















RECOVERY, SOCIAL RECONSTRUCTION AND RESILIENCE PLAN FOR CENTRAL AMERICA AND THE DOMINICAN REPUBLIC

EXECUTIVE REPORT

STRATEGIC PROJECTS

November 2020







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1. Background, Context and Justification

Background

In view of the evidence of the tremendous economic and social impact that the health emergency was having in Central America and the Dominican Republic, the Council for Central American Social Integration (CIS) approved the **Second Special Declaration** in April 2020: **United for the Recovery and Social Reconstruction of the Region.** This highlighted the need to start designing, as soon as possible, mechanisms aimed not only at mitigating the damage but also at laying the foundations for sustainable recovery and social reconstruction; recognizing and addressing those factors that have contributed to the lack of resilience in the region.

The declaration also recognized the potential of the integration process to support the recovery phase, and that the countries of the region have no other strategic option but to move towards a more sustainable development model where greater integration will help mitigate the effects of the COVID-19 pandemic. Rebuilding the region requires multiple and creative public policy responses to support the most vulnerable and cushion the effects of the economic crisis. The pandemic is further accentuating the existing inequalities and hitting the most vulnerable people disproportionately.

In a globalised environment, and amidst factors of uncertainty caused not only by the COVID-19 pandemic but also by tropical storms Amanda and Cristobal and hurricanes ETA and IOTA, integration is a unique strategy that allows our countries to be better equipped to face present and future global challenges and to build a common framework of collective actions to manage them. No country can escape this crisis alone. The belief that regional work may bring added value, turns into a key factor for the success of this strategy not only in terms of scale economies that can be fostered through the development of regional interventions, but also in terms of mutual learning, strength of joint negotiation, the capacity to bring together actors from different sectors and shared regional oversight.

In order to develop this coordinated response, the CIS instructed the Secretariat for Central American Social Integration (SISCA) to prepare, with the support of the European Union's EUROsociAL+ Programme and in partnership with specialized agencies and programmes of the United Nations, FAO, ILO and UN HABITAT, a Recovery, Social Reconstruction and Resilience Plan for Central America and the Dominican Republic, which would strengthen, from a regional perspective, the processes that facilitate the implementation of "actions that accompany and guide the gradual return to conditions of the new normality by attenuating social distancing; actions that make it possible to compensate and/or reverse the social and occupational effects of both the previous freeze on production activities and the contagion prevention measures that will continue to be necessary to protect the health of the population; and actions aimed at strengthening and expanding health and social protection systems in a medium-term perspective".

In response to this mandate of the CIS, the present Recovery, Social Reconstruction and Resilience Plan for Central America and the Dominican Republic (hereinafter, the Plan) consists of a set of strategic projects articulated around 3 axes of intervention: 1) social protection, 2) employability and employment; and 3) informal settlements and sustainable urban development. Each of the projects brings together strategic and transformative actions that aim to provide broad and articulated responses to problems prioritised by the countries, promoting their revival and recovery, while generating conditions to shape more resilient, socially equitable and environmentally sustainable societies.

The *Plan* is established as a common roadmap for the *recovery, social reconstruction and resilience* of the region, a tool for synergy that seeks to bring together, from a regional integration perspective, the progressive concerted efforts of the eight countries and a wide range of national, regional, and international actors, from both the public and private spheres and civil society. In this effort, the *Plan* seeks to maximize the potential offered by the area of regional integration and cooperation we share as members of the region, in order to undertake joint actions that will benefit each country, allowing us to enhance the scale of each action and carry out initiatives that would be more difficult at the individual level. The *Plan* also aims to become an instrument of reference for the articulation and mobilization of the political, technical, and financial resources necessary for its implementation. Their implementation will necessarily require prior actions that can address the emergency generated by recent climate events, which destroyed the livelihoods of the poorest people and communities in the region, particularly in Nicaragua, Honduras, and Guatemala.

The *Plan* is the result of consultation processes held with national referents designated by the authorities of public institutions linked to the social area, by key actors of the SICA countries and technical figures of the regional integration process; of validation processes and subsequent consensual technical decisions taken within SISCA and submitted for the final approval of the Council for Social Integration (CIS), exercising the role granted to it by the *Central American Social Integration Treaty* (TISCA) as the coordinating and promoting entity of the social integration process, in charge of formulating regional social policy.

The Plan has been promoted and technically coordinated by SISCA, under the leadership of the CIS, with the concurrence of the Council of Ministers of Labour of Central America and the Dominican Republic (CONMINTRAB) and the Central American Council on Housing and Human Settlements (CCVAH), with the technical support of the European Union's EUROsociAL+ Programme, and the advice of United Nations bodies - FAO, ILO, and UN Habitat.

The door is open for other technical bodies of SICA to formulate new projects associated with the main pillars of the Plan or for its integration with programmes and projects already approved and contributing to the region's recovery. In particular, these include the actions aimed at responding to and providing rehabilitation in relation to the emergency caused by ETA and IOTA, which should, based on a notion of gradualness, be constituted in the phase immediately preceding the implementation of the Plan.

Context characterization

The pandemic caused by Covid-19 has moved in a short time from a health emergency to an unprecedented humanitarian, economic and social crisis, with final consequences that are still unpredictable due to the continuation of the pandemic and its impacts, both worldwide and in Latin America and the Caribbean.

Pre-existing structural problems have been exacerbated by the effects of the Covid-19 pandemic and the low resilience of countries in the region to the phenomenon. As ECLAC points out¹, the different socio-economic impacts of the pandemic reflect the matrix of social inequality in the region, which is structured around membership of different socio-economic strata or social classes, gender, life cycle stage, ethnic and racial status, and territory, in addition to other factors such as disability, migration status and homelessness. The pandemic will further accentuate inequalities, affecting the most vulnerable people disproportionately.

This complex framework has highlighted the weaknesses and fragility of the region's welfare and social protection systems, showing their shortcomings in terms of population coverage, quality and offering of services, and care capacity, and highlighting the precarious conditions in which millions of people live in terms of work and income, and effective access to fundamental rights such as health and education.

Various international bodies point to a strong impact on the economy, with differences between countries, which is explained by unequal exposure to the international context, the intensity of the containment measures and the composition of the economic sectors. According to ECLAC (2020a) the economies of the region will suffer an average contraction of 5.7%, with negative GDP growth rates for all countries.

This unprecedented crisis has led to a fall in family remittances, a collapse in tourism flows, a contraction in international trade flows and a lower inflow of foreign direct investment. Likewise, the health emergency and containment policies have led to a decline and interruption in the production and distribution of goods and services, as well as a collapse in private consumption and investment (ECLAC, 2020b).

The crisis in the labour markets has led to a dramatic contraction in employment. The ILO (2020a) places the region as the most affected globally in terms of lost working hours and labour income (in the second quarter of 2020 alone it estimates a loss of working hours, equivalent to 24 million full-time jobs). The organization also emphasizes that a high percentage of jobs in all countries are located in the economic sectors expected to be most affected by the economic crisis, a figure that represents 36.7% of the region's employment, 8.3 million workers. By the end of 2020, the IDB (2020b), facing a scenario of prolonged recession, projects an average formal job loss of 22.2%, where the service sector, a key sector in the region, will be singularly affected.

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¹ ECLAC, COVID-19 Special Report, 12 May 2020.

The effects of the pandemic also deepen existing gaps in terms of inequality of income and quality of employment, being especially negative among people working in the informal sector, a sector which, in 2018, accounted for an average of 63.5% of employment in the countries of the region. Informality is associated with low income and job insecurity and makes workers more vulnerable to economic fluctuations. Although the crisis is affecting the entire labour force, women, young people, indigenous people, Afro-descendants, and migrants are being particularly affected, given their high participation in some of the sectors most at risk from the crisis, such as the service sector or unskilled self-employment (IDB, 2020b). The Gini Coefficient, which measures the inequality of the overall income distribution, is expected to increase by between 1.0% and 5.9% in the countries of the region (ECLAC, 2020g).

Tropical storms Amanda and Cristobal, which were followed by hurricanes Eta and lota - category 4 and 5 respectively - have contributed to the deepening of inequality and inequity gaps in the region, making the emergency caused by the pandemic more complex. These natural phenomena have caused the destruction of homes, access infrastructure and services, having a profound impact on the livelihoods of many people, and particularly affecting the most vulnerable groups, including women, indigenous people, and Afro-descendants.

The concatenation of climate emergencies has had devastating effects on the region, making the management of the pandemic even more complicated. The destruction of health infrastructure has increased the pressure on a care system already stressed by COVID-19. The states, which are also experiencing fiscal stress, have limited financial resources for providing comprehensive responses to such a complex situation.

Articulating responses to the pandemic: leaving no one behind

At this juncture, the role and presence of the State becomes central on several fronts: on one hand, it must seek to mobilize and guarantee resources for subsistence and access to basic services; on the other, it must mobilize and guarantee resources and generate the best possible conditions to foster economic revitalization and the reconstruction of more inclusive, egalitarian and resilient societies (ECLAC, 2020a). The countries of the region have implemented major fiscal, financial, employment and social security and public service packages aimed at containing the spread, mitigating the economic impact, protecting employment, and ensuring the liquidity of households and the business sector.

COVID-19 has been a fundamental test of resilience for societies, economies, and governance worldwide and it has confirmed the impossibility of finding outlets and solutions within national structures alone. As ECLAC stresses (2020b), the role of the region's integration will have to be reinterpreted at a time of profound changes that are shaking the foundations of the economy, society, and international relations. These changes require heightened and improved integration, a framework of respect for multilateralism and international rules, which will facilitate the fulfilment of the SDGs and the economic and social development of small countries such as the Central American states.

