools at the disposal of northern countries of Central America and Mexico to boost their economic development; coordinate public policies to comply with the Sustainable Development Goals; build tax collection capacity; and enhance understanding of instruments for increasing efficiency and flexibility in the execution of public spending.

The ministries responsible for public finances should establish a work strategy and dialogue mechanism for conducting studies and formulating policies. This strategy should be tailored to each country's distinctive characteristics.

Table IV.6
Macroeconomics for development programme

1. Actions	2. Impacts
<ul style="list-style-type: none"> • Formulate strategies to coordinate macroeconomic policies • Boost interagency coordination • Design new fiscal strategies for the collection and efficient use of public revenues • Deepen the integration of financial systems 	<ul style="list-style-type: none"> • Establishment of a technical committee for public policy coordination • Integrated financial programming in each country • Adoption of a fiscal strategy for revenue collection and spending in northern Central America and Mexico
2. Programme project proposals	
1.49 Identification of fiscal and financial spaces for compliance with the Comprehensive Development Plan	

Budget:
US\$ 2.5 million
Duration:
2 years

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

2. Social well-being pillar

For migration in El Salvador, Guatemala, Honduras and Mexico to be a voluntary decision and not one imposed by an array of deprivations and lack of alternatives, it is essential to improve people's living conditions significantly, especially in territories highly predisposed to migration. Indeed, enhancing the well-being and quality of life of these populations is an end in itself and a public duty, even though, at different times, it may be reflected in changing migration patterns.

As the policy proposals grouped into programmes under the social well-being pillar were conceived as an integral part of interventions for achieving the goals of the 2030 Agenda for Sustainable Development in the northern countries of Central America and the states of south-southeast Mexico, they are aligned with the Regional Agenda for Inclusive Social Development agreed by the countries of Latin America and the Caribbean.⁴

The proposals under this pillar are presented as a unique opportunity to facilitate achievement of the social targets in the Sustainable Development Goals in countries with common issues, including migration, poverty, vulnerability and inequality, informal employment, child undernutrition and food insecurity, low educational attainment, poor quality education (including lack of access to comprehensive sexuality education), limited access to quality health services within a context of epidemiological transition and high child and teenage pregnancy rates, as well as high rates of violence and femicide. All these issues stand in the way of progress on well-being and make it difficult to achieve social and labour market inclusion without leaving anyone behind. To move forward on these issues and take advantage of the window of opportunity that has opened up to these countries, particularly in view of the potential demographic dividend, it is not enough just to expand the coverage of services: there also needs to be a focus on policy areas that foster synergies, both within each pillar and between the different pillars of the Comprehensive Development Plan, in order to generate sustainable impacts. The cost of not doing so is high and the consequences could be irreversible.

The social well-being pillar has been conceptualized as a coordinated system of public policies for addressing core components of development relating to social and labour market inclusion in the countries and for making steady progress in: eradicating all forms of poverty and eliminating violence (as major causes of migration); ensuring universal social and cultural rights; lessening deprivation; and increasing participation and social cohesion, while tackling the challenges of inequality and discrimination from an intercultural perspective.

⁴ On 3 October 2019, the participants in the third session of the Regional Conference on Social Development in Latin America and the Caribbean, held in Mexico City, adopted the Regional Agenda for Inclusive Social Development as “a technical and political instrument that will enable progress towards the implementation of the social dimension of sustainable development and the 2030 Agenda for Sustainable Development,” and so contribute to eradicating poverty and achieving higher levels of equality and well-being in Latin America and the Caribbean.

In pursuit of the objectives to address the situation in the northern countries of Central America and the states of south-southeast Mexico, six public policy programmes have been prioritized, which contribute to achieving social and labour market inclusion and universal social protection coverage by coordinating joint actions and proposals from the different areas. These programmes focus on the following aspects:

- Social and labour market inclusion
- Life skills
- Comprehensive child development
- Lifelong health
- Violence prevention and culture of peace

Each programme comprises several elements, which in turn translate into sectoral policy actions in the areas of work, health, education, culture, social protection and human security, institutional capacity-building and leveraging opportunities for regional integration and technological change. To reflect the holistic approach of the Comprehensive Development Plan, the programmes in the social well-being pillar interact with one another and with programmes in the Plan's other pillars. In addition, each programme prioritizes certain populations owing to their specificity and needs.

Implementation of the proposed policies will help to improve key indicators on decent work, malnutrition, health, education, culture, social protection, violence and social cohesion.

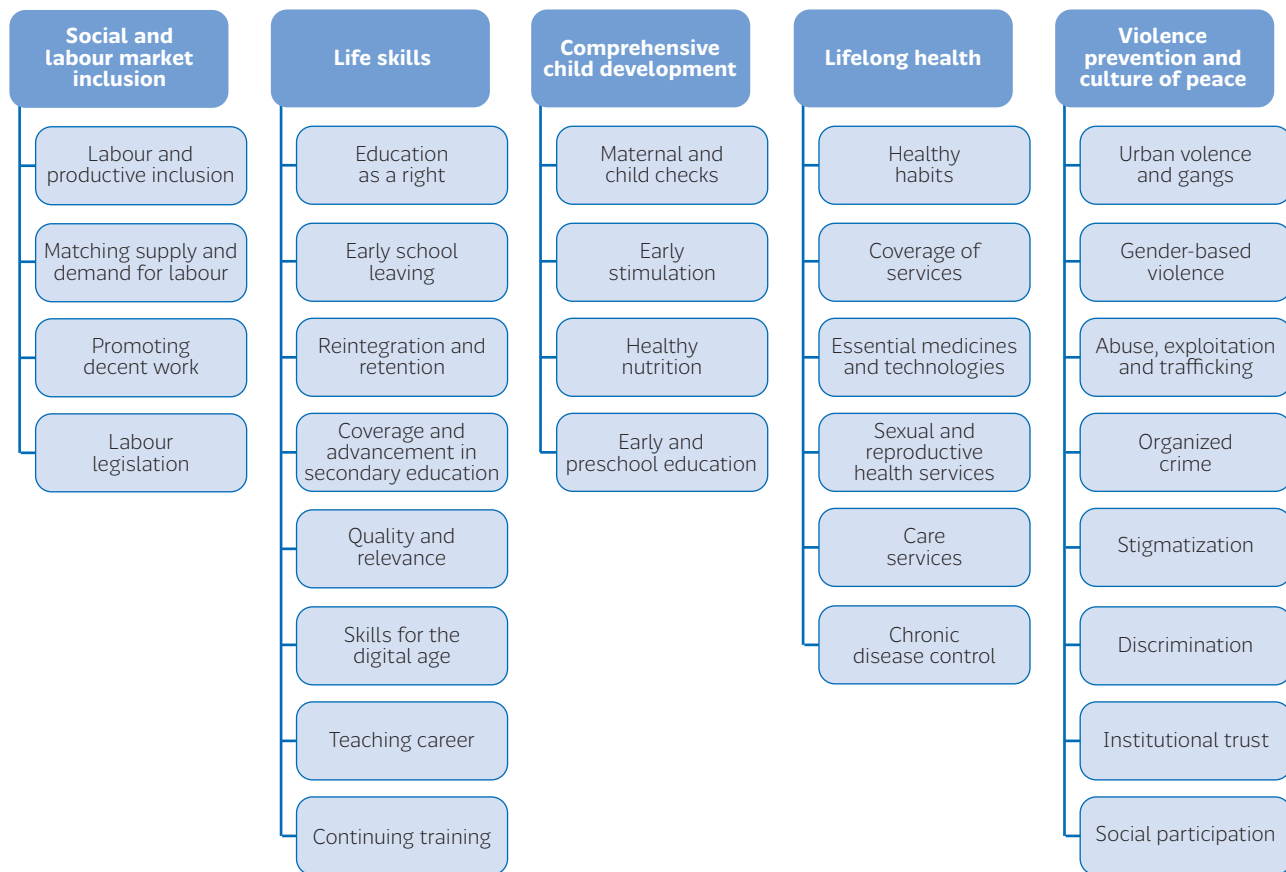
The social well-being pillar is not intended to cover all areas of social policy in the northern countries of Central America and the states of south-southeast Mexico but rather to focus on what are seen as key areas for inclusive development. These, coordinated with existing policies and actions, will enable progress to be made in multiple dimensions that are important to sustainable development.

While efforts under the Comprehensive Development Plan are a significant boost, they are not enough in themselves to achieve sustained levels of social well-being. They need to be complemented by long-term country policies, which will require a major update in terms of taxation, financing, investment and institutions, with a legal basis suited to needs and to organizational and management models. Each country's public policies, in such areas as work, education, health and housing, play a key role in making the Plan's achievements viable and sustainable. For the social well-being pillar, it is particularly important for countries to move towards universal social protection systems, without which there is a risk of failing to achieve the desired outcomes in terms of a significant improvement in everyone's standard of living.

Diagram IV.8 shows a summary list of the main policy areas included in each programme.

Diagram IV.8

Social well-being pillar



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Given their multidimensional nature, the proposals may relate to more than one programme in the social well-being pillar. The different project proposals are described for each programme and, at the end of each section, there is a table summarizing each proposal's involvement in the various programmes.

(a) Social and labour market inclusion programme

Decent, productive, high-quality employment is vital not only for individuals and their families to earn the income required to maintain an adequate standard of living but also for achieving sustainable economic development. It is also key to reducing poverty and inequality and promoting well-being and social inclusion. Only one in every four Latin American households is in a situation of dual (social and labour market) inclusion and there are wide disparities, which impact most heavily on rural households headed by an indigenous or Afrodescendent person or a person with disabilities.

Labour markets in Latin America and the Caribbean, in general, and those in the countries involved in the Comprehensive Development Plan, in particular, are

characterized by high levels of informality and large gaps in job quality, limited access to social protection and low labour income, with even wider disparities in the case of women. This includes lack of social security, leading to lack of health insurance and pensions, unregulated employment contracts and working hours unprotected by labour inspection, lack of unemployment and occupational accident and disease insurance, and low maternity and paternity protection coverage.

One of the least protected forms of labour force participation is unskilled own-account work, which is a very important source of job and income creation in the region's labour markets, especially for women and young people. Unpaid family workers and a significant proportion of wage workers, including those in domestic service, are also excluded from social protection. Changes in the world of work, coupled with the technological revolution, may drive up still further the proportion of employed persons in a situation of insecurity. While the current rapid and intense changes are creating production processes and markets that offer new opportunities, they also pose risks to the world of work.

Although the future of work is linked to the technological revolution, it also depends on new value chain configurations, demographic trends and the urgent transition to environmentally sustainable economies. The net result will depend on macroeconomic dynamics and forms of work organization, as well as on political and institutional factors that make investment in skills and instruments for matching supply and demand for labour crucial.

In order to ensure that the generations to come acquire the skills and competencies required for the future labour market, measures must be taken to improve the quality and relevance of education, prevent early school leaving and act in concert to achieve a balance in education between opportunities and outcomes. At the same time, opportunities for lifelong learning should be boosted, given the need to acquire new competencies that are useful in addressing the changes. This makes it essential to improve and strengthen the system of education and technical and vocational training to adapt it to an increasingly complex world where lifelong learning skills will need to be enhanced (in coordination with private enterprise and public institutions) and where education must prepare everyone for citizenship, democracy and the demands of the new labour market.

Key to furthering social and labour market inclusion is the ability to thrive in the digital age, which requires important transversal competences to adapt to a changing world, such as critical thinking, problem solving and creativity and, in particular, social-emotional skills, including self-confidence, collaboration and persuasion, and leadership and management skills. It is also vital to have the tools for people to learn and unlearn continually.

To boost countries' productivity and capabilities, with increasing levels of inclusion and sharing in the benefits of development and the exercise of rights, progress is needed in social inclusion and labour market inclusion simultaneously.

This programme seeks to implement labour and productive policies for improving both the supply and demand for labour, in order to increase labour market inclusion and close existing gaps in the labour market. This makes labour and productive inclusion policies, together with financial inclusion and strategies for the formalization of wage

work and own-account work, key to reducing inequalities in a range of areas, from education and technical and vocational training, to access to credit, entrepreneurship opportunities and contributory social protection for groups facing the greatest barriers, to help fulfil the pledge in the 2030 Agenda for Sustainable Development that no one will be left behind.⁵

This component of the social well-being pillar focuses on the disparities in labour market inclusion faced by young people, women, adults from households with a low socioeconomic status, migrants, persons with disabilities, indigenous peoples and Afrodescendent populations. The programme also seeks to boost the process of transition from education and training to the labour market, in line with projected demand for workers with a range of different skills. To address the need for social and labour market inclusion, two programmes by the Mexican Agency for International Development Cooperation (“Sowing Life”⁶ and “Youth Building the Future”) have begun to be implemented in the three northern Central American countries.

It is not enough merely to facilitate access to work: there is also a need to foster decent, well-paid, productive, quality employment, in conditions of freedom, equity, safety and human dignity. This means reinforcing labour institutions to expand the formalization of employment, adapt labour codes and social security systems to the new realities and ensure labour regulation and inspection bodies that guarantee workers’ rights. It is also important to guarantee freedom of association and strengthen collective bargaining.

This component of the social well-being pillar requires interconnected policies in a variety of fields, especially work, education, social protection, production development and health. It also relies directly on the investment and economic development initiatives in the economic development pillar, as it depends on these initiatives producing growth in demand for labour.

In terms of desired outcomes, the social and labour market inclusion programme seeks to make significant progress in reducing the unemployment rate, raising the income of workers (particularly those living in poverty and socioeconomic vulnerability), lessening informal employment and expanding social protection coverage, as well as increasing productivity rates. This should result in better functional distribution of income and a sustained reduction in poverty.

⁵ See United Nations, *Transforming our world: the 2030 Agenda for Sustainable Development* (A/RES/70/1), 2015 [online] <https://undocs.org/en/A/RES/70/1>.

⁶ See proposal 3.16 of the environmental sustainability, climate change and adaptation and disaster risk reduction pillar.

Table IV.7

Social and labour market inclusion programme

1. Actions	2. Impact
<ul style="list-style-type: none"> • Provide training and promote the employment of young people at risk • Assist in setting up productive enterprises and provide the relevant training • Increase the coverage of secondary education and the development of relevant skills for life and work • Implement reforms to reduce informality in companies and employment • Improve labour intermediation systems • Support indigenous and Afrodescendent women and young people to reduce inequality gaps and conditions of exclusion • Carry out institutional reforms to improve social protection coverage • Implement the Child Labour Risk Identification Model • Generate reliable and comparable information on living and employment conditions 	<ul style="list-style-type: none"> • Improved conditions of training and access to employment for young people • Reduction in opportunity gaps for indigenous and Afrodescendent women and young people • Increased average years of schooling • Reduced levels of informality in companies and employment • Increase in workers' income • Improved social protection coverage • Reduction in child labour
3. Programme project proposals	
2.1	Sustainable employment for young people at social risk in El Salvador, Guatemala and Honduras and the states of south-southeast Mexico
2.2	Youth employment with a gender perspective
2.3	Building equality: leadership and empowerment of indigenous, Afrodescendent and Garífuna women in northern Central America and south-southeast Mexico
2.4	Closing inequality gaps for indigenous peoples
2.5	Comprehensive strategies for formalizing companies and employment in El Salvador, Guatemala, Honduras and south-southeast Mexico
2.6	Training for the future workplace
2.7	Non-contributory pensions and social protection for groups with low coverage: migrant workers and their families, own-account workers, micro-enterprises, female domestic and migrant workers
2.8	Prevention and eradication of child labour
2.9	Youth building the future in south-southeast Mexico and northern Central America, Mexico
2.10	Reappropriation of public spaces and creation of technological research projects through the participation and job training of young people aged 15–29 years, state of Campeche

Budget:
US\$498 million
Duration:
5 years

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Note: Projects 2.9 onwards (in bold) are projects prioritized by the Governments of the Northern Central American countries, the Government of Mexico, or the states of South-Southeast Mexico.

(b) Life skills programme

Early childhood education is a fundamental human right that provides people with access to the enjoyment of other rights. It is vital to developing socialization and facilitating social and labour market inclusion. Although this begins before children start school and continues into adulthood, the school stage is when critical processes for acquiring and developing skills, enhancing analytical capacity and creativity and exercising citizenship occur. More years of schooling in quality education programmes, including comprehensive sexuality education, with a humanistic approach, facilitate the development of individual abilities, prevent early and unwanted pregnancies, create better job opportunities and higher incomes to ensure minimum levels of well-being, and empower people to participate more fully in democratic societies.

Insufficient schooling among the labour force and lack of quality, inclusion and equity in education are major constraints on building capacity, with consequences for productivity, equality, peaceful coexistence and citizenship-building. Apart from

the fact that education is a human right, investment in human capacity-building is justified from an economic standpoint, both for society as a whole and individually (in terms of returns and better-quality job opportunities). Education also facilitates social inclusion (in terms of health and self-care, for example) and provides people with the tools they need to integrate as full citizens into today's complex world (empowerment and political participation). While this has been true for several decades, a quality educational process is all the more important now, in view of the skills required for adequate social and labour market inclusion enabling a transition to just, egalitarian, peaceful and inclusive societies, low-carbon economies and the exercise of citizenship in today's knowledge society.

