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Cooperation Programme for **Central America**

Exit Programme 2022-2024



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We will continue to work to empower people to make tangible changes in their lives. We are confident that we will live up to our legacy. Photo: CATIE.

Foreword

Many things have changed since Switzerland first made a commitment to fight against poverty in Central America over 40 years ago. At that time, Swiss experts supported farmers and cooperatives directly by promoting comprehensive rural development based primarily on stock and crop farming and drinking water supply. Today, we foster multi-stakeholder partnerships to promote democratic institutional reforms, increase productivity and the competitiveness of value chains or encourage new water management models in response to the impacts of climate change.

Over the years, we have continuously innovated, adapting its response to opportunities such as sustained economic growth, and to the challenges posed by social upheaval, fractured democratic institutions or severe humanitarian crises. Nevertheless, in this fragile context there has been one constant: our enduring commitment to fighting poverty and to inclusive sustainable development. Year after year, we have focused on making tangible changes in the lives of the most vulnerable people by promoting their empowerment and respect for their rights. Hundreds of thousands of Central Americans have benefited from better basic services, access to knowledge, job creation and the chance to defend their rights. It is due to this perseverance and the results achieved that Swiss Cooperation enjoys such a good reputation in the region.

With its new 2022-2024 Cooperation Programme in Central America, Swiss Cooperation is entering a new phase. The Dispatch on Switzerland's International Cooperation 2021-2024 envisages a responsible and gradual withdrawal of Swiss bilateral cooperation from Lat-



in America and the Caribbean. The 2022-2024 programme provides continuity for the lines of action which had good results, in order to consolidate and possibly scale up their impact, and also provides guidelines for the withdrawal of bilateral cooperation, emphasising the sustainability of the results and the institutions supported. Finally, it promotes other forms of Swiss solidarity, such as humanitarian aid, multilateral cooperation and NGOs and foundations, among other Swiss players committed to development in Central America.

In a context marked by setbacks in the rule of law and democracy, Swiss Cooperation in Central America will continue to combine technical assistance with political dialogue and support for institutional reform. It will continue to implement regional programmes and partnerships that reinforce the work of bilateral programmes in Honduras and Nicaragua, and improve its action by reinforcing the triple nexus between humanitarian aid, development and peace.

Patricia Danzi
Director General
Swiss Agency for Development
and Cooperation (SDC)



Central America is a place of migrant departure, arrival and passage. We work to ensure that migrants in transit are treated with dignity. Refugee camp, San Vicente, Meteti, Panamá. Foto: Héctor Morales, Red Cross

1. Context Analysis

Central America, a fragile panorama

Sustainable human development over the last three decades in Central America has contrasts. From a regional perspective, economic and social progress was strong until 2019, with improvements in the reduction of infant mortality and poverty levels, in access to basic services such as water and sanitation, in the drop in homicide rates in most Central American countries, and in increased participation of renewable sources in the region's electricity generation matrix. However, these improvements are uneven across countries and the structural gaps have widened between the south of the isthmus, which is more developed, and the centre-north which has persistent economic, social and political challenges.

The situation in the region at the close of the second decade of the 21st century is troubling, particularly in the areas of **human rights, rule of law and democracy**. The progressive deterioration of democracy has weakened public support for government. The rule of law has been affected by a growing concentration of the executive branch over the legislative and judicial branches, and by authoritarian governments weakening justice systems and the fight against corruption and impunity. Corruption, linked to the growing power of drug-trafficking and organised crime, has permeated the executive, legislature and judiciary. The work of defending human rights has become extremely dangerous and the situation of human rights defenders in the region has worsened. Civil society action is restricted by new laws, and a disproportionate use and the control of security forces.

The region's **economic development** model continues to be mainly extractivist, leading to considerable civil conflicts outside the capitals due to its high social and environmental costs or the pressure on the lands and natural resources of the indigenous communities and Afro-descendant peoples affected. The economy faces structural problems such as low productivity, high informality, high dependence on for-

eign trade and remittances¹, an adverse business climate due to the lack of an independent judiciary, deteriorating public institutions and high levels of corruption. The working-age population is expected to decline drastically in the coming decades, and long-term economic growth will depend even more on increasing competitiveness.

The region is ill-prepared to cope with large-scale **humanitarian emergencies**. In 2020, the COVID-19 pandemic and the impact of two successive hurricanes pushed the region into the largest economic contraction in its history, causing a rise in underemployment and unemployment, a reduction in household incomes and an increase in inequality and poverty in all countries. Lower-income people, women, youth, and indigenous and Afro-descendant peoples have been disproportionately impacted, not only economically, but also in terms of access to education and health. The contraction of revenues due to the fall in economic activity and the increase in public spending for the health emergency and natural disasters further widened the high levels of fiscal deficits. The pandemic exacerbated the existing gaps in gender equality, highlighted disparities in internet access and increased the levels of gender-based violence. Although some emergency measures were necessary to curb the spread of the virus, governments have used the pandemic as a pretext to restrict fundamental freedoms and civic space. The future of the region's development will depend on its ability to overcome the pandemic and on the gradual recovery of its economy.

Central America is recognised as one of the regions most exposed to natural **disaster risks and climate variability** in the world, and is being affected more frequently by extreme weather events and recurrent periods of drought combined with excess rainfall and severe flooding. Millions of people in the Central American Dry Corridor are suffering the consequences of years of drought and extreme weather events, exacerbated by extreme poverty. Hunger in the Central American region quadrupled in the last two years and

¹ 24.1 per cent of GDP in Honduras and 14.7 per cent of GDP in Nicaragua; Source: BCIE 2019-2020.



The Support Mission against Corruption and Impunity in Honduras was a mechanism created by agreement between the OAS and the Honduran government, and operated from 2016 to 2020. Photo: MACCIH.

there are now 8 million undernourished people, of whom 1.7 million² need urgent food aid. Overall, the number of people in humanitarian need has doubled in 2020, totalling some 10 million³ people in the region. Conflict over property and the use of and access to natural resources has worsened, particularly affecting indigenous peoples living in reserve and water resource protection areas. The region has legislation that favours environmental protection and conservation, but greater political will and institutional response is needed for full compliance with rights-related norms and policies, access to information, participation and justice.