Intensifying the integration process will be important to face this and future crises, fostering joint actions in areas where there are regional public assets and where joint action is more beneficial than individual action. Re-interpreting the role of integration begins with identifying the changes and challenges the region is facing following the COVID-19 pandemic. The crisis represents a turning point for the current development model and an opportunity to build a better future. Reconstruction must not only be economic but also social. It must take place under the premise of "rebuilding better" and "leaving no one behind". Public policies which will be implemented during the recovery and reconstruction process will have a decisive influence on the development path that the region will follow. In a globalised world, more robust integration is a response to the present, but also a response to the future.

As noted in the SICA's 2020-2040 Comprehensive Regional Social Policy: Integrating through Social Inclusion, the region as a bloc has the political will to move forward, and has the institutional, economic, scientific and technological capacities needed to effectively and comprehensively eradicate or neutralize the main factors that cause and reproduce multidimensional poverty, exclusion and social marginalization; particularly socio-economic, territorial and gender inequalities, insufficient income, lack of employment, production and educational opportunities, insufficient coverage of social protection and security systems and of basic social services, access to adequate housing, and the negative impacts of climate change, the occurrence of adverse natural phenomena, and epidemics and pandemics.

The purpose of this Plan is to contribute to that willingness to succeed.

2. Prioritisation Criteria, Strategies, and Approaches

Prioritisation criteria

Both the identification process and the choice of strategic projects have been guided by the prioritisation criteria defined in the CIS's Second Declaration, namely:

- Relevance for the <u>revival</u>, recovery and generation of conditions for creating resilience, favouring structural reforms oriented to sustainability and generating the institutional conditions for the continuity of the measures.
- Regional character, with the pursuit of joint solutions to common problems of interest to all
 countries.
- Contribution to the achievement of the objectives of regional sectoral policies, including the articulation and complementarity of the project's instruments of intervention, and its alignment with the objectives and goals covering the economic, social and environmental spheres of the Agenda 2030 within the framework of the SDGs.
- Ability to encouraging the bringing together of public, private and civil society institutions and organizations (national or cluster) around projects.
- Ability to benefit broad sectors of the population, taking special care of the most vulnerable
 population groups that experience multiple forms of exclusion and have suffered most
 acutely from the socio-economic impacts of the crisis (among others, women, young people,
 and indigenous peoples; unemployed, underemployed, precarious workers).

Strategies and approaches

Within the logic of the prioritisation criteria, the Strategic Projects, in their design process, integrate strategies and approaches that seek their effective contribution to the reconstruction, revival and resilience of the countries in the region.

- Regional integration approach
- Multi-sectoral approach
- Territorial approach
- Alliances, relationship and complementarity with other programmes and activities of other donors
- Gender equity mainstreaming

- Focus on youth
- Intergenerational approach
- Human rights approach
- Intersectionality
- Interculturality
- Integrated approach to environmental sustainability.

3. Axes of Intervention and Strategic Objectives

The general objective of the Plan is to "articulate public sector responses to the social, labour and land-use problems of human settlements and urban development in the SICA countries from a regional integration perspective, in the phases of post-COVID social and economic recovery."

The Plan covers three main areas of intervention: 1) Social protection, 2) Employability and employment; and 3) Informal settlements and sustainable urban development. Each axis has defined its own strategic objectives, to whose achievement the strategic projects will contribute.

Strategic projects, as tools of operational planning, define the objectives and results to be achieved, concrete lines of action and the most appropriate strategies in the current context that will allow for comprehensive and articulated responses to prioritized problems in order to contribute to recovery and reconstruction in the short to medium term, and to realize potential emerging opportunities for the generation of resilience in the region.

Overall intervention logic

AXIS	Main strategic objectives	STRATEGIC PROJECTS	Strategic objectives of the projects
Axis 1. Social protection	 a) Promoting and implementing gradual processes that incorporate the immediate horizon of short-term needs and advance the strengthening of the governmental capacities of the States b) Promoting processes that lay 	Promoting the integrity of the programmatic offering to guarantee quality services for vulnerable populations with a rights-based approach.	Promoting comprehensive nature of the programmatic offering in Central American countries to guarantee the delivery of services from a rights- based perspective, advancing systematically in the consolidation of a minimum social protection floor.
	the foundations for universal, integrated, and robust social protection systems to guarantee the right of the Central American population to a life free from poverty and to inclusive and resilient development.	Social responsibility of citizens and community resilience.	Generating, within the context of the pandemic, proposals for mechanisms, modalities, and technologies to promote resilience in vulnerable communities and households.
Axis 2. Employability and employment	a) Improving and strengthening labour market mechanisms by defining systems of active policies that respond to the needs of people and the production sectors b) Stimulating and encouraging income generation, selfemployment and employment through value chains in	Towards an integrated and interconnected system of employment services that contributes to the recovery of the labour market and its resilience through the promotion of labour inclusion, especially for women, young people, and the migrant population, in Central America and the Dominican Republic.	Contributing to the recovery of the labour markets and their resilience in Central America and the Dominican Republic, favouring the insertion of vulnerable people and groups into society and employment.
	selected sectors.	Recovery of employment, self- employment, income, and labour	Improving the development and strengthening the capacities and

AXIS	Main strategic objectives	STRATEGIC PROJECTS	Strategic objectives of the projects
		requalification for vulnerable population sectors in strategic value chains, giving priority to the rural area: cocoa-chocolate processing and marketing and food production segments (vegetables and fruit).	competencies needed by the members of the production units of value chains to generate the best conditions of employability, self-employment, and decent jobs.
Axis 3. Informal settlements and sustainable urban development	 a) Fighting urban inequality and segregation by focusing efforts on increasing inclusive and resilient urbanization, for which creating appropriate planning frameworks has proved essential. b) Incorporating the potential of the now informal settlements into urban formality. 	Regional neighbourhood improvement programme focused on informal settlements (PREMBAI) with an integrated risk management approach through the implementation of an interinstitutional and community-based management methodology.	Contributing to the creation of resilient communities, through the promotion and development of comprehensive neighbourhood improvement programmes that contribute to the reduction of the housing deficit and the risk of climate events.
	c) Fostering the safety of the most disadvantaged urban spaces, mitigating the risks to which they are largely exposed or relocating those that cannot be mitigated.	Regional mapping of informal settlements with a diagnostic and planning approach and community base supported by digital training of the communities. Strengthening of public policies to	Generating information and inputs that contribute to decision making in urban and territorial policy including concrete actions that improve the lives of residents in popular settlements. Strengthening municipal bodies
		foster municipal competencies and means of action in urban and territorial planning processes	in their autonomy to implement public policies in the urban and territorial context

Plan implementation phases

The Plan, in its aim to contribute not only to countering the negative social effects of the health, economic and social crisis unleashed by the COVID-19 pandemic in the region, but also to the imperative need to "generate resilience in the region in the face of different adverse phenomena, incorporates a notion of gradualness, which takes into account three major moments:



a) Addressing the emergency and rehabilitating livelihoods

Given the emergency situation that the SICA region is facing as a result of the succession of climatic emergencies superimposed on the COVID-19 pandemic, the implementation of the Plan will require a prior phase that organizes and leads the States' response to the current emergency and is directed at humanitarian assistance and initial rehabilitation; this phase must enable them to move on to a situation of stabilization that lays the foundations for reconstruction and resilience.

In this preliminary phase, the actions will be aimed at covering the most urgent needs, allowing the recovery of people's livelihoods and the revival of the social fabric; while at the same time restoring the affected infrastructure and basic services and making the first efforts to reactivate the production chains.

The institutionality of each of the SICA countries, as well as the relevant bodies within the regional integration system, are already organizing the actions needed to complete this phase, which is the first step on the road to implementing the Plan.

For Axis 1, these actions will have different concretions. Efforts should be made to update registration systems and review the programmatic offering of social protection, as well as to identify and characterize, as priority subjects, the population groups most affected by the climate emergency. Targeting criteria should be integrated into the registration system for future emergencies.

In turn, the provision of food services should prioritize the groups most affected by the climate emergency (children, adolescents, and female heads of household) in the most affected territories and from there initiate processes of psychosocial support and community resilience.

² Government of Costa Rica. Releases. Central America makes history by signing up to the first regional social policy. November 26, 2020. In: https://www.presidencia.go.cr/comunicados/2020/11/america-central-hace-historia-al-suscribir-primera-politica-social-regional/

It is vital at this stage to identify the community actors who will implement the actions aimed at unleashing and/or strengthening the resilience processes. Communicational actions for behavioural change regarding care work and the relative redistribution of roles begins at this stage.

In this phase, the actions of Axis 2 aimed at strengthening the employment services and the retraining of skills can play an important role in facilitating and supporting the search for and recruitment of the labour force needed for the reconstruction itself. In order to facilitate the articulation of employment demand and offer, it will be key to quickly identify the different production areas, from a territorial perspective, that are likely to generate employment. In this sense, it will be strategic to identify possible labour needs in the countries of the region that cannot be met by the national offering, to enable the consequent mobilization of workers from other countries in the region.

In the area of labour migration governance, the pursuit of mechanisms for regular labour migration is key at this stage; thus, the establishment of agreements and conventions with countries of destination for migration, linking demand and offer of labour; and support for training in countries of origin based on the skills required at the destination, facilitating the certification of migrant workers' diplomas and skills. It will be necessary to expand the actions already under way in the search for agreements to confirm and expand the TPS, such as the systematic search for sources of temporary employment abroad, the linking of offer and demand between the countries most affected by the climate emergency and the developed countries that need labour in specific sectors, and on which progress has already been made³.

In order to promote the recovery of livelihoods, Axis 2 actions aimed at production for basic food provision should be promoted, incorporating production chains related to this work. This production should be generated under criteria of environmental recovery and sustainability of community production units, and oriented to the generation of social resilience, laying the foundations for future actions.

In this phase, the actions of Axis 3 related to the geo-referenced knowledge of the territories are of special interest, prioritizing the identification of the communities at greatest risk of extreme climate events, and most suitable for guiding the intervention of the neighbourhood improvement project.