In recent decades, the subregion has made progress in terms of the proportion of young people who complete an educational cycle. However, the amount of progress varies from one country to another, and even within individual countries, where many young people are still excluded from education, especially at the secondary level. They also face inequalities in education provision, which are expressed in the quality of services, infrastructure, size of schools, teaching staff and learning achievement.

It will be a major challenge to turn the education system into a real mechanism for social and labour market inclusion to achieve adequate levels of well-being and reduce social inequalities. The issue is not just the number of years a person remains in schooling but what and how they learn along the way and how increased schooling relates to ever more expansive and dynamic labour markets that also contain significant barriers to access, as well as mechanisms of exclusion and hierarchy. This makes it crucial to promote an inclusive and multicultural education system, with initiatives to prevent bullying and violence and comprehensive education on sexual and reproductive rights.

The priority of this dimension of the social well-being pillar is to address the inequalities and gaps faced by children, adolescents, young people, lesbian, gay, bisexual, transgender and intersex persons, persons with disabilities, indigenous peoples and Afrodescendent populations.

Below are some of the possible ways to meet the challenge of building an education system that transfers twenty-first century skills:

- Rethinking the purpose of teaching, with a humanistic approach, and recognizing education as a right and public good that is not just an instrument or input for a production process but a key element of people's personal development and development as citizens.
- Identifying new cross-sector approaches to overhaul completely the functioning and governance of the education system, as well as the link between training policy and policies for development and poverty reduction.
- Resolving outstanding issues of coverage and advancement. Basic access still needs to be extended to a "hard core" of exclusion. There is a need to expand provision of both infrastructure and second-chance or reintegration programmes that include the migrant returnee population.
- Improving quality and relevance for the acquisition of new competencies to facilitate adaptation to technological change and participation in twenty-first century society: redefining curricula, teaching and the assessment of education outcomes to suit specific contexts and the needs of individuals and communities

by incorporating ethnic and sociocultural diversity into the assessment of learning, as well as the more general civic education requirements; ensuring innovative and flexible education and training provision; promoting greater participation; and adjusting school culture to youth culture.

- Addressing postponement factors: gender gaps tend to become more pronounced in the presence of other structural determinants of inequality, such as poverty, living in a rural area or membership of an indigenous people or Afrodescendent population.
- Investing in teaching. Pre-service and in-service teacher training should be updated and, to attract the best teacher candidates, it is imperative for the profession to recover lost prestige.
- Establishing reintegration and retention policies for adolescent fathers and mothers, to include: pregnancy prevention; minimum comprehensive services for sexual and reproductive health; exercise of citizenship and empowerment of girl children and adolescents; elimination of discrimination; maternity and early childhood care and support; guaranteed continuation of studies (which extends to the care of others generally); and a gender equality approach (ensuring that men share the responsibility for and participate in childrearing).

Giving a chance to all types of potential includes:

- Ascertaining the diverse range of trajectories and providing the opportunity to continue studying in a flexible way; offering the chance to enter and exit the system with intermediate qualifications; organizing training systems that facilitate flow between programmes, continuation of studies and refresher courses; strengthening both formal systems and alternative forms of provision, such as mobile or evening schools and distance secondary education (using information and communication technologies); enhancing care services; and recognizing the need for lifelong learning opportunities.
- Improving curricula, teaching and educational environments, while supporting countries in achieving target 4.7 of Sustainable Development Goal 4: “By 2030, ensure that all learners acquire the knowledge and skills needed to promote sustainable development, including, among others, through (...) sustainable lifestyles, human rights, gender equality, promotion of a culture of peace and non-violence, global citizenship and appreciation of cultural diversity and of culture’s contribution to sustainable development.”⁷
- Fostering school or the educational environment as a safe space that is free from violence (bullying and gender-based violence, homophobia, dating violence and any other type of violence) and includes civic education and training.
- Enhancing linkages between the education sector and health, with health promotion interventions and actions to prevent child sexual abuse, gender-based violence and teen pregnancy.

The life skills programme relates to both the economic development pillar (through its link with the labour market and the skills required for a specific structure of production) and the environmental sustainability pillar (through the impact of environmentally sensitive training on the personal, community and professional levels).

⁷ See United Nations, “Sustainable Development Goals” [online] <https://www.un.org/sustainabledevelopment/education/>.

Implementation of the proposals under the life skills programme is expected to significantly improve educational indicators, with higher rates of coverage, lower rates of school exclusion, higher rates of graduation from upper secondary education (12 years) and skills acquisition, as well as higher rates of youth employment with decent jobs.

Table IV.8

Life skills programme

Budget:
US\$2.66 billion
Duration:
5 years

1. Actions	2. Impact
<ul style="list-style-type: none"> • Design and implement mechanisms and alternative arrangements for reintegration into education • Design protocols and train teachers to tackle violence and respond to emergencies in school • Improve school infrastructure to cope with natural disasters • Strengthen national and subnational education systems • Establish mechanisms for accelerated alternative/ non-formal education and education bridges • Design new training packages • Create a development and training centre specialized in the needs of migrants 	<ul style="list-style-type: none"> • 100% of municipalities have educational reintegration mechanisms • 500,000 people who have fallen behind complete their secondary education • 60,000 schools (18 million pupils) have an environment that is safe, free from violence and resilient to natural disasters • Reduction in early school leaving • Improved basic skills in reading and mathematics • Young people trained and accredited for digital skills and green jobs • Improved educational environment suited to continuing education needs
3. Programme project proposals	
2.11	Guarantee that everyone in regions with the highest migration rates has the opportunity to access good-quality, relevant basic and secondary education in safe, resilient environments that are free from violence
2.12	“Mi Nueva Escuela” project to modernize the education system, El Salvador
2.13	Strengthening associations of municipalities, Guatemala
2.14	University centre for the comprehensive development of south-southeast Mexico and northern Central America, state of Tabasco

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Note: Projects 2.12 onwards (in bold) are projects prioritized by the Governments of the Northern Central American countries, the Government of Mexico, or the states of South-Southeast Mexico.

(c) Comprehensive child development programme

The decision to make early childhood and early childhood development a substantive programme in a development strategy for El Salvador, Guatemala, Honduras and south-southeast Mexico was backed by accumulated evidence on: the role that such policies play in the exercise of the rights of children and their families; their role in people’s cognitive development and acquisition of non-cognitive skills and their benefits for countries’ productivity; the contribution of such policies to labour force participation, especially that of mothers; and their potential to assure equality, social cohesion and sustainable development in countries, targeting the underlying causes of violence and social inequality.

There is compelling research confirming the role of early childhood experiences as the fundamental building block for a person’s health and development in later stages of life, as well as the positive impact of early childhood investment on society: for instance, early childhood policies can increase equality and reduce the intergenerational transmission of poverty. In contrast, severe distortions during the early childhood development cycle, caused by such factors as malnutrition, have a profound effect on skill acquisition, cognitive development, mortality and the prevalence of morbidities

through a child's life cycle.⁸ Malnutrition exacts high economic costs, the current and future repercussions of which have not been sufficiently highlighted. Despite the fact that such policies as cash transfers for families with children and care policies, including care leave and services, have had a proven effect on poverty reduction and women's entry into paid work in developed countries, the coverage of these policies is still poor in Latin America and very poor in northern Central America and south-southeast Mexico.⁹

Comprehensive early childhood care policies for early childhood development require a coordinated system of interventions in different areas, coupled with a life cycle approach. Key areas are maternal and child health, nutrition, early stimulation, early and preschool education, and care, within the framework of the social protection system. The various types of care leave and arrangements for reconciling paid and unpaid care work in families, as well as care services, transfers and regulations, are also important here, as they all contribute to a culture of shared social responsibility, to the labour market inclusion of women and men and to early childhood care. Other social protection benefits include contributory and non-contributory family allowances, as well as other mechanisms for cash and in-kind transfers, designed to protect the income of families with children at this stage of the life cycle.

The comprehensive child development programme seeks to promote comprehensive early childhood care policies with a special emphasis on children under 6 years of age living in poor, rural, indigenous or Afrodescendent households, women during pregnancy and postpartum and childcarers. The programme proposals include initiatives for protecting the human rights of women involved in transnational chains of care, increasing the coverage and quality of essential services for comprehensive early childhood development and reducing chronic undernutrition.

Its implementation would impact not only on the social well-being pillar but also on the economic development pillar and on the considerations relating to management of the migration cycle and the protection of the rights of children in their different stages of life. It also relies directly on the investment and economic development initiatives contained in the Comprehensive Development Plan and on the extent to which these initiatives lead to growth in demand for labour.

Key indicators for measuring achievement of the objectives of the comprehensive child development programme include: higher birth control and early childhood development rates; a decrease in chronic undernutrition; an increase in children's attendance at childcare and development centres; and a decrease in late-age enrolment in primary education.

⁸ In an analysis of 21 Latin American countries, Guatemala was found to be the country with the highest prevalence of chronic undernutrition (46.5%), while Mexico was among the countries with the highest prevalence of overweight and obesity in children and adolescents (See A. Palma, "Malnutrition among children in Latin America and the Caribbean", Economic Commission for Latin America and the Caribbean (ECLAC), 2 April 2018 [online] <https://www.cepal.org/en/insights/malnutrition-among-children-latin-america-and-caribbean>).

⁹ The information available for eight Latin American countries, around 2014, shows that, in Mexico, attendance of preschool education by children aged 35 years was 71.8%, while in Honduras it was only 37.6% (Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America, 2016* (LC/PUB.2017/12-P), Santiago, 2017).

Table IV.9

Comprehensive child development programme

Budget:
US\$645 million
Duration:
5 years

1. Actions	2. Impact
<ul style="list-style-type: none"> • Prepare legislative proposals to protect the labour rights of women engaged in care work • Raise awareness and provide training and technical support for the development of caregiver support programmes • Reduce coverage gaps in essential services (health, nutrition, education and protection) • Strengthen institutional mechanisms for identifying needs, policy-making and management • Improve primary health care and the development of quality control systems for health services • Increase prenatal checks and early child development • Expand the coverage, access and use of health, nutrition and child development services 	<ul style="list-style-type: none"> • Improvement in the rights and employment status of 200,000 women engaged in care work • Provision of essential comprehensive development services to 1.6 million children under 6 years of age • At least one-third reduction in multidimensional child poverty in selected municipalities • At least one-third reduction in the number of out-of-school children in selected municipalities • Improved access, coverage and use of health and nutrition services in selected municipalities • Reduced levels of undernutrition in children under 5 years of age in selected municipalities
3. Programme project proposals	
2.15	Increasing the coverage and quality of essential services for the comprehensive early childhood development of the most vulnerable children in northern Central America and Mexico
2.16	Comprehensive early childhood care to prevent and reduce chronic undernutrition in 35 prioritized municipalities in two departments of Guatemala
2.17	“Crecer Juntos” National Policy to Support Early Childhood Development, El Salvador

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Note: Project 2.17 (in bold) is a project prioritized by the Governments of the Northern Central American countries, the Government of Mexico, or the states of South-Southeast Mexico.

(d) Lifelong health programme

Health is the bedrock for the full development of people and societies. However, the enjoyment of this fundamental right is one of the biggest social debts in northern countries of Central America and the nine states of south-southeast Mexico. A good state of physical and mental health that facilitates participation in education and the labour market, coupled with nearby, timely and relevant health services, are factors that encourage people to put down roots.

A major challenge for improving people’s health indicators and closing the notable gaps in this area is lack of access to timely, high-quality health services. Access can be limited by several barriers, including those of an economic, geographical, cultural, linguistic or attitudinal nature. There is still great fragmentation and overlap of benefits and health care coverage, as seen by the wide disparities in the quality of services available to different population groups, which serve to perpetuate inequities.

Improving the health of people living in the countries involved in the Comprehensive Development Plan should therefore be seen as a strategic investment that would have positive externalities in other areas of development, such as the ability to study, acquire new skills and participate in the labour market. While genetic factors may play a role in health, social determinants are fundamental. The physical, economic and social environments in which people are born, grow and develop have a major influence on the development, identification and treatment of diseases. As a result, poverty, inequality and social exclusion have a significant impact on people’s health. In view of the interplay between health and other areas of social well-being, interventions for improving people’s health status should adopt a holistic approach, with initiatives aimed at promoting other dimensions of social well-being.

People’s healthy development and growth should be seen as a continuum in which each stage is linked closely with the stages before and after. Promoting people’s health in a broad sense therefore calls for a holistic approach that addresses the changing needs and challenges they face to secure lifelong health: from maternal and child health to chronic disease and the care of older persons.

It should be a priority to ensure that access to health services for people living in the municipalities and territories most predisposed to migration is improved significantly and that health services are adequate, timely, nearby and high-quality, with a focus on rights, a gender perspective, interculturality and a life-cycle approach.

The lifelong health programme seeks to improve access to services, move towards universal coverage and forge synergies between health and social protection strategies in the territories most predisposed to migration. The programme considers the social determinants of health, in order to promote investment in preventive actions for reducing disease risk. This includes timely access to immunization and monitoring services, the extension of primary health care services and the promotion of community health, healthy eating and access to clean drinking water and sanitation services.

As mentioned earlier, the lifelong health component has two-way links with policies in different areas, especially education, work and social protection. Lifelong health is also linked directly with the environmental sustainability pillar and the management of the migration cycle pillar. In the former case, it is because the environment is a space where certain pollutants can proliferate (or be controlled) and where climate-change-related disasters occur and, in the latter case, it is because of the special health risks posed by migrants in transit.

The desired outcomes of the lifelong health programme are better health coverage and control indicators, lower morbidity and mortality rates and longer life expectancy.

Table IV.10
Lifelong health programme

1. Actions		2. Impact
<ul style="list-style-type: none"> • Improve medical equipment and facilities (surgeries, clinics and hospitals) • Improve medicine supply processes • Achieve universal vaccination and implement policies to reduce maternal and child mortality • Enhance skills for managing and monitoring social protection programmes and access to health • Implement sexual and reproductive health programmes and support packages • Build the capacity of migrant care centres and health units 		<ul style="list-style-type: none"> • Improved effective access to health services for 10 million people in the municipalities most predisposed to migration • Increased care of migrants
3. Programme project proposals		
2.18	Universal access to adequate, timely, nearby health services, especially in the municipalities and territories most predisposed to migration	
2.19	Humanitarian and development interventions by the United Nations Population Fund (UNFPA) in northern Central America and Mexico	

Budget:
US\$6.01 billion
Duration:
5 years

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

(e) Violence prevention and culture of peace programme

As mentioned below, violence is a theme running through the recent history of countries in the subregion and, while violence has changed in nature and armed conflicts have ended, it is still very prevalent. Its current characteristics (level, intensity and territorial expression, transnational character, femicide, hate crime¹⁰ and its link with organized crime) make a multisector perspective vital.

Given the distinctive types of violence currently seen in these countries, the violence prevention and culture of peace programme focuses on young people. This is one of the stages of life most affected by the phenomenon of violence and youth is one of the main factors contributing to mortality and the burden of disease during this stage, especially in men. The high visibility and increasing involvement of young people in gangs or other organized forms of urban violence reinforce a stigmatized view of young people as perpetrators of violence, associating them in the public imagination with negative attributes, such as deviant or dysfunctional. Studies conducted in Central America have found such violence to be more a consequence of the marginalization and exclusion suffered by young people in various parts of the subregion, leading to the formation of alternative membership groups, such as criminal youth gangs (*maras*), which offer a different sort of social inclusion: inclusion within exclusion. The commonest forms of social exclusion found to trigger violence among young people are urban marginalization, lack of access to channels of social mobility and consumption, exclusion from education and work, socialization from an early age in aggressive behaviours and crime (in families and neighbourhoods) and thwarted expectations when the extended schooling of many young people fails to guarantee better job opportunities or enhanced well-being.

One of the most widespread forms of violence is gender-based violence, which affects women, girl children and adolescents, especially those in a situation of exclusion and vulnerability as a result of poor living conditions. Some of the causes of gender-based violence lie in deeply ingrained cultural norms and patterns that devalue women and girls in a society where they experience unequal power relations. Migrant women, girl children and adolescents are a group particularly vulnerable to violence, including sexual violence. The consequences of violence are very serious, not only for the victims but also for their families, the community and society as a whole.