Stricken by poverty, violence, repression or lack of economic prospects, many households see **migration** as the most attractive option for a better future. There are currently about 580,000 refugees and asylum seekers from El Salvador, Honduras and Guatemala - an increase of 30 per cent compared with 2018⁴. Over 108,000 Nicaraguans have left their country in search of a safe place to live since the beginning of the crisis in 2018. All countries in the region are affected, whether

they are countries of origin, transit, asylum and/or return. The United States' ambivalent policy in recent years has prioritised stability and migration control in the region. Migration has also produced a rapidly growing urban population⁵. The high rate of urbanisation in the region, even with differences between countries, presents great opportunities for economic development, offering migrants business options or local integration of migrants, for example.

Member countries show little political will for the **regional integration** process, hampering its consolidation as a platform for defining and implementing public policies for responding to issues of common interest. Nevertheless there are areas of integration with robust institutional capacities and tangible achievements, such as energy and economic integration.

Human rights, security, democracy and the rule of law are increasingly **fragile** and challenged, while the region's vulnerability to the effects of climate change and natural disasters threatens its stability and development achieved. This is the assumed scenario for the exit strategy to 2024.

2 WFP, 2020.
3 OCHA, 2020.
4 UNHCR, 2020.

5 59 per cent of the population live in cities, World Bank 2017.

2. Swiss foreign policy objectives in Central America

For over four decades, Swiss Cooperation has supported the **fight against poverty and helped ensure that no one is left behind** in Central American countries by supporting their efforts to tackle obstacles to development. Switzerland's presence is constant and impartial and has a rights- and values-based agenda.



Central American youth are key to the region's development, and therefore they are at the centre of this strategy. Photo: Swisscontact.

Switzerland's international cooperation is guided by the vision of a world without poverty, in peace and with respect for human rights. The 2022-2024 Cooperation Programme focuses on phasing out, and Switzerland once again reaffirms its **commitment to development in Central America**. It will continue to contribute to the 2030 Agenda for Sustainable Development and the objectives of the Swiss International Cooperation Strategy 2021-2024, in particular **governance and human rights, inclusive economic development and adaptation to climate change, and sustainable management of natural resources**. Its action is guided by the objectives of Switzerland's 2020-2023 foreign policy strategy and the 2022-2025 Strategy for the Americas. It will respond to growing humanitarian needs, and promote the inclusion of vulnerable groups, gender equality, human rights and democratic governance. Through this programme, Switzerland is complying with its commitment to mitigate the effects of climate change in developing countries and to cushion its consequences.

Switzerland has two embassies in Central America, one in San José and one in Guatemala City, and two cooperation offices, one in Managua and one in Tegucigalpa. The exit process will culminate in the closure of the cooperation offices in Nicaragua and Honduras and the opening of honorary consulates. While cooperation is Switzerland's priority in bilateral relations with the CA-4 countries⁶, it is increasing economic exchanges, starting from relatively modest amounts. Beyond 2024, Switzerland's priorities in the region will focus on humanitarian aid, peace, security, human rights, prosperity and sustainability as set out in the 2022-2025 Strategy for the Americas. Swiss Humanitarian Aid will remain in Central America beyond 2024, based on its universal mandate.

⁶ El Salvador, Guatemala, Honduras and Nicaragua.

3. Results of the 2018–2021 Strategy

Swiss Cooperation in Central America has shown an **uninterrupted commitment for over 40 years** leading to major achievements in the fight against poverty. In the 1980s, Switzerland started major projects focusing on two themes: integrated rural development and water and sanitation. What began as support for agricultural production changed into a value chain approach, including the microfinance industry. Other key themes in recent years have been the reduction of national disaster risk in the aftermath of Hurricane Mitch, the construction of social infrastructure for the poor and the management of public finances. Through Swiss Cooperation's work, 460,000 Central Americans have access to water and sanitation and over 569,000 people have benefited from

repaired roads or bridges, and thousands now live in conditions that are more resilient to the constant risk of disasters. Since the 1980s, collaboration with NGOs, institutions and civil society groups has been an integral part of Swiss Cooperation's work. In all these years, Swiss development cooperation has consistently focused on people, their empowerment and their participation in decision-making processes. It has been versatile in addressing the multiple forms of fragility that perpetuate poverty in the region, which required strong new themes, such as good governance, the fight against corruption, the strengthening of the rule of law and the promotion of human rights.



San Marcos, Nicaragua, and Biel/Bienne, Switzerland, have been twinned since 1979. Solidarity has always been a Swiss value. Photo: Iara Vega Linhares.

During the implementation of the 2018-2021 Strategy it became clear that Swiss Cooperation had to **adapt to the changes** arising from the conflict in Nicaragua and the COVID-19 pandemic. In Nicaragua, the breakdown of institutions and the spiral of human rights violations in 2018 stimulated critical reflection and a thoroughgoing realignment of the strategy. One lesson learned was that the high degree of cooperation with government partners proved to be an aggravating factor. Switzerland had to review its strategy in line with the Organisation for Economic Cooperation and Development's (OECD) proposal of "staying engaged". Consequently, it replaced the local governance approach and now emphasises conflict transformation, the strengthening of social cohesion, and the promotion and defence of human rights.