The re-establishment of infrastructure and basic services, of vital importance in this phase, will require inter-institutional coordination, anticipating the actions of the projects of municipal

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³ "The Ministers of Labour of Central America and the Dominican Republic have recently highlighted the need for a Regional Agreement on Labour Migration, which would be a very significant step forward and a strategic action in the recovery phase in order to boost the Central American economy and labour market". Massimo Meccheri. Migration and employment in the face of Covid-19: inputs and proposals for a plan for the recovery, social reconstruction, and resilience of the Central American region. In https://eurosocial.eu/bitacora/migracion-y-empleo-frente-al-covid-19-insumos-y-propuestas-para-un-plan-de-recuperacion-reconstruccion-social-y-resiliencia-de-la-region-centroamericana/

strengthening and neighbourhood improvement for the benefit of the communities and the agility of the processes. The inter-institutional and multi-level coordination mechanisms created in this emergency phase will pave the way for leading planning focused on the mitigation of all risks, especially those related to the context of climate change and environmental vulnerability.

At this stage, existing planning guidelines in the region should be reviewed from an emergency perspective, which will provide basic guidelines for the reconstruction of facilities and services in safe conditions in the short, medium, and long term, thus beginning the work of resilient planning.

b) Laying the foundations for resilient interventions

At this stage it will be necessary to establish an agenda of government commitments, defining a management strategy for the Plan, as well as a roadmap, which will give continuity to the previous phase of post-emergency rehabilitation, identifying and taking into account the affirmative actions that each country can take, to guarantee social protection coverage that will promote the generation of resilience, in a unique way, in the most vulnerable population.

The Plan's management strategy and its roadmap, at the national and regional levels, should make it possible to align and articulate public action around the priority interventions in social protection projects, which will require the participation of both public and private actors and international cooperation.

Guaranteeing and reaffirming the rights to education, health, work, housing, and social protection is the most important challenge of this second stage. Interventions in this phase must focus on vulnerabilities, not only those generated by the pandemic and the climate emergency, but also those that are structural. Thus, priority should be given to actions aimed at women, indigenous and Afro-descendent peoples, children and young people, and the population living in conditions of poverty.

In this phase, the actions of Axis 1, taking into account the results of the previous phase, aim to move towards expanding the coverage of services and effective access to them for the groups identified as being the most vulnerable.

From Axis 2, actions will be promoted to seek the socio-labour insertion of vulnerable people and groups, the development and strengthening of their capacities and competencies as the members of value chain production units, in terms of employability, self-employment and decent employment.

The projects of Axis 3 will foster the identification of institutional routes, at municipal, national and regional level for strengthening public policies and municipal authorities in the field of land use and urban planning, in order to minimize climate risks, which are central to the current context of climate emergency and favour the reduction of the inequality and inequity gaps that have deepened in the context of the convergence of the pandemic and the emergencies caused by ETA and IOTA.

This sheet should also identify the areas in which it is necessary to strengthen public institutions, as well as the relative actions and allied actors, particularly those of cooperation, needed in order to proceed in either deepening or unleashing the processes.

c) Developing and strengthening interventions and changes

In this phase, technical instruments will be developed and strengthened to institutionalize the universal social protection model, as well as a system of integrated employment services for labour inclusion and the identification and promotion of value chains, giving priority to the rural environment and the most vulnerable members of the population. This instrument will also aim to create and consolidate the Regional Neighbourhood Improvement Programme focused on informal settlements, with an integrated risk management approach.

Ensuring sustainability will depend on the clear and precise identification - in the processes of policy formulation - of territorial, sectoral, and institutional planning; programming and preinvestment and public investment. Now is the time to commit to the funding of actions through national budgets.

Gaps must be identified in care policies at the national level, using a systemic and comprehensive approach, incorporating all populations requiring care, and articulating this with economic, employment, health, education, housing, and social protection policies, based on the promotion of social and gender co-responsibility.

All intersectoral and territorial actions should be articulated in national social protection systems, from their design to monitoring and evaluation. This will require deliberate processes of articulation between public policies and actions for social protection, and between these and education, health, employment, housing, and land-use planning policies.

It is in this phase that the States of the region will have the capacity to universalize and expand coverage definitively, as well as to organize the programmatic offering in accordance with the different emergency situations that may arise, in light of the linkage between social protection and integrated disaster risk management, for the construction of resilience.

Targeting criteria will be updated and will be able to address health crisis scenarios, improving and strengthening systems beyond emergencies. The process will take into account emerging vulnerabilities and others that relate to factors beyond multidimensional poverty, that is, from an intersectional approach and regarding complex contexts.

3.1. Axis 1: Social Protection

A fundamental reference is made to the strategic projects of Axis 1. Social Protection in the policy instruments available to the CIS-SISCA, notably the Regional Integral Social Policy PSIR-SICA 2020-2040 and the Regional Intersectoral Agenda on Social Protection and Productive Inclusion with

Equality, ARIPSIP 2018-2030. The projects are the result of the systematization and analysis of the results of the rapid consultation carried out with national institutions in charge of social protection, as well as civil society entities with thematic relevance and international cooperation agencies and key actors in the SICA region.

The projects address elements of a structural nature, corresponding to the national and regional context. From the notion of gradualness, these incorporate the immediate horizon of short-term needs, but seek to unleash processes that strengthen the governmental capacities of the States and lay the foundations for universal, integrated, and robust social protection systems that help to guarantee the right of the Central American population to a life free of poverty and to inclusive and resilient development. It is under this notion of gradualness that the project profiles have been elaborated, recognizing the diversity of the countries, and identifying their potential for complementarity and mutual learning. They all develop and consolidate existing processes for strengthening and expanding social protection systems in terms of social inclusion and cohesion.

Gender mainstreaming is considered central to the projects, implying the specific consideration of women's practical and strategic needs and addressing pre-existing gaps and those generated by the pandemic in all areas of intervention. The projects will ensure equal access to and control over resources and benefits, and they will boost the empowerment of women. They are also in line with the general notions of PRIEG/SICA.

Similarly, the project associates its objectives and activities with the call of *Agenda 2030* for Sustainable Development for Latin America, putting inequality at the centre of the work of the projects of this axis. In addition, in the effort to advance towards the achievement of the *Sustainable Development Goals* (SDGs) -now at high risk of not being met due to the social impact of the COVID-19 pandemic-, actions are articulated to promote and foster social inclusion hand-in-hand with economic growth and the environmental dimension of our societies, so the projects associate their actions with various objectives⁴.

3.1.1. Project 1/Axis 1: Social responsibility of citizens and community resilience

Country/Coun tries	Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Dominican Republic
Responsible institution(s)	SISCA Council for Control American Social Integration (CIS)
mistreaction(s)	Council for Central American Social Integration (CIS)

⁴ SDG 1: No Poverty, SDG 2: Zero Hunger, SDG 3: Good Health and Well-Being, SDG 4: Quality Education, SDG 5: Gender Equality, SDG 9: Industry, Innovation and Infrastructure, SDG 10: Reduced Inequalities, SDG 17: Partnerships for the goals.

Participating institutions

- Ministries, Secretariats and governing and/or coordinating entities of social policies
- Secretariat of the Council of Ministers of Education and Ministers of Culture of SICA | SE-CECC
- Executive Secretariat of the Council of Ministers of Health of Central America and the Dominican Republic | SE-COMISCA
- Technical Secretariat for Women of the Council of Women's Ministers of Central America and the Dominican Republic | STM-COMMCA

National entities of different types are involved in the project implementation process. Each of these is defined by its nature and mandate, the development field to which it refers and the level of operational intervention it carries out.

Summary

Following the effects of the pandemic, the countries of the region have considered the need to **guarantee a basic social protection floor**, while moving towards universal access schemes. On the other hand, it has become clear that the system should be sufficiently capable of adapting to emergencies so that it is able to prevent the effect of shocks caused by health, environmental and anthropogenic emergencies on family livelihoods and to address other groups affected by various vulnerability factors, such as violence against women and children, criminal violence, catastrophic diseases, irregular migration status, sexual orientation and identity, and the effects of climate change, among others.

The crisis should turn into an opportunity to strengthen care policies within the region, using a systemic and comprehensive approach, incorporating all populations requiring care, while articulating with economic, employment, health, education, and social protection policies, based on the promotion of joint social and gender responsibility.

The challenge of this project is to generate processes of family and community resilience for people in conditions of poverty and extreme poverty, reducing their exposure and vulnerability to any emergency, through comprehensive interventions that take into account the structural and conjunctural determinants of the crisis, but first ensure their access to basic services.

The guarantee of the right to education is the factor that will ensure the consolidation of learning processes for changing behaviours and will enhance the possibility of common and collective responses, which contribute to the construction of social cohesion and build resilient communities. Access to education for school-age children poses challenges that are particularly linked to the reformation of traditional education models, which are linked to face-to-face education and the digital divide.

This project of social responsibility for care and community resilience is an intervention carried out in the family space, at community level; and that, through complementary components of various types, will seek to address the complexity of the main problems that have arisen in the context of the pandemic and the lockdown. It allows the deployment of a comprehensive care system that offers support and aid to the most vulnerable women and families, to address gaps in education, potential events of domestic violence and violence against women, the prevention of child labour and obstacles to obtaining quality food.

In operational terms, all countries agree that implementation should take place, in the first instance, in the regions where actions are already under way. If, as a result of the process of reviewing the programmatic offering and the targeting criteria that occur within the framework of the other Axis 1 project, this is extended, then the project will be expanded towards those other regions or groups. Those criteria should cover the aspects linked to the social responsibility of care, as well as to ensuring access to education for girls and boys, including those belonging to the intraregional migrant population who are stationed and in line with the other project of Axis 1: Promoting the

integrity of the programmatic offering to guarantee quality services for vulnerable populations with a rights-based approach.

Objective of the project

Generating, within the context of the pandemic, proposals for mechanisms, modalities, and technologies to promote resilience in vulnerable communities and households.