It is essential to recognize safety and a life free from all forms of violence as ineluctable rights and to spearhead a cultural change based on peace, tolerance and an appreciation of human life in all its diversity. To reverse violence, particularly in urban areas, consideration should be given to designing comprehensive policies, with a stronger presence of the State, which focus on the multiple causes of violence, with measures for prevention, public safety, reducing impunity, rehabilitation and restoration. This calls for strategies to be coordinated at the different levels, incorporating the

¹⁰ Hate crime is defined as any malicious act, usually perpetrated with cruelty, which includes, but is not limited to, violations of the right to life, personal integrity or personal liberty intended to cause the victim serious harm or death, where the aggression is based on rejection, intolerance, contempt, hatred and/or discrimination towards a vulnerable group, in this case the lesbian, gay, bisexual, transgender and intersex population. Center for Justice and International Law (CEJIL), *Diagnóstico sobre los crímenes de odio motivados por la orientación sexual e identidad de género en Costa Rica, Honduras y Nicaragua*, 2013 [online] <http://www.corteidh.or.cr/tablas/r33181.pdf>.

territorial perspective. Long-term strategies should be considered for recovering aspects of the wider social context, such as a culture of peace, fostering non-violent conflict resolution and encouraging violent actors to cease violence of their own volition. It is also necessary to recognize the shared responsibility of all social actors, as well as to promote an environment of institutional trust, especially in institutions like the police and judiciary, moving away from a concept of public safety to one of human security and a culture of peace.

Such an environment is not achievable in the short term. Just as the landscape of violence has not been reversed, reversal initiatives should take a gradual approach, which will certainly work faster than the process of deterioration. It should also be acknowledged that, while the establishment of these elements is a prerequisite for reversing the processes of violence, it is not enough in itself. There need to be institutional reforms and responses that consider the social divide, which induces people to join gangs to meet their need for an identity, a sense of belonging and, above all, self-realization. This will lead to the design of responses that ought to meet young people's need for social participation without the current violence.

The violence prevention and culture of peace programme formulates responses to manifestations of violence occurring closest to people, in the areas of prevention and containment, expanding the options for the social inclusion of young people in a society that currently excludes and stigmatizes them and that fails to ensure their personal fulfilment. The programme contains responses to strengthen institutions and the rule of law and involve those population segments and urban and rural territories that are most vulnerable in this respect: young people of low socioeconomic status, women, the police, indigenous peoples and Afrodescendent populations.

This component has two-way links with policies in different areas, especially education, health, safety, work, social protection and production development. As homicides, like femicides and extortion, have a direct impact on investment decisions, local economies, micro-, small and medium-sized enterprises, productivity and economic development in general, work is required on multisector policies to create spaces of synergy with benefits to facilitate investment, growth and productivity. This makes the link with the economic development pillar important.

The desired outcomes of the actions in the violence prevention and culture of peace programme are a reduction in victimization, homicide and femicide rates, a decrease in extortion and an increase in levels of cohesion, interpersonal trust, participation and support for democratic processes.

Table IV.11

Violence prevention and culture of peace programme

Budget:
US\$55 million
Duration:
3 years

1. Actions	2. Impact
<ul style="list-style-type: none"> • Provide technical assistance to design targeted strategies and build local capacity for crime prevention and public safety • Strengthen municipal systems for the protection of children and adolescents • Create spaces for education and comprehensive development • Inform the migrant population about the most prevalent risks and crimes, their rights and access to justice • Coordinate national responses to the most prevalent crimes • Build capacity for detecting and investigating crimes against migrants, as well as for the legal and operational framework to fight corruption and organized crime • Offer an integrated response service (pilot project) for survivors of gender-based violence and human trafficking • Provide technical assistance to improve the legislative framework for preventing human rights violations and ensuring redress where necessary • Build the capacity of local governments for violence prevention, inter-agency coordination, crime control and prosecution, social rehabilitation and integration, and victim care and protection 	<ul style="list-style-type: none"> • Reduced crime levels and increased public safety • Access to education and cultural activities for the residents of selected municipalities • Reduced vulnerability of migrants to crime • Countries have improved capacity to deal with trafficking and gender-based violence • Countries have an improved legislative framework for protecting human rights • Reduced impact of violence and crime through prevention and control • Guaranteed compliance with the law and guaranteed comprehensive care and protection for victims
3. Programme project proposals	
2.20	Enhancing human security at the local level
2.21	Preventing and responding to violence against children and adolescents and promoting the responsible use of information and communication technologies in El Salvador, Honduras, Guatemala and Mexico
2.22	Regional programme for the protection, assistance and access to justice of migrants from northern Central America (El Salvador, Guatemala and Honduras) and Mexico, with a focus on fighting corruption
2.23	Reinforcing Assistance to Child Victims of Trafficking (ReACT)
2.24	Strengthening the rule of law, the human rights approach, the administration of justice and the fight against impunity in El Salvador, Honduras, Guatemala and Mexico
2.25	Support for the implementation of comprehensive security and peaceful coexistence policies
2.26	Information management for evidence-based public safety policies, with a gender perspective
2.27	Putting into operation an arts and crafts factory and fitting out areas for inclusive social development, a culture of peace and the prevention of violence and crime, state of Quintana Roo, Mexico

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Note: Project 2.27 (in bold) is a project prioritized by the Governments of the Northern Central American countries, the Government of Mexico, or the states of South-Southeast Mexico.

3. Environmental sustainability, climate change and adaptation, and disaster risk reduction pillar

Owing to their geographical location, the northern countries of Central America and the states of south-southeast Mexico face multiple risk factors, such as a prolonged hurricane season from the Caribbean Sea and Pacific Ocean, hydrometeorological hazards, strong seismic activity and volcanic eruptions arising from the geomorphology of their land where active tectonic plates meet and recurrent forest fires are exacerbated by climate change.¹¹

Their exposure and vulnerability place El Salvador, Guatemala and Honduras among the countries in the world with the highest disaster risk from natural hazards or the greatest economic losses as a percentage of gross domestic product (GDP) over the past 20 years.

Climate change and environmental degradation compound the risks and undermine economic activity, especially that of the agricultural sector, which provides between 15% and 30% of the subregion's employment. In such a context, disaster impacts (such as cyclical drought) drive people away from their region of origin. Indeed, erratic rainfall has made the Central America Dry Corridor one of the most susceptible areas in the world to climate variability and change.¹² Half the population of the Dry Corridor of Guatemala and Honduras live in rural areas and below the poverty line.¹³ The vast majority of this population are indigenous peoples who are disproportionately affected by climate change because they rely directly on fragile ecosystems, rainfed agriculture and forest products. Climate change, which is a major cause of rural migration, intensifies other socioeconomic and social instability-related causes of migration.

For all the above reasons and by virtue of the Paris Agreement's nationally determined contributions and the Sendai Framework for Disaster Risk Reduction 2015–2030, this pillar of the Comprehensive Development Plan on environmental sustainability, climate change and adaptation, and disaster risk reduction seeks to address the factors described above and proposes different ways of achieving more inclusive and sustainable economic development in the subregion. Its objectives are to:

- Expand information for decision-making on climate change impacts and disaster risk, and build the capacity of national actors to anticipate, prevent and respond to such events in a timely manner.

¹¹ See United Nations Office for Disaster Risk Reduction (UNDRR)/Coordination Centre for the Prevention of Natural Disasters in Central America and the Dominican Republic (CEPREDENAC), *Informe Regional del Estado de la Vulnerabilidad y Riesgos de Desastres en Centroamérica*, 2014 [online] <https://eird.org/americanas/docs/informe-regional-centromericano-RAR.pdf>.

¹² The Central America Dry Corridor belongs to one of the three climatic zones of Mesoamerica. Comprising a region of dry tropical forest on the Pacific side of Central America, it extends from the coast of Chiapas in Mexico to western Costa Rica and the western provinces of Panama. The Dry Corridor traverses El Salvador, Guatemala and Honduras, three countries in the subregion that are highly vulnerable and exposed to both drought and extreme rainfall.

¹³ See Food and Agriculture Organization of the United Nations (FAO), "Chronology of the Dry Corridor: the impetus for resilience in Central America", 2017 [online] <http://www.fao.org/in-action/agronoticias/detail/en/c/1024539/>.

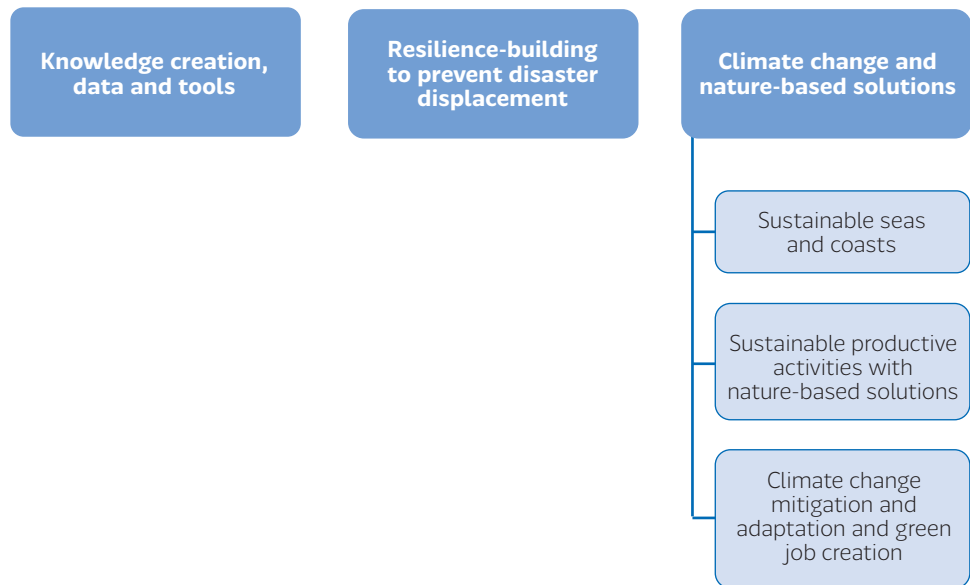
- Implement public policies with a development approach that takes into account climate change and disaster risk.
- Increase public and private investment and reduce economic losses resulting from climate change and disasters.
- Include climate-risk and disaster management as criteria for evaluating public and private investments.
- Build the resilience of urban, coastal and rural territories, focusing on the gender perspective.
- Address the impact of climate change through nature-based solutions that enable communities to make efficient use of resources and generate income.
- Reduce disaster displacement by mitigating risk, responding to disasters in a timely and effective manner, preventing the creation of new risks and building resilience.
- Implement coordinated regional measures to deal with internal displacements, including development initiatives that address the underlying factors.

To achieve these objectives, the pillar will focus on three areas: (i) knowledge creation, data and tools for climate change adaptation and disaster risk reduction; (ii) resilience-building to prevent disaster displacement; and (iii) nature-based solutions.

Diagram IV.9 summarizes the main policy areas under each programme.

Diagram IV.9

Environmental sustainability, climate change and adaptation, and disaster risk reduction pillar



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

(a) Knowledge creation, data and tools programme

The lack of appropriate disaggregated data is one of the main constraints on comprehensive risk management and climate action. The collection, analysis and use of data is key to designing and enhancing public policies and interventions in this area.

The purpose of this programme is to build technical and institutional capacity to prepare and update hydrometeorological and geological data, disaggregated statistics and timely information for preventing and responding to natural events. It also aims to help update and strengthen early warning systems for multiple risks. This requires institutional coordination mechanisms to be reinforced at both the national and regional levels to enable them to manage the information that is generated. In addition, hydrometeorological and geological information products and services need to be designed and implemented at the national and local levels.

Not only does systematic assessment quantify the effects of a disaster, it also helps to reduce the risk of future events. Ongoing data collection makes it possible to anticipate risks, guide policy interventions to address underlying issues that exacerbate disaster risk and boost financial protection. Data highlight vulnerabilities, making them useful for such purposes as setting intervention priorities, relocating exposed settlements, developing maintenance plans and designing targeted interventions to support vulnerable populations. Climate projection models are also important for anticipating actions and reducing disaster risk.

Setting up a satellite account provides information for the design of policies to build disaster resilience. Progress in this area would enable the effects of a natural or human-induced event and its repercussions on the economy, society and the environment to be ascertained systematically (in both monetary terms and physical units). This would facilitate an assessment of the impact of disasters on development progress and potential delays in meeting the Sustainable Development Goals. To this end, a methodological guide for setting up satellite accounts to assess disasters and train technical officers in methodological aspects needs to be developed, validated and disseminated.

The ability to identify spaces for synergy, recognize the comprehensive nature of disaster risk reduction and adopt a multisectoral approach calls for an understanding of disasters, their causes and effects. This makes capacity-building crucial to disaster risk reduction. To reduce disaster risk, it is essential to have highly skilled institutions and officials that are able to identify spaces for collaboration, leverage available information and design comprehensive public policies. Institutional capacity must therefore be as cross-cutting in nature as the effects of these destructive events and calls for the involvement of such sectors as finance, micro-, small and medium-sized enterprise, education, health, culture and heritage, housing, transport, energy, hydroelectric power, water and sanitation, telecommunications and the environment, as well as productive sectors like tourism and agriculture. Based on information on the potential impact of a disaster on sectors such as education, energy or transport, it is possible to develop targeted public policies and move towards comprehensive risk management.

In parallel with building institutional capacity, it is also desirable to implement arrangements for working on the ground with communities affected by disasters or climate change impacts. This would make it possible to ascertain communities' needs and establish a common language to enhance the transfer and appropriation of knowledge and technology. The formation of joint working groups and ongoing feedback between local institutions and communities could build community resilience.¹⁴

Table IV.12

Knowledge creation, data and tools programme

Budget:
US\$4.7 million
Duration:
5 years

1. Actions	2. Impact
<ul style="list-style-type: none"> • Conduct an analysis of gaps and opportunities in statistical information generation • Build technical and institutional capacity through regional workshops and meetings • Generate and update statistical and hydrometeorological information • Design or update a platform for the integration of any regional information generated and processed • Develop a methodological guide for disaster measurement 	<ul style="list-style-type: none"> • Disaster prevention and anticipation at the national level • Reduced human and infrastructure exposure to hazards and associated disaster risk • Reduced disaster impact on rural areas: <ul style="list-style-type: none"> - 3.6 million agricultural production units - National parks and forest corridors
3. Programme project proposals	
3.1	Building technical and institutional capacity for generating climate and geological data to prevent and address disaster risk
3.2	System of satellite accounts to measure disasters and their impact on regional and national development: methodological guide

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

(b) Resilience-building to prevent disaster displacement programme

The purpose of this programme is to build institutional capacity for risk management and sectoral policy design, financial protection, strengthening national public investment systems and minimizing the number of people displaced by disasters. This would enhance knowledge of the effects of hazards arising from economic, social and environmental vulnerability, improve the quality of public interventions and reduce the impact of extreme events.

This programme seeks to promote investment to reduce displacement and improve response and care for displaced populations. This requires an understanding of disaster displacement processes and institutional capacity-building for preventing and addressing such movements. The aims are to develop disaster risk reduction plans that incorporate displacement as an important dimension and to establish an integrated cross-border system for managing information on the population displaced by extreme events. It is also necessary to improve care for vulnerable communities and environmental migrants in northern Central America.

¹⁴ The Food and Agriculture Organization of the United Nations (FAO) and the Consultative Group on International Agricultural Research (CGIAR) use Participatory Integrated Climate Services for Agriculture (PICSA) in Latin America and the Caribbean (including Guatemala and Honduras) and, to date, have been fairly successful in building resilience and avoiding climate change-related crop losses. PICSA initiatives are relatively low-cost and what they need most is coordination.

A systemic view is essential for meeting humanitarian needs, especially those arising from violence, migration and displacement. This can take the form of recovery strategies that consider increased conflict situations and natural hazards (such as a post-disaster needs assessment or recovery and peacebuilding assessment). Interventions in strategic geographic areas characterized by large migrant populations and complex crisis situations also need to guarantee livelihoods, mainly among the poor and excluded population, particularly women and young people. Appropriate targeting of public assistance on the most affected people and adaptation of the different social protection systems will make it possible to promote ways of addressing the underlying causes of vulnerability as part of a comprehensive approach (for example, by developing employment programmes for infrastructure improvement, slope restoration or water conservation). It is necessary to promote strategies for a transition to development, such as support for clusters and the promotion of alternative productive activities, as part of programmes to aid rapid recovery of food production and livelihoods.

The abovementioned tools of post-disaster needs assessment and recovery and peacebuilding assessment generate contingency or response plans, as well as recovery and rehabilitation plans. Apart from these tools, there are financial protection strategies to support Governments' ability to cope with the impact of disasters (or climate change), reduce budget volatility, improve planning processes and set priorities and courses of action. Further benefits include transparency, efficient use of resources, increased responsiveness, financial inclusion and risk sharing. Not only must the State protect its investments in public infrastructure and as a provider of services and assistance, it must also mitigate the potential impact of its public protection responsibility on public finances. Such investments must therefore be resilient and have financial protection, especially as the countries involved in the Comprehensive Development Plan require infrastructure investment worth around 6% of their annual GDP.