The good results achieved by Swiss Cooperation in the 2018-2021 period contrast with the general deterioration of the rule of law and democracy, exacerbated conflict and setbacks in the fight against poverty in the region. **The balance of the 2018-2021 Strategy** is therefore mixed. Despite the challenging context of these four years, thanks to Swiss Cooperation nearly 125,000 people are better prepared for frequent droughts through improved water resource management and the use of climate change adaptation technologies; 100,000 displaced people have access to safe places for their protection and access to basic services; over 9,000 young people (48 per cent women) have benefited from vocational training to move into the labour market, and hundreds of human rights defenders have benefited from protection. Although work on good governance has faced constraints at regional level, some progress has been made at national and local level. Progress was also made in disaster risk reduction through regional governance strengthened by capacity building in disaster risk reduction for 22,000 people in the region, including 2,500 university teachers and the establishment of an efficient earthquake warning system.



In Honduras, Swiss humanitarian aid focused on delivering food to communities affected by hurricanes Eta and Iota. Photo: SDC.

Noteworthy results:

Governance and the rule of law. The Organization of American States (OAS) and the Office of the United Nations High Commissioner for Human Rights (OHCHR) monitored human rights at national level, keeping the international community informed, preserving historical memory and activating mechanisms for the protection of human rights defenders. As a result, a resolution on Nicaragua was first introduced in the Human Rights Council in March 2019 and has been renewed every year since. Support for the International Commission against Impunity in Guatemala (CICIG) and the Support Mission against Corruption and Impunity in Honduras (MACCIH) showed that the rule of law applies to everyone. Standards in the fight against corruption and impunity in the region increased substantially, which was visible in the 134 cases⁷ of high-impact corruption submitted and in the creation of anti-corruption courts and prosecutors' offices in Guatemala and Honduras. This experience identified important lessons for designing and building a system against corruption and impunity in the future.

In Honduras, in the Gulf of Fonseca and La Mosquitia, civil society networks supported the work of human rights defenders by lobbying the State System for the Protection of Defenders and bringing their cases before the Universal and Inter-American Human Rights Systems, providing greater protection for them. Switzerland helped establish and strengthen the Police Disciplinary Department, contributing to the disciplinary investigation of the police officers and of members of the security forces, and to a culture of no impunity.

In Nicaragua, the contributions planned by Swiss Cooperation to promote the electoral reforms agreed by the government with the OAS and the human rights sector with OHCHR did not progress. At the same time, Swiss Cooperation supported over 100 organisations in their work to prevent conflict and promote social cohesion at local level. In 2020, over one million people participated in cultural activities for promoting a culture of peace. Finally, Swiss Cooperation managed to improve coordination with national stakeholders that provide protection and assistance services to migrants, and helped 300 women victims of sexual violence to receive psychosocial and legal assistance and shelter.

Employment and promotion of inclusive economic development. Public-private partnerships⁸ in the cacao and fisheries value chains enabled 11,600 families to access credit, fair prices and/or technical assistance to improve their incomes. Partner cooperatives strengthened their management and the inclusion of women and youth. Today, women hold 30 per cent of seats on the cooperative boards. In Nicaragua, the cacao production of the prioritised cooperatives doubled

⁷ CICIG: 120 cases, MACCIH: 14 cases.

⁸ With Ritter Sport and Rainforest Alliance in Nicaragua and Chocolats Halba and Maruko in Honduras.



Women are involved in the cocoa value chain. Here they are drying and turning cocoa pods. Photo: UNIDO.

in the last two years and is now profitable⁹. In Honduras, cacao promotion helped create 14,650 jobs. Swiss Cooperation consolidated a regional cocoa information and knowledge management platform, which contributes to national and regional public policies.

Disaster risk reduction and climate change. The region made progress in joint disaster management. The COVID-19 Regional Contingency Plan activated a Central American humanitarian corridor, set the regional Mutual Aid Mechanism in action, and put in place protocols for transporting humanitarian aid in response to the pandemic and hurricanes Eta and Iota. Four out of six countries have national accreditation systems for emergency teams.

In Nicaragua and Honduras, Switzerland made a particular contribution to stronger comprehensive water resources management using a watershed approach. In Nicaragua, Switzerland strengthened the institutional framework for water management by improving the performance of 50 drinking water and sanitation committees and 100 grass-

roots organisations for watershed management. In Honduras, Switzerland supported the development of instruments for establishing the Water Authority, and organized 75 territorial basin organisations, their regulations and water planning instruments.

Pandemic response. At the onset of the pandemic, Switzerland adapted the strategy of some of its programmes to speed-up delivery, and moved to the forefront of the response, providing additional resources for humanitarian assistance to alleviate economic hardship and ensure care safety. This has protected thousands of doctors, nurses and paramedics and provided biosecurity measures for thousands of households. In Honduras, justice and security providers in Choluteca developed a care route for women domestic violence victims. Switzerland also supported regional and national community audits of the use of resources allocated by the state for emergency response. In Nicaragua, Switzerland supported a mobile phone-based care network which provided 20,000 people with medical assistance.

⁹ 8-10 per cent rate of return.

4. Implications for the 2022-2024 programme

Swiss Cooperation has used both the lessons learned and its new perspectives to determine that the following emphasis in its work is necessary as it phases out gradually and responsibly to guarantee the impact and sustainability of its action:

→ **In the region**

To fulfil its post-2024 humanitarian mission, Switzerland will install a humanitarian antenna at the Swiss Embassy in Guatemala City, which will coordinate preparedness and response to disasters or other extreme events with the Swiss Embassy in San José, where the Consular Centre for Central America will be stationed. To facilitate its installation and its action in the future, Swiss Cooperation will consolidate the humanitarian partner network, strengthen the humanitarian response and coordination capacity at the country level through bilateral action, and also strengthen local emergency teams. Based on lessons learned, Swiss Cooperation will strengthen the capacities of regional actors and coordination mechanisms to respond to the growing humanitarian needs.

In the face of the deterioration in the status of human rights and the challenges posed to civil society activism, Swiss Cooperation will strengthen multi-stakeholder partnerships at local, national, regional and global levels. In the fight against corruption, Swiss Cooperation will reinforce its collaboration with local civil society and international players to strengthen the anti-corruption prosecutors' offices in Honduras, Guatemala and, to a lesser extent, in El Salvador. In general, Swiss agencies will further their interaction through the Whole of Government Approach (WOGA) in order to strengthen political advocacy.