Specific objectives

- **SO1.** Proposing mechanisms for the redistribution of responsibilities between men and women, with regard to care work and school tutoring of children and adolescents, including those in the stationary intraregional migrant population.
- **SO2.** Redefining modalities of monetary transfers and conditionalities associated with comprehensive health, sexual and reproductive health, as well as prevention and care of COVID 19.
- SO3. Generating complementary actions to address domestic violence and violence against women, as well as
 psychosocial support, which generate protective factors, in particular for the prevention of pregnancy in girls
 and adolescents.
- **SO4.** Promoting citizen participation, in decision making about the pandemic and community resilience, in particular of women and indigenous and Afro-descendant women.

Expected results

- R1.1. Educational modalities and itineraries to be implemented for guardianship, school learning and care of children and adolescents, which respond to the needs of this population, including the stationary intraregional migrant population.
- R1.2. Processes to be implemented to guarantee school meals in the areas of intervention.
- R1.3. The "basic digital basket" to be guaranteed for each of the beneficiary households.
- R2 Creation of a strengthened and diversified institutional programmatic offering that better responds to the social protection needs of the population based on the review and updating of targeting criteria, conditionalities and institutional information management.
- R3. 1. Models of psychosocial support and transfer of tools to be implemented for self-care, coping with crisis, and for the management of domestic violence and violence against women, particularly child and teenage pregnancy.
- R3.2. Communication strategy for behavioural change to be implemented.
- R4. Network of beneficiaries and community organizations to be created and strengthened.

Lines of action

- **Line 1.** Strengthening and diversification of the institutional programmatic offering, review of targeting criteria, conditionalities and management of institutional information.
- Line 2. Modalities and educational pathways of tutoring, school learning and care of children and adolescents (CA).
- **Line 3.** Digital divide: with expansion of the electricity and internet infrastructure and ensuring the basic digital basket and educational transfer for online teaching and learning.
- Line 4. Psychosocial support, prevention and care for domestic violence and violence against women.
- **Line 5.** Communication actions for behavioural change.
- Line 6. Food aid for school-age children.
- **Line 7**. Citizen participation, with the mapping of community resources and actors and network-building with a focus on ethnic and gender equity, resilience, and citizen participation.

Target group/population

- Adults, especially women, guardians and carers of children and adolescents, including intra-regional migrant women, belonging to indigenous peoples or Afro-descendants.
- Children and adolescents, including those belonging to stationary intraregional migrant populations.
- Female heads of household and family members of households in vulnerable conditions and subjects of intervention.

Complementarity with policies/agendas/strategies

The project responds to the guidelines and recommendations of the Comprehensive Regional Social Policy (Política Social Integral Regional) PSIR-SICA **2020-2040** and the Regional Intersectoral Agenda on Social Protection and Productive Inclusion with Equity (Agenda Regional Intersectorial sobre Protección Social e Inclusión Productiva), ARIPSIP 2018-2030; and is **articulated with the regional and national policies, agendas and strategies** that establish the key frameworks for sectoral intervention.

Risks and contingencies

- A worsening of the effects of the pandemic on the population.
- A deterioration in government fiscal conditions resulting from the emergency faced and lack of economic recovery.
- Weak political commitment from governments to carry out the project.
- A workload of the technicians involved that does not allow their effective participation.
- A change in the political administration of the State involving a change in priorities.

3.1.2. Project 2/Axis 1: Promoting the integrity of the programmatic offering to guarantee quality services for vulnerable populations with a rights-based approach.

Country/Coun tries	Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Dominican Republic
Responsible institution(s)	SISCACouncil for Central American Social Integration (CIS)
Participating institutions	Ministries, Secretariats and governing and/or coordinating entities of social development policies
	 Technical Secretariat for Women of the Council of Women's Ministers of Central America and the Dominican Republic STM-COMMCA
	National entities of different types are involved in the project implementation process. Each of these is defined by its nature and mandate, the development field to which it refers and the level of operational intervention it carries out.

Summary of the project

Social protection is a central policy for the reduction of inequalities, progress towards social inclusion and inclusive growth, and hence for social cohesion. Within this framework, the project seeks to gradually and systematically support the strengthening of the social protection systems of the countries involved, in order to make sustained progress towards this objective, while recognizing the differences between them. The gradual nature of the process is marked by the following key moments:

Phase 1. Addressing urgencies and laying the foundations for resilient interventions

In this phase, it will be necessary to design an agenda of government commitments, by defining a roadmap of affirmative actions to ensure the availability of a programmatic offering that enables the countries to address the vulnerabilities of the different target groups and, at the same time, reorganizes the offering to respond to new vulnerabilities as an effect of the pandemic. This roadmap should identify the areas of the programmatic offering that need to be strengthened, as well as the actions that will give rise to a new offering, defining the institutionality and the relative actors required in this process, in order to proceed in either deepening or unleashing the processes.

The establishment of national and regional strategic guidelines to organize, coordinate and articulate public action on the basis of social protection policies is the objective of this roadmap, which will require the participation of both public and private actors and international cooperation.

At this initial stage, it is important to identify, by means of information and knowledge management processes, the main gaps in care, both at the level of populations and in the areas most affected by the pandemic: education, health, work and social protection.

Special attention should be paid to the most vulnerable groups: women, the population of indigenous peoples and Afro-descendants, children, and young people, and those living in poverty who are particularly vulnerable because of violence, especially violence against women.

Phase 2. Developing and strengthening interventions and changes

In this phase, progress will be made towards the progressive strengthening of social protection in order to establish the basis for universal access to education and health, including other sectors.

Technical instruments will be developed and strengthened to institutionalize the universal social protection model in all the countries of the SICA region, in order to guarantee rights, improve the existing system and generate

opportunities for vulnerable populations. The revision, updating and optimization of the user registration systems will be the main instrument to be addressed, in order to generate a virtuous circle with the integral programmatic offering adjusted in the previous phase.

Supporting the strengthening of registries and promoting quality information will contribute to better decision-making and adequate targeting of social policies.

• Phase 3. Consolidating the institutionality of the actions and thus guaranteeing sustainability:

In this phase, all intersectoral and territorial social protection actions should be articulated in national social protection systems, from their design to follow-up and evaluation. This will require deliberate processes of articulation between public policies and actions for social protection and between these and education, health, employment, housing policies.

The States involved in this process will have the tools and capabilities to universalize and expand coverage definitively, as well as to organize the programmatic offering according to the different emerging problems and/or to the analysis of others; in light of the linkage between social protection and integrated disaster risk management, for the construction of resilience.

Targeting criteria will be updated and will be able to address health crisis scenarios, improving and strengthening systems beyond emergencies. It will take into account emerging vulnerabilities and others that relate to factors beyond multidimensional poverty, that is, from an intersectional approach and regarding complex contexts.

Objective of the project

Promoting the comprehensive nature of the programmatic offering in Central American countries to guarantee the delivery of services from a rights-based perspective, advancing systematically in the consolidation of a minimum social protection floor.

Specific Objectives

- **SO1.** Identifying in each of the countries involved, the detail of the programmatic offering aimed at taking care of people, families, and communities in a situation of vulnerability.
- SO2. Building institutional capacity for the development of integrated social protection systems.
- **SO3**. Characterizing the user registration systems in each of the countries involved.
- **SO4.** Identifying and describing the targeting criteria used by countries for the delivery of services and benefits.

Expected results

- R1.1. Definition of a roadmap (identification, reorganization and/or updating of programmatic offering, comparative analysis, identification of gaps) constituting a work plan to guide the implementation of the process gradually and according to its characteristics and potential.
- R1.2. An integrated programmatic offering will be defined and agreed upon to facilitate the achievement of the goal of a minimum social protection floor and/or minimum guaranteed income.
- R.2 Implementation of learning processes and ability and capacity building for inter-country technical teams in identifying good practices, analysis of progress.
- R3. Definition and characterization of a robust user registration system, which includes the criteria of integrality of the programmatic offering and allows the identification of potential users, based on the updating of existing and emerging vulnerabilities.
- R4. Implementation of exchange and learning processes among countries on targeting criteria, with technical teams highly committed to the proposed adaptations and transformations and to the competencies and skills to execute them.

Lines of action

- **Line 1.** Preparation, identification and characterization of the programmatic offering by country based on a set of previously agreed criteria.
- **Line 2.** Proposal for reorganization and/or updating of programmatic offering, where applicable. Comparative analysis of the offering between countries to verify possible regulatory, administrative or management adjustments.
- **Line 3.** Identification of gaps based on new emerging vulnerabilities and on specific characteristics such as: life cycle, gender, and ethnic distinctions, etc.
- **Line 4.** Characterization of user registration systems to identify their potential for expansion and/or the adjustments required to support the implementation of an integrated social protection offer.
- **Line 5.** Updating of targeting criteria, where appropriate, to achieve full consistency with the programmatic offering and the adjustments implemented to the user registration systems.
- **Line 6.** Information gathering, description and analysis of institutional capacities in each country to provide a baseline for identifying capacity and skill gaps in order to implement an integrated programmatic offering process. This action will allow the identification of barriers and obstacles and the relevant measures to overcome them.
- Line 7. Implementation of a process of reciprocal and collaborative learning between countries to identify good practices, collectively analyse progress and build the capacities and abilities of the technical teams in charge.

Target group/population

The target group of this initiative is people subject to social protection, who, on the basis of the work done, will be able to benefit from a comprehensive programme offering that contributes to and guarantees the protection of human rights and provides a minimum floor of social protection and/or a guaranteed minimum income. Basically it gathers: vulnerable families who are CCT beneficiaries; female heads of household; people with disabilities; older adults; children and adolescents; indigenous peoples and Afro-descendants.

Complementarity with policies/agendas/strategies

- Comprehensive Regional Social Policy PSIR-SICA 2020-2040
- Intersectoral Regional Agenda on Social Protection and Productive Inclusion with Equality, ARIPSIP 2018-2030

It is *articulated with regional and national policies, agendas and strategies* that establish the key sectoral and cross-cutting intervention frameworks.