Public investment protection would reduce capital losses from disasters and protect the users of such services and infrastructure. The aim is to develop a methodology for incorporating multi-hazard disaster risk reduction and climate change response criteria when identifying, formulating and evaluating public investment projects. It will also be necessary to design and validate a methodological guide for the hazard and vulnerability assessment of the weakness of structures at project sites and to build the resilience of public and private infrastructure to disaster events.

The proposed actions should be accompanied by awareness-raising initiatives for decision-makers (at all levels) and by institutional capacity-building for the proper management of resources and use of any methodologies developed. A further aim is to collect information for quantifying the fiscal cost of disasters and their impact on countries' progress and of a cost-benefit analysis adopting a disaster risk reduction and climate change response approach to public investment projects.

Agricultural insurance mechanisms serve to reduce the vulnerability and social exclusion of small-scale producers in rural areas. This calls for comprehensive productive and financial services that support inclusive and sustainable economic growth and incorporate the disaster risk and climate change adaptation dimension. Parametric agricultural micro-insurance is one response to climate challenges. The aim is to provide small-scale agricultural producers with versatile, flexible and open insurance mechanisms, basic agroclimatic data and the participation of agricultural cooperatives, mutual associations and microfinance institutions that market such risk transfer instruments actively in rural areas.

Budget:
US\$174 million
Duration:
5 years

Table IV.13

Resilience-building to prevent disaster displacement programme

1. Actions	2. Impact
<ul style="list-style-type: none"> • Prepare disaster risk reports • Conduct national studies on vulnerability to gradual and sudden climate change factors • Build capacity nationally and locally (including local governments and companies) • Formulate disaster risk reduction plans • Systematize best practice • Design and implement a pilot programme for agricultural micro-insurance based on climate indices 	<ul style="list-style-type: none"> • A disaster risk reduction plan is implemented in 15 cities • 1,200 national and regional/local officials are trained in disaster management • Disaster management legislation is adopted • Four technical and regulatory instruments for incorporating disaster risk reduction and climate change response criteria into public investment • 99,000 small-scale producers have agricultural insurance
3. Programme project proposals	
3.3	Institutional resilience-building in local and national governments in northern Central America and south-southeast Mexico for disaster risk reduction and prevention of migration flows
3.4	Protection of national public investment through disaster risk reduction and climate change response
3.5	Agricultural micro-insurance with climate change adaptation measures for small-scale staple grain and coffee producers
3.6	Assisting and building the resilience of households and communities vulnerable to food insecurity in the Dry Corridor of El Salvador, Guatemala and Honduras
3.7	Agricultural micro-insurance with climate change adaptation measures for small-scale staple grain and coffee producers, Honduras
3.8	Strengthening the sustainable, climate-resilient coffee value chain, Honduras

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Note: Projects 3.7 and 3.8 (in bold) were prioritized by the Governments of the Northern Central American countries, the Government of Mexico, or the states of South-Southeast Mexico.

(c) Climate change and nature-based solutions programme

The link between climate change and migration has risen to prominence of late. Significant levels of out-migration from many regions have signalled the need to ensure sustainable lifestyles for vulnerable populations. To this end, the United Nations system is seeking to coordinate actions among its agencies offering solutions. The climate change and nature-based solutions programme includes three subprogrammes with environmental, social and economic objectives: (i) sustainable seas and coasts; (ii) sustainable productive activities with nature-based solutions; and (iii) climate change mitigation and adaptation and green job creation.¹⁵

According to the Organisation for Economic Co-operation and Development (OECD), over the coming decade, ocean industries will grow at least as fast as the global economy as a whole.¹⁶ Ocean industries can contribute to the energy, tourism and transport sectors and create jobs in fisheries and food production. The impact of climate shocks on these industries can therefore have serious social and economic consequences.

¹⁵ An example of a nature-based solution that encompasses the three subprogrammes is mangrove restoration, which: (a) helps to protect coasts from hurricane-force winds; (b) increases areas for breeding and early development of species important to artisanal fisheries; and (c) expands the options for carbon capture (mangroves being forests).

¹⁶ OECD, *The Ocean Economy in 2030*, OECD Publishing, Paris, 2016.

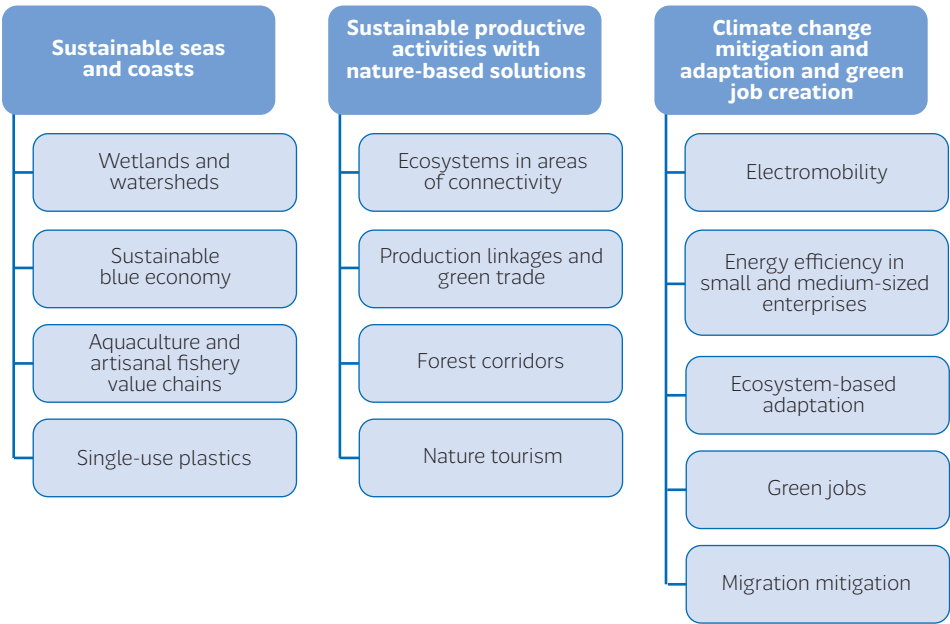
Holistic approaches can be used in nature-based sustainable productive activities to encourage many families to put down roots in their places of origin. Options can be developed to create sustainable livelihoods, while preserving the natural heritage and ecosystem services and promoting climate change resilience. They provide an opportunity to improve production processes, create incentives, mobilize sources of finance and strengthen value chains. It is also possible to promote economic activities that develop territories, landscapes, trade in sustainable or green products and biocultural heritage.

As urban and rural women, many of whom are indigenous, are particularly affected by the conditions where they live, it is important to mainstream the gender perspective into the subprogrammes. The actions should also consider the participation of young people to create social capital and enable generational renewal.

As the northern countries of Central America have a high degree of urbanization, climate change mitigation and adaptation actions in urban areas are also proposed. In the case of mitigation, electromobility projects are recommended in transport systems, together with energy efficiency projects targeting small and medium-sized enterprises. Ecosystem-based adaptation is proposed in 10 cities.

The subprogrammes' actions and activities consider the creation of green jobs and it is recommended to highlight their relevance in national plans and sectoral strategies. Progress would also be made in designing a system of economic incentives for generating co-benefits from ecosystem services. The final proposal is for mitigating forced migration, through rapid interventions in contingency situations, capacity-building, developing integrated urban operations and enhancing well-being in neighbourhoods with high levels of out-migration.

Diagram IV.10
Climate change and nature-based solutions programme



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

(i) Sustainable seas and coasts

Designing the sustainable seas and coasts subprogramme calls for the adoption of a sustainable blue economy strategy, the promotion of aquaculture value chains and the development of sustainable and inclusive artisanal fisheries, within a watershed management framework that eradicates sources of human impact (such as plastic waste) at the local level.

The northern countries of Central America and the states of south-southeast Mexico have abundant coastal marine resources. The transition to sustainable ocean economies based on the conservation and restoration of marine and coastal ecosystems, recognized as natural heritage, supports sustainable development and offers an opportunity to generate long-term socioeconomic changes.

The design of the proposed subprogramme is based on: promoting and harmonizing practices for the conservation and sustainable use of the marine and coastal natural heritage; building the capacity of national Governments; applying tools, methods and processes for mainstreaming sustainable blue economy principles; and implementing mechanisms for transitioning to economically, socially and environmentally sustainable activities in marine ecosystems.

Given the large share of artisanal fishing in the fisheries sector, the aim is to improve the working conditions of artisanal fishers, who are currently marginalized from the social security system and excluded from pension policies. To compound this, 84% of artisanal fishers have received no training of any kind and 86% have not accessed credit.

Mainstreaming a comprehensive wetland and watershed approach engages local communities and addresses the causes of coastal ecosystem degradation. This is important, as any mangrove protection action taken at coast level depends on the conditions in watersheds and surrounding wetlands, especially the quantity and quality of the waters flowing into mangroves.

To improve water quality, pollution from human activity needs to be eradicated. In recent years, there has been an increase in the generation and entry of plastics into coastal marine ecosystems. Not only can marine plastic waste have a significant ecological impact through entanglement and ingestion, it can also act as a vector for transporting invasive species and other pollutants. Plastic waste has an economic impact on a range of coastal sectors, such as tourism and recreation, shipping, fisheries, aquaculture, agriculture and human health. The intervention also proposes strengthening the legal framework, through technical assistance to all three levels of government for eliminating single-use plastics and preventing them from ending up in seas and oceans. At the same time, it will support capacity-building for the full implementation of national and local legislation on the matter. The intervention also promotes capacity-building for implementing a circular economy in order to change production patterns, increase resource efficiency and minimize waste in value chains. A final aim is to foster and build capacity for implementing circular economy ventures.

(ii) Sustainable productive activities with nature-based solutions

To promote the sustainable development of rural communities living close to areas of high biological importance or communities acutely vulnerable to climate change, it is necessary to propose nature-based solutions for sustainable productive activities that help to protect or conserve areas of high biodiversity value and to reduce the migration of vulnerable populations.

Actions to help mitigate and solve such issues should be comprehensive and take a multidisciplinary, cross-sector approach. They should meet the Sustainable Development Goals and promote cooperation not only between local and regional stakeholders but also between ministries and countries.

The most appropriate approaches should be sought for prioritizing and establishing nature-based actions. Watershed and landscape approaches can be useful in establishing local actions. Territorial approaches are needed to prioritize and establish actions in places where they create synergies between stakeholders. Productive activities must be made sustainable by using agroecological or other practices to help maintain and preserve ecosystem services; they also need to take into account value chains. Not only do such practices boost climate resilience significantly,¹⁷ they also reduce greenhouse gas emissions and increase sustainable development alternatives, demonstrating the close relationship between sustainability and short- and long-term resilience.¹⁸

Incentives are needed to promote best practice, recognize the capacity of producers (some of whom already comply with international standards for export) and reinforce the domestic market through anchor firms that promote local sales and consumption. The market should be considered from the outset in any solutions adopted. Another incentive is payment arrangements for ecosystem services, identifying cobenefits stemming from the implementation of nature-based solutions, such as agroforestry, which can generate such positive externalities as carbon capture or sequestration and water conservation. First, it is necessary to build the capacity of national institutions for implementing an appropriate and transparent identification, monitoring, information and verification system. Next, a pilot scheme could be developed, with the support of international funds, that lays the foundation for systems to coordinate national and private contributions that generate income for communities on the ground. These actions should promote the conservation and wise use of natural resources, as this is the only way to ensure that people's livelihoods continue into the future. In short, nature-based sustainable production systems can help to reduce negative ecosystem impacts and conserve biodiversity.

(iii) Climate change mitigation and adaptation and green job creation

One of the main social consequences of climate change is migration, which adds to the growth of already overcrowded urban areas. Rapid urban growth is particularly important in small and medium-sized cities, which are expanding faster than most megacities. Rapid, unplanned urbanization puts increasing pressure on city authorities to expand the provision of basic services and infrastructure, in turn impacting on urban ecosystems. The damage to ecosystems and people is compounded by the adverse effects of climate change. Cities also consume more than two thirds of the world's energy and account for over 70% of its carbon dioxide emissions.

¹⁷ In the aftermath of Hurricane Mitch, farmers using diversification practices, such as cover crops, intercropping and agroforestry, sustained less damage than their neighbours using conventional monoculture: they had between 20% and 40% more surface cover, more soil moisture, less soil erosion and fewer economic losses (C. Nicholls and M. Altieri, "Bases agroecológicas para la adaptación de la agricultura al cambio climático", *Cuadernos de Investigación UNED*, vol. 11, No. 1, Distance State University (UNED) of Costa Rica (see [online] <https://revistas.uned.ac.cr/index.php/cuadernos/article/view/2322/2829>).

¹⁸ The Intergovernmental Panel on Climate Change (IPCC) estimates that nature-based solutions could provide more than one third of the mitigation needed by 2030 to stabilize global warming at below 2 degrees Centigrade (see [online] <https://www.cbd.int/doc/c/326e/cf86/773f944a5e06b75dfc5866bf/sbstta-23-03-en.pdf>).

This subprogramme identifies electromobility as a component for mitigating these emissions. Energy efficiency also provides a cost-effective and high-impact opportunity to reduce greenhouse gas emissions. An industrial approach to emissions reduction and energy efficiency would have a dual benefit: mitigation and production development.

Apart from mitigation, action to adapt urban systems to the adverse effects of climate change is vital. The subprogramme proposes an ecosystem-based adaptation component to be implemented in 10 cities. A further important factor is mainstreaming the gender perspective into urban adaptation, for which the formulation and implementation of socially just, equitable and egalitarian policies will be promoted.

Climate change mitigation and adaptation will impact on economic activities and community social dynamics, especially job creation and income opportunities. This calls for a just ecological transition that guarantees ways for maximizing decent work opportunities for all, reducing inequalities, promoting social justice and supporting activities impacted by climate change.

Table IV.14

Climate change and nature-based solutions programme

Budget:
US\$3.03 billion
Duration:
5 years

1. Actions	2. Impact
<ul style="list-style-type: none"> • Deploy a sustainable seas and coasts strategy • Implement sustainable productive activities with nature-based solutions • Conduct actions for climate change mitigation and adaptation and green job creation • Implement afforestation and create forest corridors • Build capacity for establishing a payment mechanism for ecosystem services 	<ul style="list-style-type: none"> • Comprehensive wetlands and watersheds approach • Sustainable blue economy strategy: fostering the innovation and trading capacity of the aquaculture and artisanal fishery value chains • Restoration of 1,000 hectares of mangroves • Access to financial services for 5,000 rural women and young people • Reforestation of 1 million hectares and creation of 100,000 jobs • 100,000 hectares covered by payment systems for ecosystem services • Creation of 40 nature tourism destinations • Introduction of at least 30 electric buses • Implementation of a plan for the adoption and consistent implementation of energy efficiency in small and medium-sized enterprises nationwide
3. Programme project proposals	
3.9	Sustainable seas and coasts in northern Central America and south-southeast Mexico
3.10	Sustainable productive activities with nature-based solutions
3.11	Small-scale afforestation, payment for ecosystem services and creation of a forest corridor in northern Central America and south-southeast Mexico
3.12	Climate change mitigation and adaptation and green job creation
3.13	Guatemala-Mexico Volcán Tacaná Park
3.14	Sustainable water resources management for food security and sustainability, Guatemala
3.15	Strengthening mechanisms for environmental sustainability and climate change mitigation and adaptation, Guatemala
3.16	"Sowing Life" in south-southeast Mexico and northern Central America, Mexico

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Note: Projects 3.14, 3.15 and 3.16 (in bold) were prioritized by the Governments of the Northern Central American countries, the Government of Mexico, or the states of South-Southeast Mexico.

4. Comprehensive management of the migration cycle pillar

Migration from northern Central America and Mexico has traditionally been in search of better life chances in other countries, particularly the United States. This is in response to such factors as precarious working conditions, economic inequality and lack of opportunities in migrants' countries of origin. Poverty, social exclusion, family reunification, food insecurity and extreme weather events are further major push factors for migration. Other causes of internal or international displacement are persecution, insecurity and violence (including gender-based violence).¹⁹

In line with ever tighter human mobility policies to discourage immigration (particularly irregular immigration), Governments have stepped up the number of detentions and the scale of return flows. These policies extend to forcibly displaced persons: more than 318,000 people from northern Central America applied for asylum in 2018 and a similar number were displaced internally within their country in 2019. Growing xenophobia and gender discrimination is having a severe impact on the rights and lives of women and girls.

Violence exposes migrants (including returnees) and forcibly displaced persons to security risks, particularly those who have fled violence or who face threats. Such vulnerability makes people, especially young people, more likely to engage in informal or illegal economic activities. Some migrants and forcibly displaced persons in vulnerable situations are obliged to carry out illegal activities or forced labour as victims of human trafficking. Over the past decade, violence in Central America —largely related to rivalry between gangs (*maras*), extortion, struggles to control territory and drug trafficking— has reached unprecedented levels.²⁰

At the same time, vulnerability to disasters and climate change can cause displacement and affect migrants' ability to return because food insecurity and lack of job opportunities in the primary sector impair livelihoods in the communities of return. Limits on asylum applications and migration to the United States lead people to seek alternative routes of entry, which tend to be more expensive and create an environment conducive to crime relating to irregular migration (such as human smuggling and trafficking, extortion, and sexual and gender-based violence).