Swiss Cooperation will direct the mitigation of the humanitarian consequences of irregular migration towards the protection of migrant and refugee populations, particularly children and adolescents.

It will combine system-level interventions with territorial activities in support of the Regional Integrated Framework for Protection and Solutions (MIRPS), and explore ways of capitalising on its experience in Guatemala by supporting intermediate cities, developing urban policies for fostering social inclusion and cohesion.

In a context of conflict, Swiss Cooperation will work with the arts, culture and the rescue of historical memory, to promote a plurality of voices and debate on key issues to foster a culture of peace and social cohesion in the region. The Society, Culture and Memory programme will more actively work on the formation of young people in the culture of peace and a Central American network that focuses on dealing with the past and contributes to conflict transformation.

In the field of disaster risk reduction, Swiss Cooperation will focus on strengthening emergency preparedness and response according to humanitarian principles, strengthening and ensuring the quality of early warning systems and communicating warnings to the populations at risk.

→ **In the country**

In **Honduras**, Swiss Cooperation will help consolidate the rule of law, strengthening the coordinated participation of civil society organisations, in particular in social auditing and accountability with a human rights focus. It will strengthen the institutional governance of the police force with a rights and gender equality focus, and continue to support providers in the justice chain, in social audits¹⁰, particularly in the Gulf of Fonseca region and La Mosquitia with the aim of institutionalising the coordinated approach.

¹⁰ Police, Public Prosecutor's Office, Judiciary.



Swiss humanitarian aid is governed by the principles of humanity, neutrality, impartiality and independence. In the photo, water experts provide support after Hurricanes Eta and Iota in Bilwi, Northern Caribbean Coast Autonomous Region, Nicaragua. Photo: SDC.

In **Nicaragua**, Switzerland will focus on contributing to strengthening the multi-stakeholder approach, promoting spaces for private sector and civil society participation in development and poverty reduction. Switzerland will in particular support think tanks that generate analyses and proposals for long-term reforms. Finally, Switzerland will lead a humanitarian policy dialogue and strengthen the coordination and action of the humanitarian organisation ecosystem.

→ **In general**

Swiss Cooperation will facilitate knowledge management and transfer to strengthen partner institutions. It will strengthen the role of partner organisations' knowledge brokers in the region in Swiss Cooperation priority issues.

By capitalising on successful experiences, Swiss Cooperation will strengthen its work with the private sector as a key element of its sustainability strategy, particularly through improving the supply of professional training and supporting dialogue between the public and private sectors and civil society. It will foster partnerships to improve competitiveness and achieve better framework conditions in priority value chains.

Swiss Cooperation will support dialogue between the public and private sectors and actively promote an inclusive agenda according to the principle of leaving no one behind, in favour of vulnerable, discriminated and politically or socio-culturally excluded groups. To do so, it will promote gender equality as a key cross-cutting issue whose objectives will be defined in the Gender Action Plan. Similarly, it will reinforce the integration of other groups socially excluded because of their ethnic origin, religion, sexual or geographical identity. Finally, it will maintain the inclusion of young people as a priority because of the particular opportunity that the demographic dividend represents for the region.

Swiss value-added: In the region, Switzerland is valued as an actor with an impartial position and a rights- and values-based agenda. It focuses its cooperation on the roots of poverty and insecurity in the region by strengthening the “nexus” between its instruments. Hence its cooperation is seen as credible and reliable, and it is guided by the principle of “staying engaged”. With an emphasis on strengthening sector and local governance at the core of its portfolio, Switzerland stands out for emphasising key aspects of its strategy to leverage systemic change. In addition, Switzerland has recognised expertise and experience in its field of action.

5. Priorities, objectives and impact hypothesis

With its 2022-2024 cooperation programme, Switzerland will:

- I. Implement the gradual and responsible withdrawal of Switzerland's bilateral development cooperation with Central America in line with Switzerland's International Cooperation Strategy guidelines.**

The exit of bilateral cooperation will emphasise the sustainability of results already achieved and the sustainability of partner institutions and organisations. Where possible and relevant, Swiss Cooperation will encourage gradual handover to other development actors, including other actors from the WOGA approach. In order to ensure a responsible and orderly exit, it will focus efforts on completing the goals of on-going projects which will end by 2024, documenting and systematising experiences and good practices, and will make efforts to establish and consolidate alliances with transfer partners, consolidate the results achieved, promote replicability and scaling up of good practices and reinforce sustainability.

- II. Foster sustainable and equitable development in Central America by strengthening participatory governance and human rights, the socio-economic inclusion of vulnerable and excluded groups, sustainable natural resource management, and climate and disaster resilience in priority territories.**

Switzerland continues to be an active partner for the region's development. In line with this objective, the priorities for each thematic area are as follows:

Thematic Area 1: Governance and the rule of law

Expected impact: Switzerland contributes to strengthening the rule of law with a focus on inclusive governance and respect for political, civic, economic, social and cultural rights.

Contributions to the SDGs



In addition to developing institutional capacities and strengthening civil society at the national level, Swiss Cooperation will contribute to the Inter-American and universal human rights systems' instruments and strengthen democratic institutions and the rule of law in priority countries. At the same time, the work against impunity will be driven by alliances of stakeholders involved in the improvement of the justice system, the protection of human rights and the control of corruption. This will protect human rights defenders in their work of promoting and defending human rights. The GPSC will be mainstreamed, a Central American Memory Network will be promoted and Swiss Cooperation will contribute to projects to retrieve historical memory in the countries of northern Central America, aiming to place the treatment of the past in public discussion in the region. In **Honduras and Nicaragua**, it will strengthen civil society participation in advocacy and decision-making, prioritising the empowerment of vulnerable groups such as women, youth, indigenous peoples, Afro-descendants, human rights defenders and migrants. In **Honduras**, it will strengthen the mandate and leadership of key national actors in the justice and security sector to consolidate reform and the construction of public security mechanisms based on integrity, respect for human rights and non-impunity. In **Nicaragua**, in order to improve social cohesion and contribute to the transformation of the crisis, it will provide support for the training teachers, community leaders and cultural promoters in using tools to promote the Culture of Peace paradigm at the local level.