Risks and contingencies

- A worsening of the effects of the pandemic on the population
- A deterioration in governmental fiscal conditions resulting from the emergency faced and lack of economic recovery.
- Weak political commitment from governments to carry out the project.
- A workload of the technicians involved that does not allow their effective participation.
- A change in the political administration of the State involving a change in priorities.

3.2. Axis 2: Employability and Employment

The project ideas presented in relation to Axis 2 - Employability and Employment fall within the framework of goals and strategies agreed upon by the political bodies, especially the **Action Plan of the Council of Ministers of Labour** and the **Comprehensive Regional Social Policy PSIR-SICA 2020-2040**, along the lines of some previous projects, for example the project on Strengthening Integrated Systems of Training, Guidance and Labour Integration (FOIL, Formación, Orientación e Inserción Laboral) and the results of the consultations carried out with institutional references and key informants in the Central American region.

At the same time, the crisis is pushing to accelerate some reforms that would otherwise meet insurmountable resistance: in addition to articulating passive and active policies, as well as strengthening and integrating employment services, active employment policies will have to extend their scope and operations to the business sector and accompany recovery plans. The image is that of an ecosystem that virtuously connects social income protection, labour market policies and economic policies.

The project profiles prepared propose action in the field of employability and employment that will provide protective measures to address vulnerabilities from a social perspective, generating actions that will prevent a deepening of poverty and inequality.

The projects specifically include the gender approach, considering the differentiated practical and strategic needs of women or men, addressing the pre-existing gaps and those generated by the pandemic and climate impacts in all areas of intervention. The projects will ensure equal access to and control over resources and benefits, and it will boost the economic empowerment of women. The projects are also in line with the general notions of PRIEG/SICA.

The projects also associate their objectives and activities with Agenda 2030, putting inequality at the centre of their work; and they also articulate their actions with the Sustainable Development Goals with the aim of fostering and encouraging social inclusion to go hand in hand with economic growth and the environmental dimension of the region⁵.

3.2.1. Project 1/Axis 2: Recovery of employment, self-employment, labour skills development and income for vulnerable population sectors in strategic value chains, giving priority to the rural area: cocoa-chocolate processing and marketing and food production segments (vegetables and fruit)

⁵ SDG 1: No Poverty, SDG 2: Zero Hunger, SDG 5: Gender Equality, SDG 8: Decent Work and Economic Growth, SDG 10: Reduced Inequalities, SDG 12: Responsible Production and Consumption, SGD 13: Climate action, SDG 15: Life on Land, SDG 17: Partnerships for the goals

Country/Coun tries	Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Dominican Republic
Responsible	• SISCA
institution(s)	Council of Labour Ministers (CONMINTRAB)
Participating	Labour Ministries and Secretariats
institutions	REDIFP and Central American members of the Network
	• SECAC
	Executive Directorate of CENPROMYPE
	SIECA and bodies they represent as deemed appropriate
	National entities of different types are involved in the project implementation process. Each of these is defined by its nature and mandate, the development field to which it refers and the level of operational intervention it carries out.

Summary

The project proposes to implement a new way of approaching the value chains, so that the economic result is the consequence of a training and work program that generates quality and innocuous products, optimal for commercialization by the members of the Productive Units. Additionally, the latter will generate dignified self-employment and will be able to generate quality jobs, not only in the rural areas, but in all the territories involved under the selected chains.

The <u>Productive Unit</u> (PU) will be the focus of the project's actions, and it will consist of people grouped by common interests, that may be family, proximity, collective interests, or others, which allow them to work together to achieve predetermined objectives. The PU will be made up of 20 members, who assume a series of commitments, among others: receiving the training agreed upon with the different trainers, dedicating themselves to the development of their productive unit, actively participating in the development of the planned labour activities, guaranteeing quality products or services, and giving priority to the marketing of their products through the links identified in the chains.

PUs can focus on any of the selected links in the chains, however, the project will prioritize two key areas: 1) the links dedicated to the <u>processing of cocoa into chocolates and those for food products</u> (vegetables and fruits) as raw materials into processed products, and 2) the marketing of all products generated during the various processes.

Since the beginning of the process, the PUs of the production links are connected with the processing and marketing links, to facilitate the channelling of the production towards the markets, and they will do it directly or through the well-known "anchor companies" that can use their experience to provide support in the commercial and/or industrial aspects, and qualified suppliers.

In this process, the role of the Labour Ministries or Secretariats is fundamental, as they must facilitate the incorporation of other public and private entities acting as articulators of the required actions, and facilitating contacts with the different organizations in the participating countries. These will provide technical assistance, facilitate commercial tasks, and ultimately contribute to the generation of opportunities to be materialized in real jobs that will improve the living conditions of the people in the territories where the productive units are inserted.

The **intervention logic** foresees three phases to be executed in 12 months, which will be replicated during the years of the project's duration, implementing any necessary adjustments.

• Phase I: Improvement of production skills.

The responsibility for executing Phase I lies with the teams of trainers. Previously, contacts will be pursued with the different **Vocational Training Institutes**, to evaluate their interest in participating in said training and education processes. Since the original model was put into place at SENA (Colombia), the transfer of the methodology by this vocational training institution to others in the region who wish to take over its implementation will be addressed, with the project providing the resources for the payment of trainers and other costs arising from the transfer of the model.

Phase II: Strengthening of the skills more related to the management of the business.

PU members will receive training on production and management, with subsequent specialization of some trainees. It is expected that the trainers will be integrated into the different Business Development Centres existing in the region and operating under the Small Business Development Centre (SBDC) model.

• Phase III: Advice and support.

The PUs will receive advice and support regarding issues such as obtaining sources of funding, focusing on increasing sales or optimizing administrative processes. At the end of Phase III, a complete cycle of the proposed value chain model will be completed, which can be validated and which, in order to ensure that it has the necessary viability to be a company that generates jobs, is sustainable and generates development in the territory.

Objective of the project

Improving the development and strengthening of the capacities and competencies needed by the members of the productive units of value chains to generate the best conditions of employability, self-employment and productive employment, and decent jobs.

Specific Objectives

- **SO1.** Improving the capacities of the members of the productive units and their families in terms of income generation, employment, and assured food supply
- **SO2**. Providing the training required to acquire the necessary skills for the basic processing of products in the cocoa and food chains (vegetables, fruits).
- **SO3**. Training the members of the productive units so that they can adequately manage their PUs, know and manage their production costs and obtain products in competitive market conditions.
- **SO4.** Strengthening the transformation and commercialization links to ensure the placement in the markets of the products generated in the other links of the chain.

Expected results

- R1.1. Improved socio-economic conditions of the members of the productive units and their families, and increased income generation and food provision for the members of the Productive Units.
- R1.2. Reduced rural unemployment rates and reduced migration from rural areas to urban belts, especially of young people and women, through the employment opportunities generated by their insertion in the production, processing and marketing processes of products generated in the productive units and value chain.
- R2. The necessary training processes for quality and safe products will be carried out, as well as the skills required for the basic processing of products in the chains
- R3. The members of the productive units will be trained so that they can adequately manage their PUs, know and manage their production costs and reach marketing channels in competitive market conditions.
- R4. Processing and marketing links will be strengthened to ensure the proper placement onto the markets of the products generated in the other links of the chain.

Lines of action

- Line 1: Creation of Productive Units as a centre of income generation for the nearest community, generation of self-employment, entrepreneurship, and quality jobs. The approach prioritizes attention to PUs over attention to individual entrepreneurs.
- **Line 2:** Facilitation of the insertion of producers from predetermined chains into the value chains, to ensure the adequate marketing and/or processing of the products, either directly or through "anchor companies".

Target group/population

- Rural-urban women and young people
- Areas of the population who have lost their peri-urban urban jobs
- Active farmers

Complementarity with policies/agendas/strategies

- Action plan of the Council of Labour Ministers
- Comprehensive Regional Social Policy PSIR-SICA 2020-2040
- Intersectoral Regional Agenda on Social Protection and Productive Inclusion (ARIPSIP) 2018-2030
- Regional Policy on Gender Equality and Equity (PRIEG, Política Regional de Igualdad de Género)
- Value chain methodology developed by SIECA in conjunction with CENPROMYPE and ECLAC

Risks and contingencies

- Difficulties of coordination and articulation by the Labour Ministries and Secretariats in each country and other entities involved
- The challenges inherent in the training situation under the effects of the pandemic, which require digital training in an environment with limited Internet and electricity coverage.
- Difficulties in obtaining the formalization of the Productive Units.
- Difficulties in ensuring equitable gender participation in all processes and lines of action

3.2.2. Project 2/Axis 2: Towards an integrated and interconnected system of employment services that contributes to the recovery of the labour market and its resilience through the promotion of labour inclusion, especially for women, young people and the migrant population, in Central America and the Dominican Republic

Country/Coun tries	Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Dominican Republic
Responsible institution(s)	 SISCA Labour Council of Ministers of Central America and the Dominican Republic (CONMINTRAB)
Participating institutions	• Labour Ministries and/or Secretariats of each country with the special involvement of their: Employment Directorates, Labour Observatories, Services, and other Departments that make up the public employment services system (at central, decentralised or territorial level) such as operators managing employment services at territorial level (counters, offices, intermediation services).
	• The vocational education and training system (the national technical/professional education and training institutes and the regional network, Network of Vocational Training Institutes – REDFIP).
	ILO - International Labour Organization.