The social, cultural and economic reintegration of returnees is hindered by limited and ineffective institutional capacity with poor coverage. The growing number of internally displaced persons, returnees and deportees who have been away from their places of origin for a long time makes the process of protecting human mobility increasingly complex, especially for local governments, whose capacity to generate opportunities and benefits for migrants and forcibly displaced persons to mitigate adverse factors is often overwhelmed.

¹⁹ Since 2018, there has been a rapid change in migration flows. The number of whole-family migrations increased significantly, with more children and older persons. Between 2018 and 2019, the number of people travelling in family units rose from 107,000 to 457,000. See United States Customs and Border Protection, "U.S. Border Patrol Southwest Border Apprehensions FY2018", November 2018 [online] <https://www.cbp.gov/newsroom/stats/sw-border-migration/fy-2018>; and "U.S. Border Patrol Southwest Border Apprehensions FY2019", November 2019 [online] <https://www.cbp.gov/newsroom/stats/sw-border-migration/fy-2019>.

²⁰ According to the United Nations Children's Fund (UNICEF), in 2015 the death rate in Latin America and the Caribbean was five times higher than the world average. It is the most dangerous region in the world for young people, with around 70 adolescents dying every day from interpersonal violence.

To remedy this, the comprehensive management of the migration cycle pillar proposes actions at two levels: a comprehensive national response programme and a regional actions programme. While the response programme proposes human mobility projects for each country involved in the Comprehensive Development Plan, the regional programme is divided into focus areas that bring together a set of linked actions.

(a) Comprehensive national response programme

The countries involved in the Comprehensive Development Plan are places of origin, transit and return of migrants, refugees and nationals; to a lesser degree, some are also places of destination. The causes of migration and forced displacement are multifactorial, while human mobility impacts on various areas of society, such as health, security, the economy and education.

To meet these challenges, the comprehensive national response programme proposes institutional capacity-building actions for each country or subregion to tackle the effects of forced displacement and migration. The programme will be implemented by a team of government and United Nations representatives. Comprehensive national responses include specific proposals to tackle emergencies from the standpoint of protection and assistance to migrants. These actions include: direct humanitarian assistance and provision for basic needs; referral systems; emergency consular assistance; evacuation procedures; border management and admission policies in areas of cross-border flows; health care and psychosocial support; and coordination between Governments and other humanitarian actors.

Table IV.15

Comprehensive national response programme

Budget:
US\$258 million
Duration:
5 years

1. Actions	2. Impact
<ul style="list-style-type: none"> • Improve registration, reception, accommodation and emergency care systems • Ensure access to immigration and identity documents • Use a local care system model to address forced displacement due to violence • Facilitate the development and implementation of employment programmes • Improve the access of the migrant population and the host population to education, health and sanitation services • Strengthen reception and assistance systems for people in transit and returnees • Develop a sustainable reintegration response system 	<ul style="list-style-type: none"> • Establishment of formal registration systems that generate disaggregated statistical data on returnees, asylum seekers, refugees and migrants • 100% of asylum seekers and refugees in Mexico have immigration documentation • 17 local care systems up and running in El Salvador and 30 humanitarian aid centres reinforced in Guatemala • 24,000 people hired by employers in integration zones in Mexico • 32,000 people in Mexico have social security and benefit from care services • 500 Hondurans benefit from reintegration programmes • Entrepreneurship course for at least 40% of returnees, internally displaced persons or persons at risk of displacement in El Salvador
3. Programme project proposals	
4.1	Strengthening immediate and long-term responses to forced displacement and human mobility in El Salvador, with a gender equality and human rights approach
4.2	Strengthening immediate and long-term responses to forced displacement and human mobility in Honduras
4.3	Catering to the immediate needs of migrants, refugees and asylum seekers in Mexico and promoting their long-term local integration
4.4	Greater opportunities and social inclusion for children, adolescents and their families, while promoting local governance in Honduran municipalities with the largest migrant population
4.5	Strengthening immediate and long-term responses to forced displacement and human mobility, Guatemala
4.6	Catering to the immediate needs of Honduran migrants, refugees and asylum seekers in Mexico and promoting their long-term local integration, Honduras

Table IV.15 (concluded)

3. Programme project proposals	
4.7	Boosting humanitarian aid for migrants, state of Puebla
4.8	Human mobility, assisted repatriation and reintegration, state of Puebla

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

Note: Projects 4.5 onwards (in bold) are projects prioritized by the Governments of the Northern Central American countries, the Government of Mexico, or the states of South-Southeast Mexico.

(b) Regional actions programme

(i) Information management

The production, analysis and dissemination of high-quality, timely and reliable data (target 17.18 of the Sustainable Development Goals) is needed to manage human mobility effectively. Nevertheless, there is a gap in information production and availability, coupled with limited coordination between countries for exchanging data, particularly on gender issues. The 2030 Agenda for Sustainable Development, the Global Compact for Safe, Orderly and Regular Migration and the global compact on refugees all call for new rules to be implemented on human mobility by harnessing traditional data sources and exploring new ways of collecting and analysing data.

This demand for data poses challenges for existing information platforms in countries of the subregion. Information on human mobility is heterogeneous and not timely. Population censuses, which are the chief source for measuring mobility, provide data only every 10 years, despite mobility changing constantly. This situation has tended to persist because alternative methodologies and information sources, such as surveys and administrative records, have not been implemented.

At present, international agencies collect most of the information available on human mobility in the subregion, in a situation where all countries keep administrative records but have different practices for collecting and managing data (on such factors as arrivals and departures, visas, asylum claims, resident permits and work permits). International best practice emphasizes the need for Governments and stakeholders to exchange comparable information and for evidence-based policymaking. Methodological differences in data collection between countries hinder this process and the accurate and up-to-date identification of migration trends. Each national entity tends to carry out its activities independently and with little coordination.

Based on experience in the subregion, a coordination and monitoring mechanism will therefore be created to enrich the information and knowledge produced by participating entities. Mexico's Migration Policy, Registration and Identity of Persons Unit will work with the Global Centre of Excellence on Gender Statistics (CEGS) to produce relevant information for Governments and other stakeholders in order to meet the challenges of human mobility in the subregion effectively.

(ii) Gender perspective

Migration and forced displacement impact on women and girls differently. A full 68.3% of female migrants and forcibly displaced females entering Mexico reported having been victims of violence on route to the United States. Almost one third of the women surveyed had suffered sexual abuse during their journey (31.4%). Considering

only rape and other forms of direct sexual violence, 10.7% of women were found to have been affected during their transit through Mexico. Violence has a devastating impact on psychological well-being and the ability to reach out for help: 47.1% of the victims stated that the violence they had suffered had affected them emotionally.²¹

There are major shortcomings with respect to protection of women and girls, in such areas as: gender-sensitive shelters; alternative measures to detention; psychosocial care in migrant holding centres and during the asylum procedure; emotional support measures; access to medicines and health care (particularly in the area of sexual and reproductive health); access to employment and training opportunities; and legal support.

During forced displacement and migration, especially whole-family displacement, women also act as caregivers, a role that they are assigned traditionally based on gender bias. In some cases, this prevents them from completing the formalities to apply for international protection when they need it and limits their employment and training opportunities.

For these reasons, the gender-based actions seek to promote an integrated institutional response for the protection and empowerment of women and girls on the move throughout the migration cycle, with particular regard to preventing and responding to violence against women, delivering empowerment and care services to migrant families and providing greater access to reintegration and empowerment assistance to returnee women and girls.

(iii) Children, adolescents and families

The main causes of migration and forced displacement impact significantly on the lives of children and adolescents who migrate or are forcibly displaced, often alone. They are particularly vulnerable to rights violations throughout the migration cycle. Children left behind by displaced parents are also more vulnerable to exploitation, poverty and abuse. Many try to rejoin their parents once they reach adolescence.

While in transit, migrant children are exposed to multiple risks, such as travelling through dangerous areas, crime, abuse and exploitation, compounded by a lack of specialized shelters, care or legal representation. While arrival at the destination may bring some temporary relief, vulnerabilities persist. The risk of deportation and return, even for children in need of international protection, is ever present throughout their journey; if they needed international protection, there are clearly violations of international law. Deportation procedures are often traumatic, as they tend to involve the detention of minors and are not usually coordinated with the country of origin, leaving these children lost in the system or unprepared for the return. Furthermore, children may suffer discrimination and stigma upon their return. The dangers associated with reintegration into their communities may require them to be given relocation support and alternative care. Lack of information on regular migration channels and unawareness of emerging local development options in the subregion make irregular migration an ongoing challenge.

The actions targeted at children, adolescents and families seek to improve the comprehensive protection of migrant children and their families and their access to high quality, culturally relevant services in countries of origin, transit, destination and

²¹ See Doctors without Borders (MSF), *Forced to flee Central America's Northern Triangle: A Neglected Humanitarian Crisis*, Geneva, 2017.

return. They also aim to build the capacity of Governments, civil society and the private sector to disseminate information to ensure safe, orderly and regular migration and promote development alternatives to irregular migration.

(iv) Climate change and disasters

Climate change impacts (including droughts, floods, desertification, air pollution and sea level rise) and disasters have direct consequences for human mobility. More and more people are being displaced by environmental impacts. Although there is a two-way relationship between the environment and human mobility, the lack of specific studies tends to obscure the environmental consequences of migration and displacement. As a result, these factors are considered only rarely in humanitarian response or development planning. Continuing on the same path will lead to the worsening of negative impacts on ecosystems and biodiversity, making it difficult to meet the Sustainable Development Goals and creating a negative feedback loop. Furthermore, the unmonitored environmental impacts of human mobility on public health and disaster risk will continue to increase and will demand increased humanitarian aid. Climate change and disaster actions help to improve the way in which environmental migration is treated, for both sudden disasters and slow-onset events. The aim is therefore to build capacity, prevent forced migration, improve climate change adaptation and disaster resilience, and protect rights.

(v) Regular labour migration

Human mobility in Central America and Mexico is largely labour migration, driven by such factors as the subregion's linkage with the global economy and its mobility facilitation policies. The lack of a robust protection system and effective mechanisms for responsible labour recruitment creates a permissive environment for unscrupulous recruitment practices, leading to abuse, exploitation and human trafficking.

Close collaboration between the relevant government institutions, labour recruitment agencies, employers and civil society is proposed to reduce or eliminate the exploitation and abuse of migrant workers during the recruitment process. Representatives of labour migrants should take part in the process and special attention should be paid to different gender groups.

Actions include research by academics, non-governmental organizations and the United Nations system to gain a better understanding of the practices for recruiting migrant workers and of responsibility for informal and fraudulent recruitment tactics designed to control and maintain workers in situations of human trafficking, abuse and exploitation. The actions also aim to enhance employment-related information, consulting, advisory, conciliation and dispute resolution services for migrants by the countries' ministry of labour and judiciary. It is also imperative to support States in developing the appropriate institutions, public policies and legal framework for protecting and respecting the human rights of people on the move.

(vi) Border management

The borders of the countries involved in the Comprehensive Development Plan have structural weaknesses and some sections are porous owing to ineffective controls. There are insufficient human and logistical resources to meet needs. Limited control over irregular migration flows and smuggling and trafficking of migrants, coupled with

unawareness of the States' international obligations in this regard, impair diplomatic relations between countries of transit and destination. Poor border control and weak presence of law enforcement officers in border areas lead to the proliferation of illegal activities, such as smuggling and trafficking of migrants. This heightens national and regional security concerns.

The regional actions programme will support the work of the Central American Commission for Migration (OCAM) to combat human smuggling and trafficking, in line with international obligations on refugees' access to territories. This will be done through advice and support for the validation of documents.

(vii) Health

Factors of human mobility and the conditions under which it takes place affect the physical and mental well-being of migrants, especially forcibly displaced persons and those fleeing natural or human-made disasters (or both). In many instances, migrants' lack of legal status, stigma, discrimination, xenophobia, cultural barriers and low income limit their access to basic health services, vaccination programmes and other public health actions. This creates a vicious circle that undermines health still further.

Some displaced persons and migrants have mental disorders and would benefit from culturally appropriate, timely and accessible mental health services. Despite this, they often face great barriers to accessing mental health and psychosocial support services —two types of assistance that are particularly limited for people without health insurance or the financial means to pay for such services. Sometimes they do not use the services for fear of retribution, such as being reported to the authorities or even deported.

The actions of this subprogramme aim to facilitate migrants' access to community-based mental health and psychosocial assistance services.

(viii) Diaspora and remittances

Diaspora contributions provide a lifeline for many people in the communities of origin and help to reduce poverty. Remittance flows facilitate access to better health care and food, increase children's educational opportunities, improve housing and sanitation, promote entrepreneurship and financial inclusion and reduce inequity. Diaspora support is particularly important in northern Central America, where remittances account for a large share of gross domestic product.

To enable migrants and the diaspora to contribute fully to the sustainable development of their host countries and communities of origin, the programme seeks to invest in the development and mutual recognition of the skills, qualifications and competencies of migrants and refugees. Access to the social protection system for displaced persons and their dependents in the countries of origin will be facilitated, improving instruments, supporting the establishment of mechanisms for the portability of social security and the benefits acquired, and fostering bilateral dialogue between the countries of origin and destination. The financial inclusion of migrants, refugees and their families will be fostered, promoting the faster, safer and cheaper transfer of remittances and their efficient and sustainable use. Support will also be given to boosting consular assistance, as well as to cooperation between the four countries to promote more efficient, better quality care in countries of destination.

Table IV.16
Regional actions programme

1. Actions	2. Impact
<ul style="list-style-type: none"> • Protect and empower women and girls on the move • Improve the comprehensive protection of migrant children and their families • Enhance care for vulnerable communities and environmental migrants • Provide migrants with employment-related information, consulting, advisory, conciliation and dispute resolution services • Contribute to efforts against human trafficking • Respond to psychosocial and mental health needs • Facilitate migrants' access to the social protection system • Improve knowledge production on the migrant population and the migration cycle • Boost the diaspora's contribution to host countries and communities of origin 	<ul style="list-style-type: none"> • Access to protection, care and support services for 100,000 women and 30,000 girls • 20,000 unaccompanied children recover from the mental trauma of physical and sexual violence, abuse and forced migration • Public health interventions benefit 600 members of populations vulnerable to slow-onset climate change impacts • 5,000 people are provided with employment-related information, consulting, conciliation, inspection and dispute resolution services • Eight monitoring stations are set up to receive and protect 10,000 smuggled migrants • Community mental health and psychosocial assistance teams support 1,200 migrants • 53.5% of the country's population have an account in a regulated financial institution • 16 workshops are held to build the capacity of Governments to collect, analyse and systematize data on human mobility
3. Programme project proposals	
4.9	Management of information on human mobility
4.10	Protection and empowerment of women and girls throughout the migration cycle in northern Central America and Mexico
4.11	Migration and forced displacement of children, adolescents and families
4.12	Human mobility, climate change and disasters
4.13	"Welcoming Cities": improving urban governance in the context of human mobility
4.14	Promoting regular labour migration and access to justice for workers
4.15	Reinforcing border management and controlling crime
4.16	Preventing and controlling migrant smuggling and crime against migrants in northern Central America (El Salvador, Guatemala and Honduras) and the states of south-southeast Mexico
4.17	Improving access to community-based mental health and psychosocial assistance services for displaced persons and host communities in border areas of northern Central America and Mexico
4.18	Migrant protection and productive investment of remittances
4.19	Promotion of diaspora investment, El Salvador
4.20	Integration of Honduran migrant workers into the United States labour market, Honduras
4.21	Productive investment of remittances, Honduras
4.22	Portability of the social security contributions of undocumented migrant workers in the United States, Honduras

Budget:
US\$198 million

Duration:
4 years

Source: Economic Commission for Latin America and the Caribbean (ECLAC).