Thematic Area 2: Employment and inclusive economic development

Expected impact: Switzerland contributes to the strengthening of multi-stakeholder platforms and multi-sector roundtables, leading processes that articulate actions that facilitate territorial economic development under shared governance respecting economic, social and cultural rights and the socio-economic inclusion of vulnerable and excluded groups.

Contributions to the SDGs



This is geared to consolidating the results achieved in value chains, professional training and territorial economic development. Swiss Cooperation continues to work in professional training in Honduras to consolidate approaches and systematize good practices, while in Nicaragua, it will continue to strengthen the capacities of young people to improve their opportunities for entering the job market. With regard to value chains, in Honduras and Nicaragua, its main focus will be on cooperatives, increasing productivity, improving quality, strengthening governance structures and entrepreneurial capacities to ensure they have sustainable access to the market. Finally, in terms of territorial economic development, Swiss Cooperation will continue to strengthen small and medium-sized enterprises in terms of their structure, operations and the credit funds policies. In Honduras, Swiss Cooperation will also emphasize governance and value chains selected in each priority territory through national chain committees that foster interaction between the public and private sectors.

Thematic Area 3: Climate change, DRR and natural resources

Expected impact: Vulnerable populations increase their resilience to climate change and disasters by strengthening governance in the sustainable and equitable management of natural resources.

Contributions to the SDGs



In sustainable natural resource management, Swiss Cooperation continues to have water governance, climate change adaptation and disaster risk reduction as priorities. It will strengthen partnerships with the United Nations Office for the Coordination of Humanitarian Affairs (OCHA) and the United Nations Office for Disaster Risk Reduction (UNDRR) and multilateral re-



Cacao producers have an app which gives them access to technical assistance and information on the different stages of the crop, and other useful facts. Photo: Rikolto.

gional partners¹¹ in the regional project architecture, as part of phasing over. Similarly, Swiss Cooperation will maintain the capacity of its humanitarian aid to respond quickly and efficiently to urgent needs that arise in Central America. In **Honduras**, it will maintain the thematic focus on water governance, linking the public and private sectors, civil society, academia and strategic projects of other cooperation agencies in the Gulf of Fonseca. Swiss Cooperation will continue to carry out political advocacy for a harmonised and inclusive legal framework with emphasis on the Water Law that will enable the creation of the Water Authority and the development of the Water Fund. In **Nicaragua**, efforts are being made to make vulnerable groups, especially women, youth and indigenous peoples, more resilient to climate change. Swiss Cooperation is consolidating participatory and sustainable management of natural resources and strengthening disaster preparedness and response capacities in line with international humanitarian principles and standards. It is strengthening collaboration with the Nicaraguan Red Cross and will engage with new partners with a humanitarian mandate such as OCHA and the International Committee of the Red Cross (ICRC), highlighting the link between preparedness and humanitarian response.

Transversal themes: Inclusive governance, disaster risk reduction and gender equality

The national and regional context reinforces the need to promote the systematic inclusion of vulnerable groups such as women, youth, migrants, human rights defenders or indigenous and Afro-descendant groups. Swiss Cooperation strengthens its efforts to mainstream gender equality in all its programmes by transforming cultural stereotypes and structural gaps in order to promote equal opportunities for men and women. In addition, through working with men,

¹¹ CCAD, CEPREDENAC, GWP, CATIE, WB.

it challenges traditional gender roles. A specific focus on knowledge management highlights best practice and successful initiatives for strengthening gender equality. Swiss Cooperation also focuses on promoting inclusive governance to mitigate conflicts, foster a culture of peace and strengthen democratic institutions in all its programmes, regardless of their thematic focus. In view of the exit of bilateral cooperation, it is particularly important to strengthen participatory processes.

Switzerland also strengthens oversight and social auditing mechanisms for public and private entities to be accountable and more transparent. Given the region's vulnerability to climate change, disaster risk reduction improves the resilience of the results achieved, Swiss Cooperation continues to promote and support the Roadmap for the Integration of Climate, Environment and Disaster Risk Reduction.

Contributions to the SDGs



Maintenance works in tributaries of the Dipilto Basin, Nueva Segovia, Nicaragua. Photo: SDC.

6. Cooperation Programme Management and Implementation

Approaches, modalities and partners

The following approaches, modalities and partners can be highlighted to ensure the impact and sustainability of Swiss Cooperation action and its gradual and responsible phasing-out.

→ Approaches:

Territorial concentration: in Honduras, the priority regions are the Gulf of Fonseca and La Mosquitia, while in Nicaragua the priority is the Central North region. Swiss Cooperation implements an inter-programmatic approach in these regions, which promotes synergies between its programmes.

Out of fragility: addressing the root causes of poverty and insecurity which involves strengthening governance in the various sectors, mitigating conflicts, fostering a culture of peace and strengthening democratic institutions.

Psychosocial approach: in Honduras, Swiss Cooperation addresses the causes of violence, conflict transformation and social cohesion, and in Nicaragua, it integrates the psychosocial approach into new culture of peace initiatives.

→ Modalities:

Integrated WOGA work: Swiss Cooperation will further consolidate synergies between the instruments of the main WOGA players in order to ensure the sustainability of results and facilitate the handover of activities where possible and relevant, and strengthen the exchange between cooperation offices and the Swiss embassies in San José and Guatemala City. It is increas-

ing the Peace and Human Rights Division involvement in issues such as human rights, dealing with the past and transforming the conflict in Nicaragua. It will strengthen the nexus between humanitarian action, development and peace-building, and collaborate with the Swiss State Secretariat for Economic Affairs in scaling up public-private partnerships and strengthening of the cacao value chain.