Summary of the project

The project aims to address, in a systemic and integrated manner, the main criticalities of the public employment systems providing the active policies mentioned above. In this direction, two macro areas are identified in which the activities envisaged in the project are developed:

- On the offer side, regarding jobs and active employment policies: reference is made to activities aimed at strengthening public employment services, with a mixed incorporation of technology and renewed methodologies and instruments for the provision of services, specializing in both actions dedicated to strengthening people's employability, and in the placement of the most vulnerable population;
- On the demand side, regarding jobs and active employment policies: reference is made to the need to ensure that an increasing number of enterprises (especially micro and SMEs) turn to the public employment services to meet their requirements of strengthening/updating the skills of their human resources and recruiting people with appropriate profiles to meet their job requirements.

The project includes different lines of action that are complementary and mutually supportive, based on the principles of flexibility, progressiveness and modularity necessary to make activities adjustable to different national contexts. For this purpose, 2 main dimensions are defined:

- **regional approach of the project**: it will be necessary to prioritize common contents in the definition of operational and organizational standards shared at regional level, including progressive exchanges between countries and with other international experiences;
- national approach of the project: development of the project activities according to a national prioritisation system and contents defined with each participating country, taking into consideration characteristics of specificity and context (central, regional, territorial), specific needs of each country, according to the starting

point and progressiveness (schedule) established with each one in relation to the programmatic offering of the common operational and organisational standards.

General objective of the project

Contributing to the recovery of the labour markets and their resilience in Central America and the Dominican Republic, favouring the insertion of vulnerable people and groups into society and employment.

Specific Objectives

- **SO1.** Supporting the processes of strengthening and modernizing national, central and territorial public employment services (with a view to integration into regional standards) in order to achieve an offer of employment services in line with the needs of individuals and enterprises;
- **SO2.** Improving the provision of labour market information (updated, verified and reliable) from labour market observatories and from the prospecting activities of market intelligence units for feedback and effective operational improvement of employment services and to meet the needs of the production sector;
- **SO3.** Contributing to the regular, orderly and safe development of labour migration through the labour migration programmes of countries that provide and ensure employment opportunities abroad;
- **SO4.** Encouraging an agenda for the reduction of the digital divide in the field of work with a gender perspective to improve access to the digital labour market through training and employment services;
- **SO5.** Strengthening and disseminating infrastructure to improve effectiveness and efficiency by strengthening connectivity and reducing the digital divide for individuals and employers.

Expected results

- R1. More efficient and modern employment services and systems will exist in each country and according to a regional vision, these will respond to the needs of people and employers / enterprises, and foster inclusion of the population into society and employment, especially young people, women and vulnerable people;
- R2. Improvement in the quality of the offering based on a prospective analysis of the labour market that feeds back the effectiveness and efficiency of the employment services and satisfies the needs of operators in the production sector;
- **R3.** Employment services will be connected and integrated in the region for the management of labour migration;
- **R4.** Reduction of the digital divide in access to jobs for people, especially women, and improved access to a digitalised labour market through training and guidance services promoted by the employment services;
- **R5.** Strengthened connectivity infrastructure in Central American countries and a reduced digital divide for the people and employers.

Lines of action

- Line 1. Strengthening and modernisation of employment services;
- **Line 2.** Analysis of the labour market through the strengthening of integrated information systems by the Observatories and the Market Intelligence and Prospecting Units (scouting);
- Line 3. Role of Labour Ministries in managing labour migration at national, regional, and extra-regional levels;
- Line 4. Agenda for the reduction of the digital divide in labour insertion with a gender-based approach;

• **Line 5. (Transversal)** Creation of conditions for improving the effectiveness and efficiency of the digital infrastructure for connectivity and bridging the digital divide.

Target group/population

The target group for this intervention are the most vulnerable people in the workplace:

• Unemployed, migrant population (both within countries and regionally), disadvantaged and vulnerable people, women, young people, individuals with disabilities and adults.

Besides people, employers and enterprises also account for another target group of this project idea, as their needs for competences and occupational requirements will be given specific attention to facilitate the labour inclusion of the above mentioned people.

Complementarity with policies/agendas/strategies

- Action plan of the Council of Labour Ministers, in particular with results 2, 3 and 4
- SICA's Comprehensive Regional Social Policy (PSIR-SICA) 2020-2040, especially with strategic objectives 3, 5 and 6
- Intersectoral Regional Agenda on Social Protection and Productive Inclusion (ARIPSIP) 2018-2030, in particular with strategic lines 2 and 4
- Regional Policy on Gender Equality and Equity (PRIEG) in particular with strategic axis 1
- It is mentioned that, due to its objectives and contents, the present project is developed in continuity with the lines of activities of the project Strengthening Integrated Systems of Training, Guidance and Labour Insertion TGLI/ILO 2010-2014.

Risks and contingencies

- Change of priorities and factors that may influence progress in the construction of dialogues, pacts and decision making among the main actors of the processes;
- Excessive dispersion and fragmentation of national dimensions which hinder the processes;
- Barriers and conditionality of different kinds (legal, budgetary, administrative and conjunctural) that hinder and/or condition the construction of alliances, consensus and shared visions that can affect the implementation of innovation and modernization processes.

5.3 Axis 3: Informal Settlements and Sustainable Urban Development

The existence of informal settlements is a common reality throughout Central America that appears as a challenge to be faced in both national and international agendas, expressing in all of these the commitment to implement effective solutions to the housing problem in which the inclusion of adequate housing and an environment that allows for integrated and healthy development is increasingly clear. In addition to this challenge, which is central to the United Nations' Sustainable Development Goals and the New Urban Agenda, there are the urgent issues raised by COVID-19, which has shown its most harmful side to sufferers, deepening social inequalities manifested in gender-based gaps and in global phenomena such as the feminization of poverty.

It is a reality that cities and their neighbourhoods pose a far-reaching challenge in the coming times. The complexity of the problems that the region will have to face is a major factor, but so are the possibilities for improvement and for reducing the socio-spatial and gender gaps that are widening so strongly.

The proposed project profiles seek an approach to different scales of planning and management with a single objective, to optimize the structures of territorial, metropolitan, urban and neighbourhood planning to achieve an improvement in the most vulnerable neighbourhoods and contribute decisively to resilience processes in the countries of the region.

The projects specifically include the gender approach, considering the differentiated practical and strategic needs of women and men, addressing the pre-existing gaps and those generated by the pandemic and climate impacts in all areas of intervention. The projects will ensure equal access to and control over resources and benefits, and it will boost the empowerment of women. The projects are also in line with the general notions of PRIEG/SICA.

The projects also associate their objectives and activities with the call of the Agenda 2030 for Sustainable Development for Latin America, putting inequality at the centre of their work; and in the same effort to advance towards the achievement of the Sustainable Development Goals (SDGs), they articulate actions that promote and encourage social inclusion hand-in-hand with economic growth and the environmental dimension of our societies, so the projects associate their actions with various objectives⁶.

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⁶ SDG 1: No Poverty, SDG 2: Zero Hunger, SDG 5: Gender Equality, SDG 6: Clean water and sanitation, SDG 10: Reduced Inequalities, SDG 11: Sustainable Cities and Communities, SDG 13 Climate action

3.2.3. Project 1/Axis 3. Regional neighbourhood improvement programme focused on informal settlements (PREMBAI) with an integrated risk management approach through the implementation of an interinstitutional and community-based management methodology

Country/Coun tries	Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Dominican Republic
Responsible	• SISCA
institution(s)	Central American Council on Housing and Human Settlements (CCVAH)
Participating institutions	 Ministries and Secretariats responsible for Housing, Human Settlements and Land-Use Planning, Communications and Infrastructure Municipalities and governments Competent institutions in precarious settlements, Social Protection and Development, Territorial Studies and Statistics, Disaster Reduction and Risk Control, at regional and national level Competent institutions for the prevention of violence Institutionality in favour of women in each country and STM-COMMCA Enterprise institutions, universities and research centres and NGOs UN Habitat

Summary of the project

The <u>Regional Programme for Neighbourhood Improvement focused on Informal Settlements</u> (hereinafter PREMBAI, Programa Regional de Mejoramiento Barrial Centrado en Asentamientos Informales) aims to deploy a series of tools focused on the drafting of <u>Urban Plans</u>, with an integral approach (hereinafter Integrated Urban Plan or IUP) and that considers risk management, incorporating the <u>key issues</u> that already appear in the national documents with which the Programme intends to be aligned: 1) adequate housing, 2) mobility, 3) infrastructure, equipment and urban layout, 4) connectivity, mobility and sustainable transport, 5) environmental management, protection and recovery, 6) public services, 7) land tenure, 8) coexistence and culture of peace, 9) equipped, safe community centres and public spaces, incorporating security for women and girls, 10) resilient and intelligent communities, 11) strengthening identity, 12) food security, 13) education, training and production and 14) community participation and social appropriation of the program.

PREMBAI's intervention logic is based on a <u>methodology centred on planning and institutional articulation through</u> the (i) constitution of an inter-institutional working and commitment table (ii) collection and use of sufficient information for project prioritization, (ii) coordination of the programmatic offering of public, private and community institutions that act in the territory, and (iii) follow-up and monitoring through a series of indicators to be defined in advance and that will point directly to the objectives set in each context.

The intervention system will be based on the coordination of public investments and the encouragement of private ones, with strong community participation, especially of indigenous groups and women, incorporating any minority or especially vulnerable groups detected in each country.

The <u>intervention</u> methodology <u>will be implemented by stages</u>, in order to adapt to the conditions and situations of each of the countries to be incorporated into the regional programme, and through an intense co-management process with main items focusing on (i) the active participation of local governments, for which an agreement will be drawn up with the municipalities, (ii) the elaboration of a Plan of Action that includes the concrete intervention strategy and (iii) the execution of the IUPs that will take place in an inter-institutional way with the participation

of at least the central, local and private governments and the active participation of the communities and the private sector, guaranteeing gender mainstreaming in its implementation.