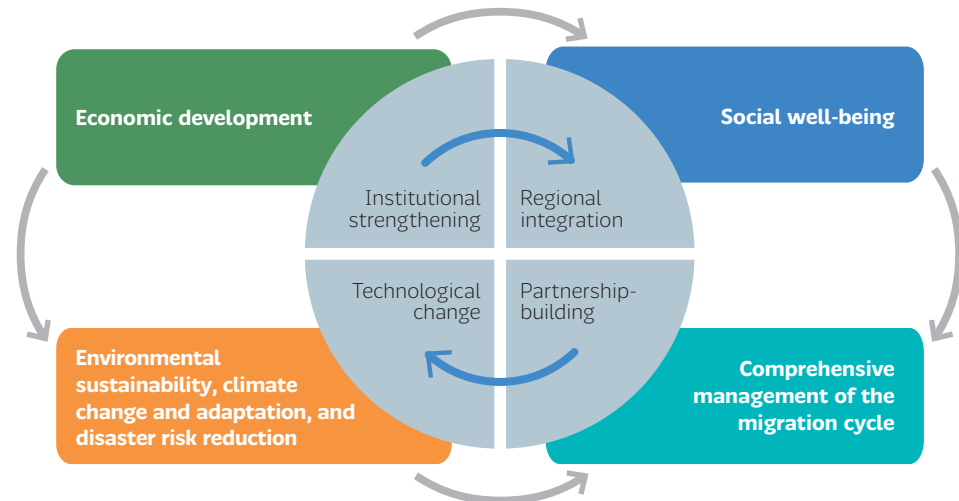
Note: Projects 4.19 onwards (in bold) are projects prioritized by the Governments of the Northern Central American countries, the Government of Mexico, or the states of South-Southeast Mexico.

D. Cross-cutting issues

All the strategic pillars should consider the following four cross-cutting issues: (i) institutional strengthening; (ii) regional integration; (iii) technological change; and (iv) partnership-building between Governments, the private sector and civil society.

Diagram IV.11

Comprehensive Development Plan: strategic pillars and cross-cutting issues



Source: Economic Commission for Latin America and the Caribbean (ECLAC).

1. Institutional strengthening

Economic and social development entails changing structures to lead to more egalitarian societies with greater technical and administrative capabilities, which are reflected in steady increases in productivity within a context of environmental sustainability.

This requires public institutions gradually and in a sustained manner to build their capacity for public policy foresight, design and implementation, and its respective evaluation and adjustments.

This Comprehensive Development Plan proposes a set of actions that can be implemented by States, local administrations or a variety of public or private bodies. In all cases, the actions should help the four countries involved in the Plan to build their institutional capacity gradually, including improvements in participation, evaluation and transparency mechanisms.

For the purposes of this document, governance is understood to mean the set of practices, processes, customs and rules within which the various public sector and civil society stakeholders, trade associations and lobbyists interested in the implementation of common initiatives, and all the actors involved therein, interact.²² Governability is understood to mean the degree to which the current system is effectively and efficiently conducted. Lastly, public management addresses the aspects of public affairs (*res publica*) management relating to the planning, budgeting, investment, implementation, monitoring and evaluation of public policies, programmes and projects.

Over the past 12 years, poverty in northern Central America has declined less than the Latin American and Caribbean average. While democracy became the established form of government, little progress has been made in building institutions that create

²² See World Bank, *World Development Report 2017: Governance and the Law*, Washington, D.C., 2017.

opportunities for economic and social development, and corruption has continued to stand in the way of progress. Institutional distortions still make it more feasible and cost-effective to purchase goods and services in other markets. These institutional weaknesses and limited governability create competitive domestic markets and perpetuate structural imbalances of low productivity, high inequality and poor resilience in northern Central America and the states of south-southeast Mexico.

The challenge facing the Comprehensive Development Plan is to build inclusive, resilient and efficient societies where fewer people live in poverty in the face of a fledgling institutional framework and a problem of credibility on the part of citizens. Effective governability and the functioning of institutions will be a cornerstone for the creation of opportunities with which individuals and societies can forge their own destiny and collaborate with others. In El Salvador, Guatemala, Honduras and Mexico, governability will be the foundation underpinning the Comprehensive Development Plan when it comes to expanding opportunities.

The sustainability of development is called into question when a significant proportion of citizens claim to have ceased to see democracy and governability as the means for improving their quality of life. Rising inequality and stagnating poverty reduction have created a widespread perception of lack of progress and opportunities.

Fewer and fewer citizens are voting in elections and are demanding public services from elected officials more insistently, with the expectation of improving their quality of life in some way. The same is true of demands for citizen security, where it is the public sector that has the central responsibility for providing opportunities and the means for resolving conflict peacefully and ensuring public security and protection.

For the public sector to be able to respond to citizens effectively, far-reaching changes in public institutions are required. The new challenges of governability cannot be met without a rethink of democracy and the major agreements on peaceful coexistence. Right now, the challenge is to focus support on shaping a social contract that guarantees harmony, builds trust, promotes more meaningful participation and improves responsiveness to social demands. Effective governability means catalyzing institutional processes that create:

- Opportunities for socioeconomic development and meaningful participation, by strengthening institutions that guarantee the right to inclusive participation in public life for women, young people, indigenous peoples, migrants, displaced persons and persons with disabilities. It is also important to create institutional conditions for strong —but also fair and sustainable— economic growth.
- Opportunities for institutional change, by promoting management and implementation capabilities in centres of government, the design and follow-up of innovative solutions for public service provision, and institutional strengthening to fight corruption and bolster accountability, all designed to improve the responsiveness of State institutions to public demands.
- Opportunities for peaceful coexistence and citizen security, through comprehensive public policies based on statistical evidence, knowledge and innovation development, and guaranteed access to justice, human rights and victim care and protection. To move forward on these points, it is necessary to support and foster capacity for managing conflict through processes of dialogue and mediation as tools for social cohesion, conflict transformation and restoration of trust.

(a) Public procurement: a challenge for governance

The Comprehensive Development Plan will be implemented by public institutions from the northern countries of Central America and the nine states in south-southeast Mexico, through a large number of public-private partnerships in a territory characterized by weak State institutions.

The main deliverers and implementers of the Comprehensive Development Plan will be public administrations at every level (federal, national, departmental or municipal, as appropriate) and their main focus will be public-private partnerships, through the instrument of public procurement. This makes the proper functioning of public procurement systems for public inputs, goods and services a prerequisite for the Comprehensive Development Plan to produce results.

Government procurement can play an essential role in improving the residence situation of the most vulnerable populations. That means conceptualizing the combined power of government procurement (of services and public goods, including infrastructure) as a tool for promoting economic development, transcending the traditional view of public procurement simply as a sourcing process. Seen strategically, combining the public procurement of all decentralized levels has great potential to create employment and income, even in the short term, which is what the Comprehensive Development Plan needs in order to generate quick wins.

Over the past two decades (especially the last five years), the main focus of public procurement has been on increasing transparency, public scrutiny and accountability of transactions. In countries involved in the Comprehensive Development Plan, more modest progress has been made in evaluating the performance of public suppliers and contractors. There have been even fewer instances where the public sector has managed to boost efficiency (doing more with less), reduce waste along the supply chain and increase value for money in contracted public inputs, services and goods. Although there are a number of cases in the four countries where public institutions have been successful in increasing value for money in public procurement, these achievements have tended to tend involve only part of the chain and the ability to sustain value for money appears to be still in its infancy. In other words, public procurement systems in all four countries are far from taking into consideration responsible production and consumption and their positive or negative impacts on the community, the environment and future generations.

Practically speaking and in light of their results, the chief structural (and structuring) weaknesses identified in the subregion's public procurement systems are as follows.

- Excessive regulations, which can make it difficult to carry out strategic public procurement. They can occur at any level, from national legislation (federal and state legislation in the case of Mexico), to regulations, rules and internal organization of institutions. In some cases, excessive regulations stem from a desire to prevent corruption, fraud, embezzlement, conflicts of interest and other harmful conduct. This has led to the implementation of a series of mechanisms (which are often highly complex and contradictory in their different levels and manifestations) to discourage such practices. In such a scenario, procurement stops, leading to shortages of public inputs and goods and, in some cases, to the creation of a special or exceptional emergency regime, which results in special procurement at extremely high prices, with low quality and suspicions of corruption.

- A focus on the formal aspects and decoupling of actual outcomes. Regulatory agencies tend to focus on procedural compliance rather than on the final outcomes of procurement and the interests of the institution and the public. This confines officials in charge of public procurement to making decisions permitted by the rules, even when the consequences work against the public interest. At the same time, private stakeholders in procurement processes are required to compete more on compliance with formal details than on the quality and price of the goods and services they offer.
- The public-private system has no incentive to secure the best value for money in the public interest. This is coupled with a framework uncondusive to obtaining the best value for money in government procurement, which translates into loss of purchasing power and constrains the State's ability to provide quality public goods and services. It also gives private actors no incentives to submit proposals that create more value at lower prices.
- A low level of professionalization and recognition of public purchasers. There are large and substantive imbalances between government purchasers and private sector suppliers in terms of rewards and access to education and training. This creates a situation where the managers of large public funds do not tend to benefit from training on strategic issues but merely on formal ones. This tends to lead to extremely asymmetric relationships between purchasers and suppliers, both technically and legally. Public institutions are usually bad at purchasing.
- Lack of incentives to value creativity, innovation and new technology. There are no incentives for the public-private system in countries involved in the Comprehensive Development Plan to transcend the conventional. There are notable lags in incorporating into the public domain the methodological and technological innovation issues that have revolutionized daily life in our society in recent years.

Public procurement is a key tool for achieving macroeconomic development goals and is underutilized in all four countries. This perspective has several key elements, the most important of which are as follows.

- Use of the economic power of government procurement as a tool for directing financial flows towards target segments of development policies. For instance, sizing criteria for the content of each contractual unit can be used to incorporate micro, small and medium enterprises. Preference mechanisms can be used to give a margin of financial tolerance for contracting companies with a majority of women, populations with certain ethnic or regional characteristics, or local producers.
- There is a clear link between more efficient government procurement, enhanced social inclusion (and local political participation) and poverty reduction, which helps to improve people's residence situation, as it is precisely the most disadvantaged and vulnerable segments of society that rely the most heavily on public goods and services.
- An explicit orientation in government procurement towards performance in the public interest and objectivity will also improve links between public administration and the private sector. This will attract companies that traditionally choose not to participate in public tenders, which tend to be those with the best ethical conduct, reasonable costs and products and services of satisfactory quality and those more oriented towards innovation and creativity because their business is to supply the private sector.

- Lastly, the quality of government procurement management is a clear and highly visible indicator of the quality of governance, which contributes to the credibility of public management and builds public trust. A development plan can hardly be implemented successfully in a context where the Government does not have the support and trust of the population, companies and social communicators.

All four countries involved in the Comprehensive Development Plan have made progress in improving public procurement transparency, a trend that must continue because technology enables continuous development. Guatecompras (Guatemala), Honducompras (Honduras), CompraSal (El Salvador) and Compranet (Mexico's federal level) are all in the process of incorporating transactional mechanisms into existing information facilities on opportunities, contract awards, registers and training. The objective of local development, employment and worker training can be met by facilitating supplier registration mechanisms and setting the requirements for companies to supply or build the capacity of local populations. This vision considers transparency as the tool it really is, without making it an end in itself but rather seeking to expand the supplier base by broadening government procurement opportunities. By subscribing to the principles of safe work, combating child labour, promoting gender equality and respect for the environment in the selection, use and disposal of materials, several objectives are met simultaneously through minor adjustments to government procurement processes.

Another key element for facilitating the successful implementation of the Comprehensive Development Plan is to use first-rate methodologies and instruments to make an objective evaluation of the legitimacy of both projects and the public procurement to be carried out. In other words, it needs to be determined whether the contract to be awarded (even if it is through an open and competitive process) procures works, goods or services that are essential and those most suited to meeting public demand, or on the contrary, whether it is non-essential procurement intended to benefit certain suppliers. Indeed, a study by the Organisation for Economic Co-operation and Development (OECD) finds that in 20 of Mexico's 32 states, legislation does not make it compulsory to measure either a project's feasibility or the contributions it would make to the contracting entity's performance. This provides fertile ground for procurement that is unnecessary or, at the very least, not a priority or unsuited to meeting the population's most urgent needs. There have been cases of civil works contracts whose cost-benefit was not duly assessed but were awarded nonetheless and which remained in force and continued to be executed over several successive administrations because the cost of terminating them outweighed the economic and financial disadvantages of completing them.

The relationship between government purchasers and private sector suppliers should be considered from an innovative perspective unlike the current one. The prevailing vision in all four countries (as in the rest of Latin America) is that suppliers will take every opportunity to exploit the State, while in the private sector there is a belief that a large proportion of public procurement is influenced unduly by politically or economically motivated favouritism. Building buyer-supplier relations under these assumptions leads to the establishment of a series of preventive measures that add substantial costs to the procurement process and result in a net loss in each contract, culminating in definite prevention costs for situations whose occurrence is

uncertain. Today's easy access to information makes it more feasible to record the performance of suppliers and hence to apply defined levels of confidence to suppliers with a positive record, saving on costly additional guarantees, bonds and penalties. For those choosing to migrate, the opportunity to acquire training in certain tasks for which there will be demand from the State, or the formation of State sponsored worker cooperatives that are given a margin of preference in the evaluation and award of public contracts, can be key elements in promoting local development.

Recognized instruments and methodologies should be used to conduct rapid diagnoses of the public procurement capacity of agencies implementing the Comprehensive Development Plan, especially at the most decentralized territorial levels, and action learning-based programmes for building this capacity should be undertaken as part of the Plan when carrying out procurement for the Plan's projects.

The Comprehensive Development Plan should also make an in-depth assessment of the risk inherent in increasing financing for the public-private activities involved in the Plan, especially in areas where State institutions are very weak and where many show signs of the presence of illegal organizations. It is vital to ensure that the resources to be invested do not nurture or strengthen lobbyists operating illegally.

(b) Towards fair and equitable public management

To promote the governability of the Comprehensive Development Plan, it is necessary to focus on both the governance and management aspects.

The above considerations regarding public procurement systems should be understood within a broader framework of public affairs management. It might be useful to adopt an approach of fair and equitable public management, which considers various concurrent perspectives of public management, all focused on one core perspective: sustainable profitability, which is of primary public interest.

On the one hand, fair and equitable public management is an enabler of the Comprehensive Development Plan and its chances of success and, on the other, the Plan provides a great opportunity for the countries involved to move towards ensuring fairer and more equitable public management.

Among the seven perspectives illustrated in diagram IV.12, the core perspective is sustainable profitability. Sustainable profitability is the result of good public management that includes the other six perspectives because the public interest (and, in this case, the interest of the Comprehensive Development Plan) is for the actions of projects, programmes and public policies to be implemented by maximizing their profitability (value for money) sustainably. This means transcending individual transactions and processes to consider the full cycle of the process in question, including its impacts and environmental and social footprints both on today's communities and societies and on future generations.

Diagram IV.12

Concurrent perspectives of fair and equitable public management



Source: United Nations Office for Project Services (UNOPS).

Fair and equitable public management is one side of the coin, the flip side of which is the fight against corruption: every concrete step that produces fairer and more equitable public management squeezes out corruption and illegality a little more and, in so doing, enters a virtuous circle that increases the satisfaction of citizens and their access to rights, participation in the administration of their communities and desire to help build a better society in the territories in question.

Fair and equitable public management promotes the strengthening of public-private partnerships (and their in-depth reform, where such partnerships may have become impaired) by focusing directly on the public interest: the implementation of economic and social development policies and the achievement of institutional changes, such as the active inclusion of contributions from diversity and equality. It is of no less importance to the Comprehensive Development Plan that the fair and equitable public management approach has demonstrated in a number of cases that it is able to achieve significant savings in public funds. These funds can be reinvested to expand coverage (towards universal access to public services, spaces and goods), while at the same time reducing the space for malpractice and corruption, which in turn fuel illegality.

As mentioned below, the application of the fair and equitable public management approach should focus not only on building the management capacity of Comprehensive Development Plan implementers, including their public procurement systems, but also on other phases in the chain, such as: planning and project, programme and policy management; monitoring and assurance; management of all partner organizations; and transparent accountability, with citizen participation and social auditing.

2. Regional integration

The northern countries of Central America play an active role in the process of Central American integration, which has expanded their scope for economic action and regional cooperation, thereby increasing their scale, offsetting their small economies and broadening areas of cooperation and coordination. As this provides countries with regional actions that may align with those of the Comprehensive Development Plan, the Plan must strengthen these actions.

Given that Mexico has trade agreements with all the countries involved in the Central American integration process, some of the actions proposed in the Plan help to deepen these agreements and must be aligned with the objectives for in-depth integration of these economic and social spaces. Mexico and Central America also have forums for dialogue and policy consensus and have created regional cooperation mechanisms that can contribute actively to achieving the Plan's objectives.

3. Technological change

Progressive structural change is a product of innovation and increased productivity in existing sectors. This change is associated with long-term adjustments in the composition of economic systems, resulting in significant shifts in the relative importance of different sectors in terms of employment, production and trade. It is also associated with successful integration into high-growth global markets, leading to an increase in aggregate demand, economic activity and job creation.

The cross-cutting issues provide for the gradual development of technological changes and for scientific and technological capacity-building that ensure the sustainability of the changes being promoted.

4. Partnership-building: private sector and civil society participation

A successful sustainable development initiative necessitates partnerships between Governments, the private sector and civil society (Sustainable Development Goal 17). These inclusive partnerships, built around Comprehensive Development Plan objectives, will broaden the initiative's impact, enable a greater number of citizens to participate and expand investment options.