Swiss Cooperation is using a pragmatic mix of **contributions and mandates**, and making greater use of contributions to facilitate the handover to other development agencies or, better still, to link projects to regional or multilateral initiatives.

Swiss Cooperation combines **micro, meso, macro** levels.

→ Partners:

Working with multiple actors: Swiss Cooperation is consolidating the multi-actor approach. It continues to promote forums for coordination in Honduras. In Nicaragua, it is consolidating direct partnerships with the private sector and coordinates with other donors, in particular the European Union.

Dialogue on the conditions to achieve sustainable results: despite the unfavourable environment, Swiss Cooperation actively seeks dialogue with state and civil organisations with regard to measures to create the conditions necessary for the sustainability of the results and institutions supported by Swiss Cooperation.

In the spirit of the Sustainable Development Goals (SDG 17), Swiss Cooperation creates **alliances** with international partners and multilateral agencies to capitalise on



The police forces in Honduras receive support to increase their institutional integrity, implementing the principles of meritocracy and adopting ethical values based on respect for human rights. Photo: SDC.

successful Swiss experiences, leverage funds and scale up effects. This includes trilateral/south-south cooperation in order to consolidate, sustain or scale up the impacts of an initiative. It aims to collaborate with NGOs, town-twinning partnerships and other Swiss development agencies to create synergies and multiplier effects. In particular, it is strengthening cooperation with Swiss NGOs in disaster preparedness¹².

At **regional level** Swiss Cooperation liaises with regional public and private institutions, including civil society networks and think tanks (CATIE) and the Economic Commission for Latin America and the Caribbean (ECLAC). It also works with the Central American Integration System (SICA), through its agencies, in particular the Coordination Centre for Disaster Prevention in Central America (CEPREDENAC), the Central American Council of Finance Ministers (COSEFIN) and the Central American Commission for Environment and Development (CCAD). It aims to strengthen the Inter-American Human Rights System and contribute to the work of the Office of the United Nations High Commissioner for Human Rights (OHCH).

A public-private partnerships: Swiss Cooperation is consolidating and evaluating options for scaling up with the private sector, with the Inter-American Development Bank (IDB), the United Nations Industrial Development Organisation (UNIDO) and the Centre of Excellence for Private Sector Engagement (KEP).

SDC Global Programmes: Cooperation with these programmes is being strengthened to include their perspective particularly on the issues of climate change, food security and migration, and especially cooperation with the global Water programme and the resEAU, aimed at capitalising on and disseminating SDC's expertise in water and sanitation and integrated water and sanitation management in the region.

Principles of working towards gradual and responsible phasing-out

Considering the context, Swiss Cooperation can define three possible variants of the **programme closure** of the exit strategy as the areas where there will be the greatest impact, sustainability and the potential for transfer to other development actors or WOGA:

- **Phasing-out:** closure because targets have been or cannot be achieved.
- **Phasing-down:** gradually winding down a programme's activities, giving priority to strengthening local organisations in order to sustain benefits.
- **Phasing-over:** transferring some activities to another organisation for it to achieve its objectives and reinforce sustainability.

¹² Local emergency team.

For each project, depending on the corresponding option, Swiss Cooperation will draft a transfer and exit plan, emphasising the impact and sustainability of the interventions.

The 2022-2024 Cooperation Programme focuses on knowledge management and transfer for a responsible and sustainable exit, taking the following objectives into account:

1. Document and communicate the results and lessons learned to **account** for the Swiss legacy in the region, particularly for the Swiss public.
2. Contribute to the **institutional learning** of SDC or partner organisations in order to lead to a scaling-up of experiences and learning.
3. **Feed into policy dialogue and influence policy** on the basis of lessons learned.

Financial and human resources

The cooperation programme with its operational planning¹³ provides the framework for phasing out and allocating resources. However, the regional programme has a certain flexibility in resource allocation depending on the evolving context and possible opportunities or threats. Figures are therefore indicative only. The regional office in Managua regularly analyses the appropriate and strategically reasonable allocation of resources and distributes them in coordination with the Tegucigalpa office.

¹³ See Annexe 2.

The Swiss Cooperation Programme in Central America 2022-2024 will be implemented with a budget of **CHF 58.8 million**.¹⁴ The resources come from South Cooperation and Humanitarian Aid.

Central America	2022	2023	2024
South Cooperation	21	15	5
Humanitarian Aid	6.8	6	5
Total (CHF millions)	27.8	21	10

In 2024, having sufficient human resources is key to gradually phasing out and the orderly closure of offices. Programme and office closures are intense and complex on many levels and require high quality human resources until the end. Local staff therefore need to be retained through effective incentives¹⁵. At end 2021, staff were reduced (equal to 1500 FTE or 36 per cent). Swiss Cooperation expects to maintain the current staff talents until the closure of the offices.

¹⁴ See Annexe 3 - Financial planning by co-operation office and funding source.

¹⁵ Regional Guidelines Latin America and the Caribbean 2021-2024, Annexe 1 Principles for Responsible Programme and Office Closure, 2020.

7. Strategic steering

Swiss Cooperation will implement a monitoring system similar to the 2018-2021 Cooperation Strategy, which will serve primarily as a baseline for results-based annual reporting and follow-up of the exit process. Monitoring will include the following levels:

- Context, supported by the monitoring of development-relevant political, economic and social changes (MERV) and the analysis of the Baseline Scenario (Annexe 3).
- Expected results of the programme and progress in the region, defined in the results framework of the three thematic areas.

→ Swiss Cooperation in Central America, to evaluate the effectiveness and efficiency of the implementation of Swiss programmes (Annexe 4). Monitoring will facilitate management, internal/external accountability and the capitalisation of results and experiences. A joint annual workshop of the two offices is the key moment for the strategic steering of the regional programme, drafting the annual report and the follow-up to the exit process.

The programme and the exit process will be carried out in continuous communication with the two Embassies, the Americas Division and entities with specific competencies such as SDC Global Programmes and the Peace and Human Rights Division.