PREMBAI will make it possible to establish a <u>common methodology for the region</u> and to move forward supported by those projects, programmes or policies existing in the region that incorporate it:

- Mainstreaming of affirmative policies on women and their living conditions
- Considerations on the risk situation regarding climatic events
- Vision of territorial and urban planning

All this will result in the preparation of specific planning documents in each of the countries, incorporated and adapted to the normative and legal structure of each country, and a series of documents, guides, regional toolboxes, which will collaborate in the transfer and dissemination of the knowledge acquired and allow, in the medium or long term, the implementation of neighbourhood improvements.

Objective of the project

Contributing to the creation of resilient communities, through the promotion and development of comprehensive neighbourhood improvement programmes that contribute to the reduction of the housing deficit and the risk of climate events

Specific Objectives

- **SO1.** Reducing the housing backlog, both quantitatively and qualitatively, by reducing inequality gaps through access to facilities and equipment in all neighbourhoods, prioritising those that are most backward and reducing problems of land tenure and ownership.
- **SO2.** Improving the quality of public services and infrastructure in the territories, especially in the most densely populated and most vulnerable urban areas, making them more resilient to climate challenges, improving natural environments by making them healthy and safe, especially for women and girls.
- SO3. Improving territorial integration and connections of all neighbourhoods.

Expected results

- R1.1. Improved habitat conditions and resilience to extreme weather events in the prioritized territories.
- R1.2. Reduced percentage of residents in informal settlements, especially those with unmitigated risks and in conditions of greater social vulnerability.
- **R2.1.** Reinforced inter-institutionality and the creation of replicable structures that manage the territory from the municipalities with the necessary technical support that adequately handles the gender perspective for its mainstreaming.
- R2.2. Processes will be carried out to transfer experiences among those countries in the region that are incorporated into the programme, making visible the resilient actions of women with regard to their agroecological practices.
- **R3.1.** Reinforcement of the role of municipal governments and their relationship with the citizenry and the various urban economic, social, and cultural actors.
- R3.2. Increased active and binding participation of communities in the process, including the concrete design phase, ensuring the active and leading participation of women in their diversity.

Lines of action

- **Line 1:** Detection and prioritization of informal settlements, according to the criteria described, in order to serve as a pilot for PREMBAI.
- Line 2: Establishing agreements with the municipalities, with the aim of creating strong commitments, which incorporate all the agents concerned, assigning special importance to community groups and their leaders. Including the financial and technical reinforcement of the Municipalities and Metropolitan Areas to notably increase their urban and interurban planning capacities in criteria of inclusion, equity, and sustainability.
- Line 3: Formulation of community-based Integrated Urban Projects (IUPs) that revolve around the principles of the New Urban Agenda and adequate housing, including the provision of services and equipment, public spaces, and green, habitable and safe infrastructure, prioritizing the most vulnerable populations and the contexts most threatened by climate risks, for which gender mainstreaming will be vital.
- Line 4: Inclusion of production facilities, mainly food, in the IUPs, including urban gardens and value-added transformations, making visible and reinforcing the resilient actions of women regarding their agro-ecological practices.

Target group/population

- People living in informal settlements.
- Disadvantaged and vulnerable people, female heads of household, people with disabilities, older people, children and adolescents, women and men of indigenous peoples and Afro-descendants living in urban areas

Complementarity with policies/agendas/strategies

- Comprehensive Regional Social Policy (PSIR-SICA) 2020-2040
- Intersectoral Regional Agenda on Social Protection and Productive Inclusion with Equality (ARISIP) 2030
- Gender equality policies at country and regional levels

Risks and contingencies

- Not having enough statistical and georeferenced information for the implementation of the programme to have the maximum impact expected.
- Technical and financial weakness of municipalities in the area of territorial planning, detected in many of the countries, may have a negative impact on the implementation of the programme.
- Difficulties in inter-institutional coordination and territorial articulation.
- Technical and professional teams might not have an adequate handling of the gender approach for its mainstreaming.

3.2.4. Project 2/Axis 3. Strengthening of public policies to foster municipal competencies and means of action in urban and territorial planning processes

Country/Coun tries	Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Dominican Republic
Responsible institution(s)	 SISCA Central American Council on Housing and Human Settlements (CCVAH)
Participating institutions	 Ministries and Secretariats responsible for Housing, Human Settlements and Land-Use Planning Institutions competent in Territorial Studies and Statistics, Disaster Reduction and Risk Control Institutionality in favour of women in each country and STM-COMMCA Municipalities, Governments, Associations of Municipalities and Metropolitan Areas NGOs and Neighbourhood and Community Associations, especially those led by women Enterprises, foundations, and cooperatives working in the field of neighbourhood development Coordination Centre for the Prevention of Disasters in Central America and the Dominican Republic CEPREDENAC Central American Commission on Environment and Development CCAD Enterprise institutions, universities and research centres and NGOs UN-Habitat

Summary

This proposal is aimed at strengthening local governments for the promotion of effective urban planning processes, land management and the generation of equipped, safe, sustainable, and resilient urban environments, with gender-based mainstreaming.

To this end, the updating of the regional guidelines or toolboxes focused on urban-territorial planning centred on the resilience of the territories will be undertaken. This will continue with a national technical cadre training process that will allow for a strategy of dissemination and reinforcement of municipal technical and regulatory knowledge, in the logic of training trainers, and it will be implemented through the promotion of joint technical support spaces that can provide service to several municipalities and allow for an increase in the effectiveness of territorial development, if necessary. In other cases it will be supported by existing territorial structures (metropolitan, associations of municipalities...) or by the municipalities themselves, if they have certain capacities.

The spaces of support to the municipalities will have to be intersectoral and multilevel in order to facilitate the communication with the superior levels and to step up to their role as facilitators of the urban development processes.

Objective of the project

Strengthening municipal bodies in their autonomy to implement public policies in the urban and territorial context.

Specific Objectives

- **SO1.** Generating guidelines updated for future regional projects in the area of land use and urban planning, seeking improvements in the effectiveness and implementation/consolidation of projects for neighbourhood improvement and the provision of basic services, which are central to the fight against the pandemic, the minimization of climatic risks and the reduction of the gender gaps that have widened in this context.
- **SO2.** Training and technically reinforcing supra-municipal administrations for the dissemination of the results in the municipalities that are lagging behind in this aspect.
- SO3. Generating and/or reinforcing intermunicipal and intersectoral decision-making spaces.

Expected results

- R1.1 Improvement of inter-institutional and inter-sectoral relations in the field of land and urban planning
- R1.2. Increase in the number of municipalities that have concrete tools for zoning and land management (POM) with a gender-based approach.
- R2. Improvement of training for land and urban planning technicians on the dissemination of information to be provided to municipalities to improve their autonomy.
- R3. Improvement of municipal technical and management training on territorial and urban planning with a gender-based approach.
- R4. Increase in the incorporation of municipalities into planning processes in an autonomous and effective way.

Lines of action

- **Line 1**: Support in the generation of sustainable and resilient urban, intermunicipal and metropolitan policies, with a gender perspective and consideration of the climate emergency, that strengthen local institutions and their regulatory framework.
- **Line 2:** Production of regional technical documentation focused, among other things, on the climate challenges of the current context, and its dissemination (manuals, guides, regulations), with strong, medium and long-term links to equitable urban development and social justice.
- **Line 3:** Creation of inter-institutional, inter-municipal and metropolitan, intersectoral and multi-level management spaces in which local community structures are incorporated.

Risks and contingencies

- The technical and financial weakness of the municipalities, in the area of territorial planning, detected in many of the countries may have a negative impact on the implementation of the programme.
- Technical and professional teams might not have an adequate handling of the gender approach for its mainstreaming.

Target group/population

This project directly benefits urban and territorial decision-makers by improving technical skills and autonomy.

It also indirectly addresses the population, as beneficiaries of the controlled urban planning that could derive from its implementation, and of the improvement in the functioning of the institutions, as a backlog to be solved prior

to (or in parallel with) the implementation of concrete and affirmative actions that improve the life of residents in situations of disadvantage and vulnerability.

Complementarity with policies/agendas/strategies

- Comprehensive Regional Social Policy (PSIR-SICA) 2020-2040
- Intersectoral Regional Agenda on Social Protection and Productive Inclusion with Equality (ARISIP) 2030
- Regional and national policies, agendas and strategies that establish the key frameworks for sectoral intervention in human settlements, land management, urban planning, decentralization, etc.
- Equality policies at the country and regional levels

3.2.5. Project 3/Axis 3. Regional mapping of informal settlements with a diagnostic and planning approach and community base supported by digital training of the communities

Country/Coun tries	Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Dominican Republic
Responsible	• SISCA
institution(s)	Central American Council on Housing and Human Settlements (CCVAH)
Participating institutions	Ministries and Secretariats responsible for Housing, Human Settlements and Land-Use Planning
	 Institutions competent in Territorial Studies and Statistics, Disaster Reduction and Risk Control, Environment
	Social Development Ministries and Secretariats
	Institutionality in favour of women in each country and STM-COMMCA
	Municipalities, Governments, Associations of Municipalities and Metropolitan Areas
	NGOs and Neighbourhood and Community Associations, especially those led by women
	 Enterprises, foundations, and cooperatives working in the field of neighbourhood development
	Coordination Centre for the Prevention of Disasters in Central America and the Dominican Republic CEPREDENAC
	Central American Commission on Environment and Development CCAD
	UN Habitat
	Enterprise institutions, universities and research centres and NGOs

Summary of the project

The aim of this proposal is to identify the dimension of the urban challenge regarding informal settlements faced by the different countries, understanding that these spaces are in the centre of the priorities of the urban-territorial policies. This will help to prioritize the eradication of poverty, and hence its feminization, and the provision of healthy environments, as described both in the New Urban Agenda and in the strategic guidelines of each of the countries that make up the region.

The data collection and processing methodology, already tested in the region, would have a quantitative approach, similar to that of a census, that is, the collection would have to be applied to the entire universe of study that would be the informal settlements.