Action is needed to facilitate and drive the transformative power of billions of dollars of private funding to meet Comprehensive Development Plan objectives, as public investment is not enough in itself to tackle the transformation challenge ahead. Long-term investment, including foreign direct investment and local investment, is needed for all the lines of action outlined.

E. Project proposal portfolio

It is important to agree on a minimum package of actions and projects aligned with the objectives, areas of opportunity and strategic pillars, and their cross-cutting issues. The package of actions and projects must provide for the following elements.

1. Linkages with national planning and budget systems

All four countries involved in the Comprehensive Development Plan have national development plans and public expenditure planning systems aligned with this strategy. It is important for the Plan to be brought into line with national priorities, planning systems and budget structures. A mechanism for alignment with the ministries or departments responsible for public expenditure planning systems was therefore established to review and agree the Plan's priorities. In the main, this process was carried out with designated authorities in the finance, planning and foreign affairs ministries of the four countries involved in the Plan. In the case of Mexico, dialogue was also established with the authorities of the nine states in the south-southeast of the country.

2. Synergies with ongoing actions and projects

The countries and their cooperation agencies, international organizations, the funds, programmes and specialized agencies of the United Nations system, multilateral banks, and private sector and civil society cooperation bodies have ongoing actions in all four member countries of the Comprehensive Development Plan, and some of these actions are in line with the Plan's objectives and pillars.

It is necessary to adjust the timelines and, if possible, increase the budgets of these ongoing actions, to ensure that they become part of the Comprehensive Development Plan's time frames and objectives, even if their original governance remains the same.

To this end, ongoing activities have been mapped to seek synergies and complementarities between the proposed actions and these ongoing activities.

3. Setting priorities and clear time-bound targets for actions and projects

An exercise to prioritize actions and projects was conducted by the public institutions responsible for planning and scheduling public spending and the regional institutions that implement projects in accordance with the guidelines of the respective line ministers.

This planning will be a critical input for organizing the actions of the Comprehensive Development Plan and aligning them with national development plans. It will also provide donors, cooperation agencies and international organizations with the information needed to conduct their actions in line with these priorities, in accordance with their decision-making mechanisms.

4. Project coordination and execution mechanism: aligning the actions of different institutions with Comprehensive Development Plan objectives

In addition to the national and local plans, policies and actions of the four countries' Governments, the Comprehensive Development Plan includes five types of partner that help to achieve its objectives and implement its actions: (i) the United Nations

system; (ii) international cooperation agencies; (iii) international financial institutions and development banks; (iv) regional integration initiatives; and (v) the private sector and civil society.

Harmonizing these partners' lead times, governance mechanisms and mandates calls for flexibility in order to coordinate and align the actions of the different institutions.

Diagram IV.13

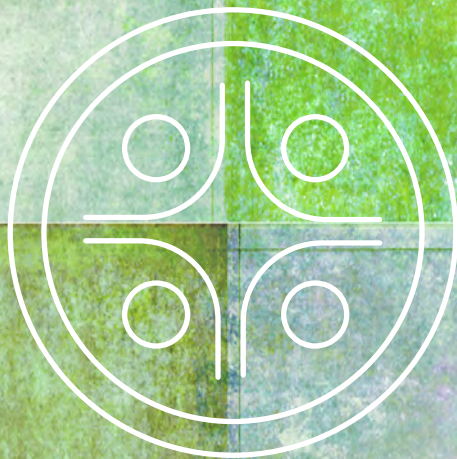
Coordination of actions among various institutions



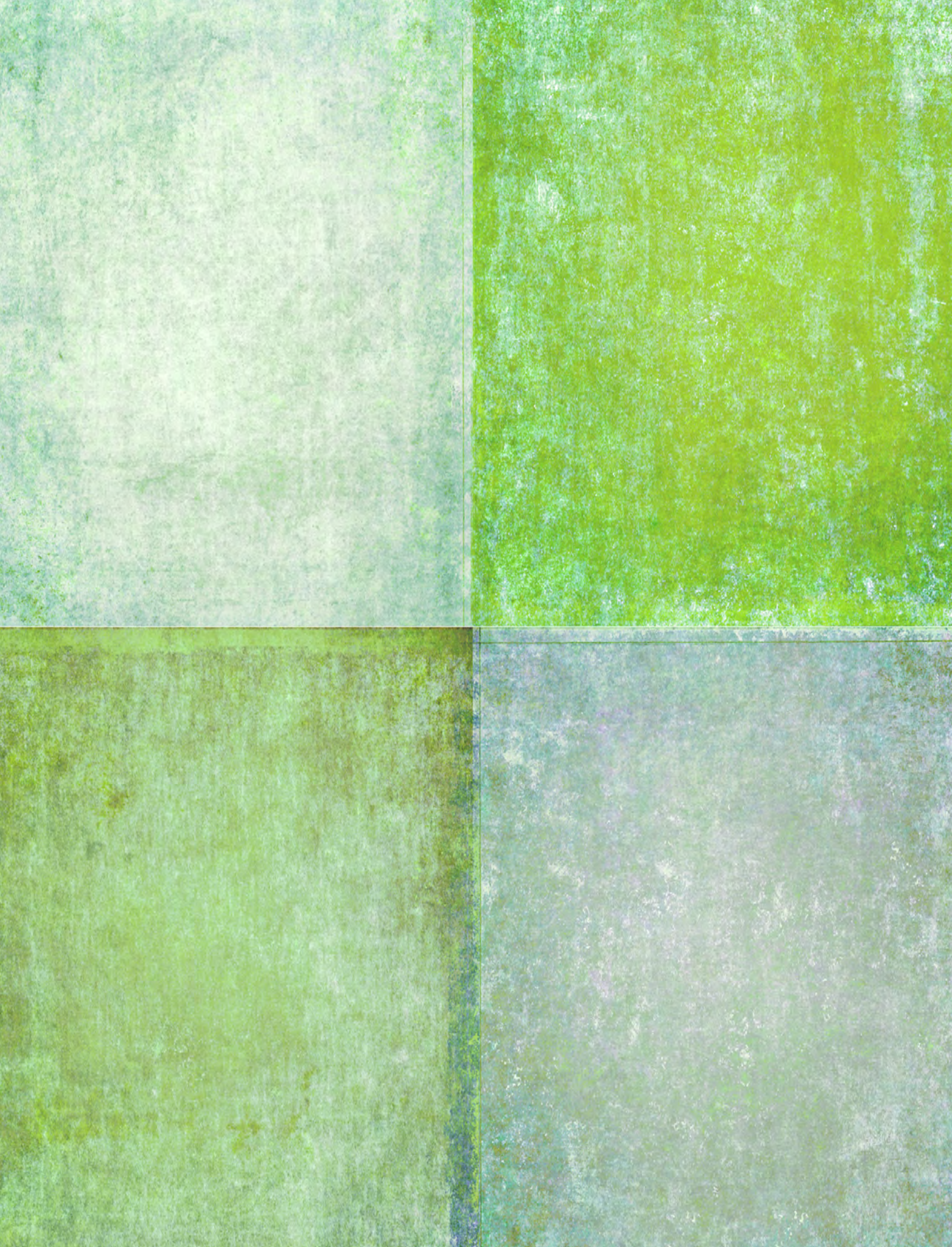
Source: Economic Commission for Latin America and the Caribbean (ECLAC).

5. Resource management mechanisms for new actions and projects

In addition to aligning the actions and plans of various institutions with Comprehensive Development Plan objectives, the Plan will attract resources from a range of sources, which it will need to manage in accordance with its objectives, strategic pillars and priorities. It is important to define the management of these resources as soon as possible, in agreement among the four countries involved in the Comprehensive Development Plan.



**V. COUNTRY
PRIORITIZATION PROCESS**





Country prioritization process

As mentioned earlier, on the occasion of the inauguration of President Manuel López Obrador of Mexico on 1 December 2018, the Presidents of El Salvador, Guatemala, Honduras and Mexico signed a declaration in which they tasked the Economic Commission for Latin America and the Caribbean (ECLAC) to prepare a Comprehensive Development Plan to address the structural causes of human mobility in the four countries. Under this mandate, ECLAC worked with the funds, programmes and specialized agencies of the United Nations system to propose a plan to ensure safe, orderly and regular migration in these countries and, at the same time, to tackle the structural causes of migration.

On the occasion of the inauguration of President Alejandro Giammattei of Guatemala on 15 January 2020, the ECLAC Executive Secretary reported on the Comprehensive Development Plan's progress to the President of Guatemala and the foreign ministers of El Salvador, Guatemala, Honduras and Mexico. In bilateral meetings with the ECLAC Executive Secretary, the Presidents and foreign ministers appointed institutions and officials to prioritize Comprehensive Development Plan projects in their respective countries. ECLAC officials then visited the four countries and worked with the designated officials and their staff to identify linkages between the Comprehensive Development Plan and national development plans, Government plans and national goals and priorities. High-level officials in each country prioritized, selected and developed the initiatives in the Comprehensive Development Plan, as detailed below.

A. El Salvador

The Government of El Salvador selected the projects to be prioritized under the Comprehensive Development Plan, following a series of meetings involving the Presidential Commissioner for Strategic Projects, staff from the Office of the First Lady and the Ministry of Tourism, and representatives from the private sector, ECLAC and the United Nations Resident Coordinator Office. The purpose of the meetings was to present and discuss some of the country's flagship projects ("Mi Nueva Escuela", "Crecer Juntos", Surf City and Plan for the Pacific) and to ascertain their compatibility with the Comprehensive Development Plan's pillars. Afterwards, the Salvadoran Government officials who had taken part in the meetings undertook to produce an information sheet summarizing each of the projects, which was appended to the Comprehensive Development Plan.

Priorities of the Government of El Salvador aligned with the Comprehensive Development Plan

A matrix analysis revealed over 20 direct matches between the Government of El Salvador's priorities and the proposals in the Comprehensive Development Plan, as detailed below.

Energy plan:

- Proposal 1.1: Connection between Mexico and the Electricity Interconnection System for the Countries of Central America (SIEPAC) and second SIEPAC circuit.
- Proposal 1.2: Gas pipeline between Mexico and the northern countries of Central America.
- Proposal 1.3: Co-modal logistics corridors for integration and development.
- Proposal 1.4: Universal access to electricity from renewable energy sources in northern Central America and the states of south-southeast Mexico.

Digital agenda:

- Proposal 1.28: Digital cooperation agenda between Mexico and northern Central America.

National and local economic development (El Salvador's Fund for Municipal Social and Economic Development (FODES)):

- Proposal 1.49: Identification of fiscal and financial spaces for compliance with the Comprehensive Development Plan

Model cities, including mobility and public transport:

- Proposal 3.12: Climate change mitigation and adaptation and green job creation.

Proposal related to El Salvador's Cuscatlán governance plan:

- Proposal 2.22: Regional programme for the protection, assistance and access to justice of migrants from northern Central America (El Salvador, Guatemala and Honduras) and Mexico, with a focus on fighting corruption.

Proposals related to El Salvador's Economic Take-off Plan:

- Proposal 1.23: Trade facilitation between Mexico and the northern countries of Central America.
- Proposal 1.26: Strengthening rural value chains and creation of a support fund in El Salvador, Guatemala, Honduras and Mexico.
- Proposal 1.27: Strengthening the coffee chain and the production systems of small coffee producers in northern Central America and south-southeast Mexico.
- Proposal 1.28: Digital cooperation agenda between Mexico and northern Central America.
- Proposal 1.29: Towards a regional innovation system in northern Central America and Mexico: integration in science, technology and innovation.
- Proposal 1.39: Local markets and public procurement of food.
- Proposal 1.40: Basic investment for production development, innovation and entrepreneurship: single investment fund.
- Proposal 1.41: Entrepreneurship: young people, women and indigenous peoples.
- Proposal 2.5: Comprehensive strategies for formalizing companies and employment in El Salvador, Guatemala, Honduras and south-southeast Mexico.
- Proposal 2.11: Guarantee that everyone in regions with the highest migration rates has the opportunity to access good-quality, relevant basic and secondary education in safe, resilient environments that are free from violence.
- Proposal 3.3: Institutional resilience-building in local and national governments in northern Central America and south-southeast Mexico for disaster risk reduction and prevention of migration flows.
- Proposal 3.5: Agricultural micro-insurance with climate change adaptation measures for small-scale staple grain and coffee producers.
- Proposal 3.6: Assisting and building the resilience of households and communities vulnerable to food insecurity in the Dry Corridor of El Salvador, Guatemala and Honduras.
- Proposal 3.12: Climate change mitigation and adaptation and green job creation.
- Proposal 4.12: Human mobility, climate change and disasters.

Comprehensive Development Plan proposals prioritized by the Government of El Salvador

1. Economic development pillar

A. Enabling infrastructure development programme

No.	Title of the proposal
1.5	Plan for the Pacific, El Salvador

C. Production development programme

No.	Title of the proposal
1.30	Promotion of diaspora investment in El Salvador, El Salvador

D. Territorial development programme

No.	Title of the proposal
1.44	Territorial development of the Trifinio region, El Salvador
1.45	Surf City El Salvador: holistic tourism development programme in the maritime and coastal area, El Salvador

2. Social well-being pillar

B. Life skills programme

No.	Title of the proposal
2.12	"Mi Nueva Escuela" project to modernize the education system, El Salvador

B. Comprehensive child development programme

No.	Title of the proposal
2.17	National Policy to Support Early Childhood Development "Crecer Juntos", El Salvador

B. Guatemala

The projects prioritized by the Government of Guatemala under the Comprehensive Development Plan emerged from a process of dialogue coordinated by the Secretariat for Planning and Programming of the Office of the President (SEGEPLAN), with the participation of the Ministry of Foreign Affairs, the Ministry of Public Finance, ECLAC and the United Nations Resident Coordinator Office in Guatemala. At the initial working meetings, the ECLAC representatives made a detailed presentation of the Comprehensive Development Plan and an analysis of the compatibility between the General Government Policy and the Plan, in which they pointed out areas of convergence and gaps not covered by the Plan. This exercise served as the basis for the authorities to select priority policies.

The Government of Guatemala listed its national priorities in 11 project information sheets. This selection had been based on seven criteria, including the policy priorities set by the Office of the President of the Republic, compatibility with the General Government Policy, the volume of mobilized budgetary resources and the likelihood of obtaining donor funding. Most of the prioritized projects were national in scope.

Priorities of the Government of Guatemala aligned with the Comprehensive Development Plan

The General Government Policy 2020–2024 is based on the National Plan for Innovation and Development, which defines guidelines and strategic public actions, in synergy with the National Development Plan K’atun: Our Guatemala 2032 and the 2030 Agenda for Sustainable Development. The National Plan for Innovation and Development comprises five pillars:

1. Economy, competitiveness and prosperity.
2. Social development.
3. Governance and security for development.
4. Transparent, responsible and effective State.
5. Relations with the world.

Each pillar contains several strategic objectives that are aligned with Comprehensive Development Plan programmes.