The use of applications facilitates the monitoring of projects. Photo: SDC.

Annexes

Annexe 1: Acronyms

AMLAT	Latin America
ARI	Aggregate Reference Indicators
BCIE	Central American Bank for Economic Integration
IDB	Inter-American Development Bank
WB	World Bank
CCAD	Central American Commission for Environment and Development
ECLAC	Economic Commission for Latin America and the Caribbean
CEPREDENAC	Coordination Centre for the Prevention of Natural Disasters in Central America
CHF	Swiss Franc
CICIG	International Commission against Impunity in Guatemala
COSEFIN	Council of Ministers of Finance of Central America, Panama and the Dominican Republic
DRR	Disaster Risk Reduction
GBV	Gender-based violence
GIZ	German Cooperation
CSPM	Conflict Sensitive Programme Management
ICRC	International Committee of the Red Cross
KEP	Kompetenzzentrum für das Engagement mit dem Privatsektor (Centre of Excellence for Engagement with the Private Sector)
LGBTIQ	Lesbian, Gay, Bisexual, Transgender, Intersex and Queer
MERV	Minimum efficiency reporting value
MIRPS	Regional Integrated Framework for Protection and Solutions
SDGs	Sustainable Development Goals
SDC	Swiss Agency for Development and Cooperation
SICA	Central American Integration System
UNDRR	United Nations Office for Disaster Risk Reduction
UNIDO	United Nations Industrial Development Organization
UNOCH	United Nations Office for the Coordination of Humanitarian Affairs
WOGA	Whole of Government Approach



The humanitarian aid mandate strengthens disaster preparedness and response capacities based on international humanitarian principles. Photo: CEPREDENAC.

Annexe 2: Overview

<p>Overall target 2022-2024: Global Goal: Switzerland fosters sustainable and equitable development in Central America by strengthening participatory governance and human rights, socio-economic inclusion of vulnerable and excluded groups, sustainable management of natural resources, and climate and disaster resilience in priority territories.</p>		
Thematic fields		
A1: Governance and rule of law	A2: Employment and inclusive economic development	A3: Climate change, DRR and natural resources
Gender and governance as transversal themes.		
Target groups		
Vulnerable groups, especially women, adolescents, migrants, indigenous people and Afro-descendants.		
Impact objectives		
Expected impact: Strengthen the rule of law with a focus on inclusive governance and respect for political, civic, economic, social and cultural rights.	Expected impact: Insert vulnerable and excluded groups in territorial economic development with shared governance and respecting economic, social and cultural rights.	Expected impact: Contribute to resilience to climate change and disasters by strengthening governance in the sustainable and equitable management of natural resources.
Outcomes of bi-lateral programmes		
<p>Outcome Nicaragua 1.1: State and civil society institutions with expanded capacities to promote respect for human rights in accordance with international standards, propose and conduct reforms to the national legal framework.</p> <p>Outcome Nicaragua 1.2: Increased number and variety of civil society organisations improve their effectiveness in preventing violence and strengthening social cohesion for the benefit of vulnerable groups</p>	<p>Outcome Nicaragua 2.1: Vulnerable groups improve their income and employment, are integrated into sustainable and inclusive economic processes where economic, social and cultural rights are respected.</p> <p>Outcome Nicaragua 2.2: Public and private actors integrate young people into the labour market, improve their competitive capacities and promote changes in the framework conditions at national and territorial level (policies, regulations, incentives).</p>	<p>Common Outcome (HON and NIC) 3.1: Population in situation of vulnerability and exclusion, particularly women and youth, adopt sustainable water, soil and forest management practices in selected territories.</p> <p>Common Outcome (Honduras and Nicaragua) 3.2: Public, community and private actors reduce disaster risks, manage natural resources and associated conflicts, by strengthening territorial governance (water in Honduras) and developing their capacities.</p>
<p>Outcome Honduras 1.1: Security agencies in the Gulf of Fonseca, La Mosquitia and nation-wide implement a management system based on institutional integrity; improve coordination with justice operators and reduce impunity.</p> <p>Outcome Honduras 1.2: Human rights defenders advocate freely and in a coordinated manner for access to information, freedom of expression, the right to natural resources and access to justice before the State and private companies at the national level, in the Gulf of Fonseca and Mosquitia regions.</p>	<p>Outcome Honduras 2.1: Vulnerable groups implement business models with stable commercial relationships that allow them to improve their income and employment, integrating into sustainable and inclusive economies.</p> <p>Outcome Honduras 2.2: Strengthened business environment through multi-stakeholder platforms and multi-sectoral roundtables, so that public and private actors carry out economic activities that integrate young people and women into the labour market, improve their competitive capacities and promote changes in the framework conditions at the national and territorial level (policies, regulations, incentives).</p>	<p>Common Outcome (HON and NIC) 3.1: Population in situation of vulnerability and exclusion, particularly women and youth, adopt sustainable water, soil and forest management practices in selected territories.</p>
Outcomes of the regional programmes		
<p>Regional Outcome 1.1: Justice providers in northern Central America act with greater knowledge and effectiveness in complying with international standards against corruption and impunity for human rights violations against defenders, women and indigenous Afro-descendant people.</p> <p>Regional Outcome 1.2: Public and private humanitarian and development agencies implement effective protection measures for migrants, returnees, refugees, asylum seekers and internally displaced persons, particularly women and children and youth from CA4 .</p>		<p>Regional Outcome 3.1: Public, private and civil society actors agree on and implement agendas and/or strategies for sustainable water resources management and promote the exchange of learning and scaling up of good practices.</p> <p>Regional Outcome 3.2: Regional and national counterparts with strengthened capacities to save lives and reduce economic loss and damage from disasters.</p>