Economy, competitiveness and prosperity

General Government Policy 2020–2024 Sectoral objective	Comprehensive Development Plan Programme
1. Create the right conditions and a good business climate for promoting increased investment and higher levels of competitiveness	Pillar 2 on social well-being: B) Life skills programme
2. Promote an export model to increase exports	Pillar 1 on economic development: B) Trade promotion and regional integration programme C) Production development programme D) Territorial development programme
3. Develop the conditions for promoting and strengthening micro-, small and medium-sized enterprises and the cooperative sector	Pillar 1 on economic development: A) Enabling infrastructure development programme D) Territorial development programme E) Macroeconomics for development programme Pillar 2 on social well-being: B) Life skills programme
4. Boost the development of renewable and non-renewable sources of energy compatible with environmental conservation	Pillar 1 on economic development: A) Enabling infrastructure development programme Pillar 3 on environmental sustainability, climate change and adaptation, and disaster risk reduction: C) Climate change and nature-based solutions programme
5. Promote a socially relevant mining agenda compatible with environmental conservation	Pillar 3 on environmental sustainability, climate change and adaptation, and disaster risk reduction: C) Climate change and nature-based solutions programme
6. Harness the country’s assets to increase tourism, promoting a State strategy in concert with the private sector	Pillar 1 on economic development: A) Enabling infrastructure development programme C) Production development programme E) Macroeconomics for development programme
7. Maintain macroeconomic and financial system stability	Pillar 1 on economic development: E) Macroeconomics for development programme
8. Foster a functional strategic infrastructure base to support economic activity and job creation	Pillar 1 on economic development: A) Enabling infrastructure development programme. D) Territorial development programme
9. Promote the National Irrigation Plan sustainably to improve productivity	Pillar 1 on economic development: A) Enabling infrastructure development programme. D) Territorial development programme Pillar 3 on environmental sustainability, climate change and adaptation, and disaster risk reduction: C) Climate change and nature-based solutions programme

Economy, competitiveness and prosperity (concluded)

General Government Policy 2020-2024 Sectoral objective	Comprehensive Development Plan Programme
10. Promote sustainable agricultural production and marketing	Pillar 1 on economic development: C) Production development programme D) Territorial development programme
11. Promote sustainable rural economic development	Pillar 1 on economic development: C) Production development programme D) Territorial development programme
12. Improve the State's financial position and prioritize spending and investment	Pillar 1 on economic development: E) Macroeconomics for development programme

Social development

General Government Policy 2020-2024 Sectoral objective	Comprehensive Development Plan Programme
1. Improve the quality of life of Guatemalans, especially the most vulnerable groups and families living in poverty and extreme poverty, through the effective and timely provision and facilitation of prioritized social infrastructure in education, health, nutrition and affordable housing	Pillar 1 on economic development: A) Enabling infrastructure development programme. D) Territorial development programme Pillar 2 on social well-being: A) Social and labour market inclusion programme B) Life skills programme C) Comprehensive child development programme D) Lifelong health programme
2. Help to break the cycle of poverty by developing human capital and promoting social assistance programmes contingent upon children's enrolment in and attendance of public schools, medical consultations at public health centres, child vaccination programmes and adult training	Pillar 2 on social well-being: A) Comprehensive child development programme
3. Develop and boost the training and productive capacity of families living in poverty and extreme poverty in rural and deprived urban areas, through comprehensive production development programmes to create job opportunities	Pillar 1 on economic development: C) Production development programme D) Territorial development programme Pillar 2 on social well-being: B) Life skills programme
4. Reduce the vulnerability of people and their livelihoods to the risk of disasters and catastrophes through coordinated actions with local authorities and communities	Pillar 3 on environmental sustainability, climate change and adaptation, and disaster risk reduction: D) Resilience-building to prevent disaster displacement programme
5. Promote government and municipal coordination of the institutions responsible for implementing social development policies, in order to ensure complementarity and create synergies to target and prioritize the resources available for social development	Pillar 2 on social well-being: A) Social and labour market inclusion programme B) Life skills programme C) Comprehensive child development programme D) Lifelong health programme E) Violence prevention and culture of peace programme

Governance and security for development

General Government Policy 2020-2024 Sectoral objective	Comprehensive Development Plan Programme
1. Strengthen institutions for citizen and community security	Pillar 2 on social well-being: E) Violence prevention and culture of peace programme
2. Guarantee access to swift and effective justice, as well as compliance with the law, promoting nationwide coverage of justice institutions	
3. Promote crime reduction, fostering prevention programmes and dispute resolution bodies	
4. Promote indigenous peoples' rights and development	Pillar 2 on social well-being: A) Social and labour market inclusion programme B) Life skills programme
5. Build the security forces' capacity for internal order, proper border security, disaster response and international cooperation for peace	Pillar 2 on social well-being: E) Violence prevention and culture of peace programme

Transparent, responsible and effective State

General Government Policy 2020-2024 Sectoral objective	Comprehensive Development Plan Programme
2. Streamline the procedures of State institutions, incorporating technology and controls to ensure that citizens' matters are handled and resolved promptly	Pillar 2 on social well-being: E) Violence prevention and culture of peace programme
6. Help to promote social, cultural, economic and territorial development in an environmentally friendly environment in order to guarantee its sustainability for both present and future generations	Pillar 3 on environmental sustainability, climate change and adaptation, and disaster risk reduction: C) Climate change and nature-based solutions programme D) Resilience-building to prevent disaster displacement programme

Relations with the world

General Government Policy 2020-2024 Sectoral objective	Comprehensive Development Plan Programme
2. Promote an effective migrant support strategy in the United States and other countries	Pillar 4 on comprehensive management of the migration cycle: A) Comprehensive national response programme B) Regional actions programme
3. Promote the pursuit of new markets and trade agreements and strengthen existing ones	Pillar 1 on economic development: B) Trade promotion and regional integration programme
4. Enhance regional relations (Central America) to boost the exchange of goods and services, security and migration conditions	Pillar 1 on economic development: B) Trade promotion and regional integration programme Pillar 4 on comprehensive management of the migration cycle: A) Comprehensive national response programme
7. Promote tourism abroad	Pillar 1 on economic development: A) Enabling infrastructure development programme. C) Production development programme

Comprehensive Development Plan proposals prioritized by the Government of Guatemala

1. Economic development pillar

A. Enabling infrastructure development programme

No.	Title of the proposal
1.6	North-south rail connection, Guatemala
1.7	Development of rural roads, Guatemala

C. Production development programme

No.	Title of the proposal
1.31	'Walls of prosperity' plan: Guatemala-Mexico, Guatemala-Honduras and Guatemala-El Salvador cross-border development, Guatemala
1.32	'Sello blanco' white quality label for local products, Guatemala
1.33	Strengthening value chains to upgrade micro-, small and medium-sized enterprises, Guatemala

D. Territorial development programme

No.	Title of the proposal
1.46	Territorial economic development in Guatemala, Guatemala
1.47	Strengthening of the tourism sector in Guatemala, Guatemala

2. Social well-being pillar

B. Life skills programme

No.	Title of the proposal
2.13	Strengthening associations of municipalities, Guatemala

3. Environmental sustainability, climate change and adaptation, and disaster risk reduction pillar

C. Climate change and nature-based solutions programme

No.	Title of the proposal
3.14	Sustainable water resources management for food security and sustainability, Guatemala
3.15	Strengthening mechanisms for environmental sustainability and climate change mitigation and adaptation, Guatemala

4. Comprehensive management of the migration cycle pillar

A. Comprehensive national response programme

No.	Title of the proposal
4.5	Strengthening immediate and long-term responses to forced displacement and human mobility, Guatemala

C. Honduras

The projects prioritized by the Government of Honduras under the Comprehensive Development Plan emerged from a process of dialogue between the Finance Secretariat, the General Secretariat of Government Coordination, the Secretariat of Foreign Affairs and ECLAC. At the initial meetings, the ECLAC representatives presented an overview of the structure and strategy of the Comprehensive Development Plan. At the meetings that followed, the representatives of the different Honduran Government bodies made important contributions that served to identify the main issues and hence the projects to be prioritized. Nine priority project information sheets were prepared, which were shared with the authorities for review.

Priorities of the Government of Honduras aligned with the Comprehensive Development Plan

The Government Strategic Plan 2018–2022 is the medium-term planning tool to further compliance with the national goals and targets of the 2010–2038 Country Vision and the guidelines and indicators of the 2010–2022 National Plan.

The plan has five development strands:

1. Well-being and social development.
2. Inclusive and sustainable economic growth.
3. Infrastructure and logistics development.

4. A more just, peaceful and inclusive society.
5. Governance, democracy and development.

Each of these strands contains several strategic objectives, which are aligned with the Comprehensive Development Plan programmes.

Well-being and social development

Government Strategic Plan 2018-2022 Sectoral objective	Comprehensive Development Plan Programme
Improve the living conditions of the poorest population by developing the following components: extensive and improved opportunities for the poorest; an inclusive, quality education; healthy living; and decent housing, with quality, affordable basic services	Pillar 1 on economic development: A) Enabling infrastructure development programme Pillar 2 on social well-being: A) Social and labour market inclusion programme B) Life skills programme D) Lifelong health programme

Inclusive and sustainable economic growth

Government Strategic Plan 2018-2022 Sectoral objective	Comprehensive Development Plan Programme
Increase employment and entrepreneurship opportunities in the formal sector of the economy, especially for the youngest population	Pillar 1 on economic development: C) Production development programme Pillar 2 on social well-being: A) Social and labour market inclusion programme Pillar 4 on comprehensive management of the migration cycle: A) Comprehensive national response programme

Infrastructure and logistics development

Government Strategic Plan 2018-2022 Sectoral objective	Comprehensive Development Plan Programme
Boost the country's economic growth, enhancing the competitiveness and productivity of sectors with the highest development potential, in order to attract investment and more employment opportunities and productive ventures	Pillar 1 on economic development: A) Enabling infrastructure development programme

A more just, peaceful and inclusive society

Government Strategic Plan 2018-2022 Sectoral objective	Comprehensive Development Plan Programme
Enhance citizen security to guarantee peaceful coexistence and social justice and improve the environment for expanding investment and productive activity	Pillar 2 on social well-being: B) Life skills programme E) Violence prevention and culture of peace programme

Governance, democracy and development

Government Strategic Plan 2018-2022 Sectoral objective	Comprehensive Development Plan Programme
Reorganize and modernize the State, with efficient and transparent institutions where the rule of law and participatory democracy prevail	Pillar 1 on economic development: C) Production development programme D) Territorial development programme

The Government Strategic Plan 2018-2022 also includes cross-cutting issues, which are linked with the Comprehensive Development Plan as follows.

Cross-cutting issues

Government Strategic Plan 2018-2022 Sectoral objective	Comprehensive Development Plan Programme
Ensure full enjoyment of human rights; guarantee the population's food and nutrition security; strengthen climate resilience and adaptability; and build planning and investment capacity at the territorial level	Pillar 1 on economic development: D) Territorial development programme Pillar 2 on social well-being: E) Violence prevention and culture of peace programme Pillar 3 on environmental sustainability, climate change and adaptation, and disaster risk reduction: C) Climate change and nature-based solutions programme D) Resilience-building to prevent disaster displacement programme

Comprehensive Development Plan proposals prioritized by the Government of Honduras

1. Economic development pillar

A. Enabling infrastructure development programme

No.	Title of the proposal
1.8	Modernization and improvement of the safe drinking water and sanitation service, Honduras
1.9	Road logistics infrastructure, Honduras
1.10	Strategic investments for the energy subsector, Honduras

B. Trade promotion and regional integration programme

No.	Title of the proposal
1.25	Deepening trade and production linkages through the Customs Union between El Salvador, Guatemala, Honduras and Mexico, Honduras

C. Production development programme

No.	Title of the proposal
1.34	Development of value chains that boost and create opportunities in the territories, Honduras
1.35	Improving logistics performance, competitiveness and regional economic integration, Honduras

D. Territorial development programme

No.	Title of the proposal
1.48	Comprehensive territorial development in the Dry Corridor of Honduras, Honduras

3. Environmental sustainability, climate change and adaptation, and disaster risk reduction pillar

B. Resilience-building to prevent disaster displacement programme

No.	Title of the proposal
3.7	Agricultural micro-insurance with climate change adaptation measures for small-scale staple grain and coffee producers, Honduras
3.8	Strengthening the sustainable, climate-resilient coffee value chain, Honduras.

4. Comprehensive management of the migration cycle pillar

A. Comprehensive national response programme

No.	Title of the proposal
4.6	Catering to the immediate needs of Honduran migrants, refugees and asylum seekers in Mexico and promoting their long-term local integration, Honduras

B. Regional actions programme

No.	Title of the proposal
4.20	Integration of Honduran migrant workers into the United States labour market, Honduras
4.21	Productive investment of remittances, Honduras
4.22	Portability of the social security contributions of undocumented migrant workers in the United States, Honduras

D. Mexico

The projects prioritized by the Government of Mexico under the Comprehensive Development Plan emerged from a process of dialogue and interaction with the federal authorities and authorities from the nine state governments of south-southeast Mexico involved in the Plan. During this process, the authorities defined their priorities and priority projects.

A number of working meetings were held, facilitated by the ongoing support of the Secretariat of Foreign Affairs. There were several working meetings with the head and staff of the decentralized public organization Isthmus of Tehuantepec Interoceanic Corridor and, through the Commission for the Comprehensive Development of the South-Southeast Region of the National Conference of Governors (CONAGO), with representatives from the state governments of Campeche, Chiapas, Guerrero, Oaxaca, Puebla, Quintana Roo, Tabasco, Veracruz and Yucatán. All the projects submitted by the states have been approved personally by the respective governors.

Priorities of the Government of Mexico aligned with the Comprehensive Development Plan

The Government of Mexico's 2019–2024 National Development Plan revives the tradition of a foreign policy based on: non-intervention; self-determination; relations with all peoples based on development cooperation; peaceful resolution of conflict through dialogue; rejection of violence and war; and respect for human rights.

An end to hunger- and violence-related migration

The Government of Mexico proposes to eradicate migration caused by hunger or violence. The Plan proposes a root solution for migration by offering all citizens proper living conditions to make migration a choice rather than an obligation.

Migration: root solutions

Mexico will no longer insist on the United States amending its immigration laws and regulations. Instead, as part of a root solution, it proposes to tackle the underlying causes of migration through decent job creation, regional development and the construction of a welfare state. According to the National Development Plan, this policy is designed to ensure that no Mexican citizen is forced to leave their place of residence for reasons of poverty, marginalization, lack of prospects for personal fulfilment or insecurity. The expectation is that sectoral social programmes will have a concrete impact on improving living conditions in the main labour-sending areas and regional development projects will act as a net to capture the flow of migrants transiting northwards: the Mayan Train, the Trans-Isthmus Corridor and the Northern Border Free Zone will create jobs and decent living conditions to attract people fleeing poverty and induce them to settle.¹

The Plan seeks to involve the United States and the northern countries of Central America in the solution, and considers migration to be the consequence of people's impoverishment and of worsening inequalities. It can therefore be counteracted through development and wellbeing. The ultimate aim of this policy is to ensure that everyone is able to work, study and enjoy health and prospects in the place where they were born, that they are not forced by hunger or violence to leave their birthplace, and that those emigrating do so voluntarily rather than out of necessity.²

Mexico has a long tradition of being a land of asylum and refuge. Accordingly, the National Development Plan states that measures will be taken to enable foreigners to transit safely through the national territory or to settle there. The entry of foreigners is subject to a registration process for the purposes of security, statistics and the implementation of reception procedures. The plan states that it is necessary not only to anticipate a potential humanitarian crisis arising from massive flows into the country from other nations but also to raise the Mexican people's awareness with a campaign to eradicate racism, xenophobia and paranoia, which it regrets to note has become embedded in some sectors of society.³

Comprehensive Development Plan proposals prioritized by the Federal Government of Mexico and the nine states of south-southeast Mexico

1. Economic development pillar

A. Enabling infrastructure development programme

No.	Title of the proposal
1.11	Development of the isthmus of Tehuantepec: multimodal interoceanic corridor, Mexico
1.12	Infrastructure of autonomous solar water-pumping systems in rural communities, state of Campeche
1.13	Reconstruction of interregional feeder roads, state of Chiapas
1.14	Modernization and expansion of Chiapas Port, state of Chiapas
1.15	Highway between Acapulco International Airport and the new Pacific tourist development, state of Guerrero
1.16	Rehabilitation of the market area in Oaxaca's 'Central de Abastos' wholesale market (Margarita Maza de Juárez market), state of Oaxaca

Enabling infrastructure development programme (concluded)

No.	Title of the proposal
1.17	Highway to the Papaloapan basin and bypass in the city of Tuxtepec, state of Oaxaca
1.18	Access road to the new port of Frontera, state of Tabasco
1.19	Industrial and logistical infrastructure for trade with Central America, state of Tabasco
1.20	Alvarado multimodal cabotage terminal, state of Veracruz
1.21	Distributed power generation project, state of Yucatán
1.22	Improved connectivity and mobility conditions in the municipalities lagging furthest behind, state of Yucatán

C. Production development programme

No.	Title of the proposal
1.36	Maya Ka'an project: community development with tourism and conservation of natural, historical and cultural resources, state of Quintana Roo
1.37	Establishment of a juicing microenterprise in the northern region, state of Veracruz

2. Social well-being pillar

A. Social and labour market inclusion programme

No.	Title of the proposal
2.9	Youth building the future in south-southeast Mexico and the northern countries of Central America

B. Life skills programme

No.	Title of the proposal
2.14	University centre for the comprehensive development of south-southeast Mexico and the northern countries of Central America, state of Tabasco

E. Violence prevention and culture of peace programme

No.	Title of the proposal
2.27	Putting into operation an arts and crafts factory and fitting out areas for inclusive social development, a culture of peace and the prevention of violence and crime, state of Quintana Roo

3. Environmental sustainability, climate change and adaptation, and disaster risk reduction pillar

C. Climate change and nature-based solutions programme

No.	Title of the proposal
3.16	"Sowing Life" in south-southeast Mexico and northern Central America, Mexico

4. Comprehensive management of the migration cycle pillar

A. Comprehensive national response programme

No.	Title of the proposal
4.7	Boosting humanitarian aid for migrants, state of Puebla
4.8	Human mobility, assisted repatriation and reintegration, state of Puebla



The Comprehensive Development Plan aims to create a sustainable development space and generate opportunities to improve the quality of life of the people of El Salvador, Guatemala, Honduras and south-southeast Mexico, thus making migration a choice rather than an obligation. This is an joined up response by the United Nations system, which seeks to generate synergies and coordinate actions with the countries at the centre and the support of subregional integration institutions.



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