Annexe 3: Financial planning

	Years/1000 CHF		
	<u>2022</u>	<u>2023</u>	<u>2024</u>
Cooperation Office Managua	17,226	12,141	7,017
Humanitarian Aid *)	7,552	6,000	5,000
Regional	4,752	3,500	3,000
Regional Multi Bilateral	2,800	2,500	2,000
South Cooperation / LAC Division	9,669	6,141	2,017
Regional	1,010	730	80
Bilateral Nicaragua	8,659	5,411	1,937
Education Fund	4		
Regional	4		
Cooperation Office Tegucigalpa	15,323	10,466	3,110
South Cooperation / LAC Division	15,323	10,466	3,110
Regional	3,222	2,424	680
Bilateral Honduras	12,102	8,043	2,430
Grand Total	32,550	22,607	10,127

SUMMARY PER SOURCE OF FUNDING

	<u>2022</u>	<u>2023</u>	<u>2024</u>
Humanitarian Aid *)	7,552	6,000	5,000
South Cooperation / LAC Division	24,993	16,607	5,127
Education Fund	4		
GRAND TOTAL	32,550	22,607	10,127
Budget for Central America, South Cooperation / LAC Division	21,000	15,000	5,000

COOPERATION OFFICE/ FINANCIAL SOURCE	Years/1000 CHF		
	<u>2022</u>	<u>2023</u>	<u>2024</u>
Cooperation Office Managua	17,226	12,141	7,017
Humanitarian Aid *)	7,552	6,000	5,000
South Cooperation / LAC Division	9,669	6,141	2,017
Education Fund	4		
Cooperation Office Tegucigalpa	15,323	10,466	3,110
South Cooperation / LAC Division	15,323	10,466	3,110
TOTAL	32,550	22,607	10,127

*) **Humanitarian Aid:** i) all operations are considered as regional. ii) Financial planning 22-24 includes transfer budget plus contributions of 7.3 million via multi-bi. iii) Financial planning 2022 includes over-planning of 0.75 million.

Annexe 4: Cooperation offices and maps with priority areas

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

The distribution of responsibilities established in the 2018-2021 regional programme strategy is maintained for monitoring the regional programmes: the Managua office will assume the leadership of the regional programme Climate Change, Disaster Risk Reduction and Natural Resources, while the Tegucigalpa office will be responsible for the regional Governance and Human Rights programme. The Humanitarian Aid representative in Managua will assume regional responsibility for all Humanitarian Aid interventions in the region in coordination and with the support of the office in Tegucigalpa as appropriate



Swiss Agency for Development and Cooperation (SDC)

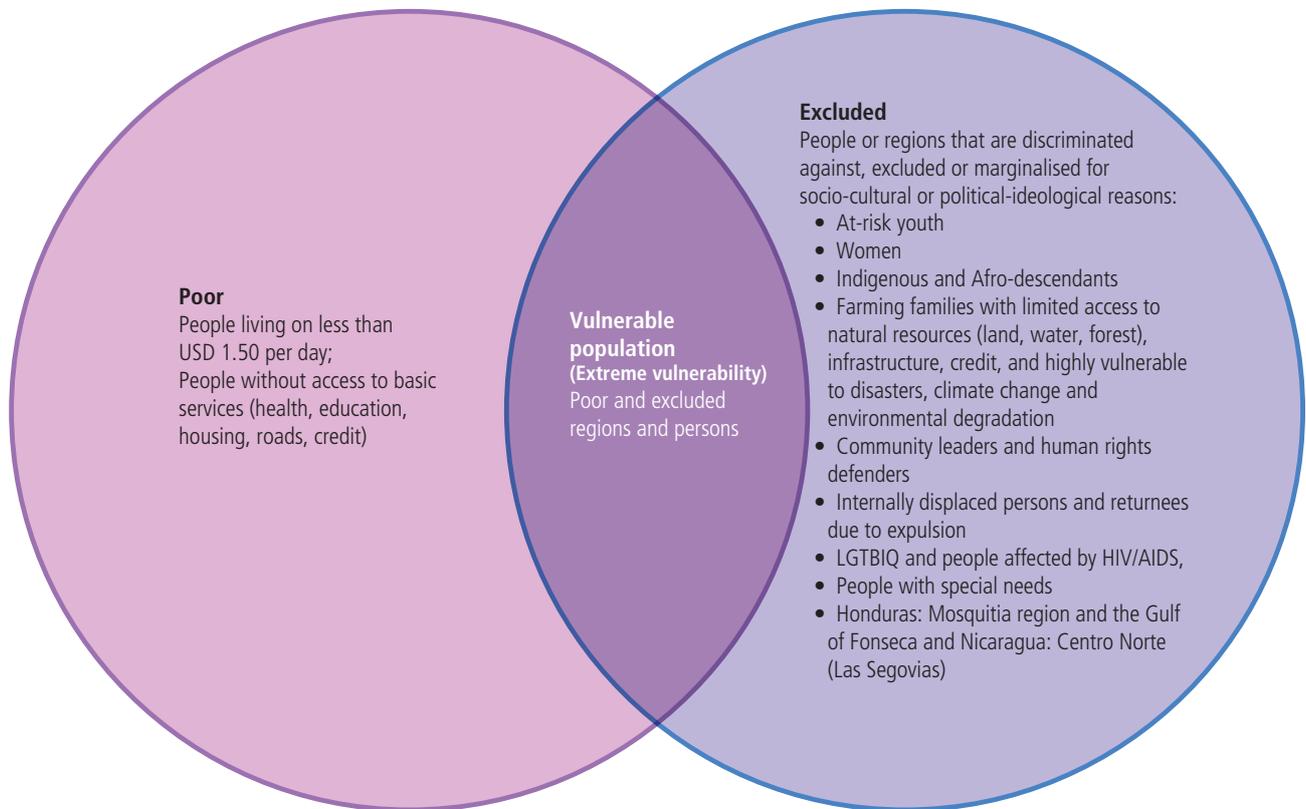
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Annexe 5: Target groups



Women in La Moskitia, Honduras, process jellyfish for the market. Photo: Ayuda en Acción.

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