To this end, the data structure to be collected would have to be designed to focus on those aspects that define the spaces as informal: i) connectivity, ii) tenure, iii) access to basic services, into which others relating to iv) age, v) natural environment, vi) relations with the territory would be incorporated. It is important to emphasize that, prior to the effective collection of the information, there would be a group phase in which all the data from official institutions would be collected (census, statistical institutes, cadastres and all the information that the participating institutions could offer) as well as other information acquired prior to the concrete collection of data such as the tracking of aerial photos or any situated information that the local leaders themselves could provide. Contact with the communities will be central and necessary from the beginning, since the project will have to be communicated and the training of the communities themselves will have to be simultaneous, with special

emphasis on women, so that data collection through digital applications is done from the community itself. This will allow us to undertake a triple objective, training in digital skills, generating employment and allowing the appropriation of the tool by the local communities, facilitating its maintenance in the medium and long term, by increasing and updating the inputs in a systematized way.

The information generated, disaggregated by sex and other variables of interest, will allow the prioritization of spaces and the improvement of the impact of the projects. It could also be the seed of a regional observatory on urban vulnerability, which would make it possible to evaluate the medium and long-term effectiveness of the neighbourhood improvement processes currently implemented in the region. The information collected regionally will also be delivered to the Coordination Centre for the Prevention of Disasters in Central America and the Dominican Republic (CEPREDENAC) for incorporation into the situation table prepared by that entity, which could be the repository of the information.

In this way, a system for incorporating regional inputs would be created, supervised by a regional entity, with equitable community participation of women and men from all social conditions present in each context. This would improve the process of digitalization and digital training, as a relevant aspect shown to be central by the COVID-19 pandemic, with special emphasis on the digital inclusion of women.

Objective of the project

Generating information and inputs that contribute to decision making in urban and territorial policy, including concrete actions that improve the lives of residents in popular settlements.

Specific Objectives

- **SO1.** Implementing projects that allow the information generated in each location to be collected with a focus on planning in a communitarian and truthful way in order to make it directly useful for territorial and urban planning.
- **SO2**. Training communities, especially local leaders, to be part of the process (ICT training).
- SO3. Coordinating the inputs generated in each location and municipality to achieve unified regional data.

Expected results

- R1.1. Generation of inputs and information on urban challenges
- R1.2. Generation of a statistical tool with a gender-based approach, useful for political decision-making and territorial and urban techniques
- R2. Digital training for communities and employment generation in data collection carried out and improved, with active and binding participation of communities in the process, considering equity between women and men in their diversity
- R3. Opportunities will be identified in the municipalities and the capacities of the municipalities will be strengthened in the management of territorial inputs with a gender perspective
- R4. Creation of a common regional framework and a similar regional data collection methodology for monitoring urban vulnerability that incorporates the gender perspective.

Lines of action

• **Line 1**: Line 1: Generation of a regional georeferenced mapping tool that allows countries, regions, metropolitan areas, and municipalities to implement projects to find out the location, number and characteristics of informal settlements and their inhabitants, enabling risk assessment of these spaces.

- **Line 2:** Training of communities so that the mapping process can be taken over by the community itself. Incorporating monitoring through the definition of concrete, simple and measurable indicators, evaluation, and transparent review by community leaders
- Line 3: Connecting this tool, of a regional nature, with the needs of the municipalities so that it can guide public policies and actions, including urban planning and management processes, making it possible to make vulnerabilities visible, prioritize investments and measure impacts on baselines, from a gender perspective.

Target group/population

The main beneficiaries addressed by this project are those responsible for making decisions in the urban environment, facilitating the task thanks to the generation of inputs. In this sense, that is, as users of information, other groups such as academics and researchers will also be beneficiaries.

In addition, the project addresses the population in a direct way, as participants from the community base in the mapping of their community and the maintenance of information, and in an indirect way, as beneficiaries of the planned and controlled neighbourhood improvement process that could derive from its implementation:

- Population of women and men in their diversity, living in popular neighbourhoods with degrees of informality
- Community leaders
- Equitable population of women and men in their diversity, to train on digitalisation-related issues related.

Complementarity with policies/agendas/strategies

- Comprehensive Regional Social Policy (PSIR-SICA) 2020-2040
- Intersectoral Regional Agenda on Social Protection and Productive Inclusion with Equality (ARISIP) 2030
- Guide to COVID-19 in informal settlements. Plan of response to COVID-19 UN Habitat
- Regional Action Plan for the Implementation of the New Urban Agenda in Latin America and the Caribbean 2016-2036. ECLAC
- Strategic Plan of the Government of Honduras 2018-2022
- Regional and national policies, agendas and strategies that establish the key frameworks for sectoral intervention in the census of human settlements, land management, urban planning, decentralization, etc.
- Equality policies at country and regional levels

Risks and contingencies

- Difficulties in inter-institutional coordination and territorial articulation.
- The technical and financial weakness of the participating entities can negatively impact the implementation of the programme.
- Technical and professional teams might not have adequate handling of the gender approach for its mainstreaming.

4. Thinking about financing: Bicentennial Fund for Social Resilience (FSR/SICA)

The Recovery, Social Reconstruction and Resilience Plan for Central America and the Dominican Republic constitutes an articulated response by the countries of the region to the enormous socio-economic impacts that the pandemic is causing. The 7 strategic project profiles that make up the Plan are the result of a broad consultation process carried out by SISCA, with the support of a team of experts from Latin America and Europe made available by the European Union's Eurosocial programme, with the valuable participation of technical teams from the Ministries of Social Development, Labour and Housing of the SICA countries, together with advice from FAO, ILO, and UN-Habitat.

In the following weeks, these profiles and their subsequent development into detailed projects will unleash their full potential as instruments for the mobilization of the technical and financial resources needed for social recovery, thus helping to complement the national efforts already underway that are limited in scope by the complex fiscal situations countries are facing. Similarly, with the support of the General Secretariat of SICA, it is expected that strategic alliances will continue to be encouraged and established with and among regional institutions, national bodies, including civil society, the private sector, academia, and international partners that wish to contribute to the development of the Plan as a binding element of the determination and technical and financial efforts needed to create a more resilient region characterized by peace, democracy, and development.

The Plan constitutes a reference tool for the mobilization, in the short term, of external resources to complement national investment. The external resources to be attracted to finance both the projects of the Plan and new projects that may be added, or complementary national actions, may include in their nature the figure of international cooperation funds or national loans.

When drawing up the Plan, the consultation activities performed included dialoguing with financial actors, international cooperation and private companies, and as a result of these approaches, within the framework of the process of analysing financing alternatives, an idea inspired by the European initiative of the *Next Generation EU*⁷ emerged. Along these lines, SISCA, with the technical support of the European Union's EUROsociAL+ programme, proposed the creation of a <u>Regional Fund for Social Resilience</u> - to be named the **Bicentennial Fund for Social Resilience** (FSR/SICA) - as a financial instrument that would make it possible to channel additional or complementary resources to social, employment and housing policies that target population

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⁷ The Next Generation EU fund is a package of instruments for Europe's recovery and resilience, of an extraordinary and temporary nature (2021-2024). Its purpose: the development-oriented economic recovery of the countries affected by the crisis on the common EU agenda, i.e. (i) Economic, social and territorial cohesion; (ii) Economic and social resilience; (iii) Mitigation of the social and economic impact of the crisis; and (iv) Green and digital transitions.

groups in poverty and extreme poverty, and present risk factors and greater economic, environmental and social vulnerability in the region. The *Bicentennial Fund for Social Resilience* (FSR/SICA), in addition to being an instrument with which countries can finance the necessary reforms of their social protection systems, is a concrete model of solidarity and integration between nations and partners (see profile) and an alternative mechanism that can help continue to enhance the valuable and strategic role played by the Central American Bank for Economic Integration (CABEI). The CABEI acts as the financial arm of the integration and economic development of the SICA region, which promotes the balanced economic and social development of Central America and the Dominican Republic and which, to this end, has already been supporting different national and regional initiatives of a social nature.

COVID-19 gives us the opportunity to foster a more united, inclusive, egalitarian, sustainable and resilient Central America. It is important for all of us to work together to start the implementation of this Plan as soon as possible, which, through short-term actions, has its sights set on a horizon that goes beyond recovery and vindicates the aspirations embodied in the founding instruments of our Regional Integration System.

BICENTENNIAL FUND FOR SOCIAL RESILIENCE - FSR

Context and foundations

The pandemic caused by Covid-19 has moved in a short time from a health emergency to an unprecedented humanitarian, economic and social crisis with final consequences that are still unpredictable due to its continuation and its impacts, both worldwide and in **Central America** and the **Dominican Republic**. The pandemic leaves the Central American region with discouraging social and economic indicators. Poverty, extreme poverty, and inequality are increasing in all countries, further weakening social cohesion. In this complex context, the weaknesses and inadequacies of the region's welfare and social protection systems have been highlighted, albeit with significant differences between countries.

The severity of the crisis, worldwide, is greater or lesser according to the degree of robustness and comprehensiveness of national welfare systems. This is also the case in Europe. In our region there are important deficits related to population coverage, quality and supply of services and attention capacity. All this aggravates the precarious conditions in which millions of people live in terms of work and income, and effective access to fundamental rights such as health or education.

At this juncture, the role and presence of the State becomes central on several fronts:

- 1. It should seek to ensure resources for livelihoods and access to basic services;
- 2. It must mobilise resources and boost initiatives for the revival of the economy and employment.

3. However, it must also seize the opportunity to strengthen its social resilience through the modernisation of national social protection, employment and vocational training and education systems.

To date, countries have put in place valuable relief packages aimed at containing the spread, mitigating the economic impact, protecting employment, and ensuring the liquidity of households and the business sector. However, looking ahead, the three challenges mentioned above are addressed from complex fiscal situations, with compromised fiscal sustainability. In addition, the downturn in economic activity has had a negative impact on tax revenues, which have declined sharply while, at the same time, public expenditure has grown rapidly to cope with the social and economic effects of the pandemic that have triggered public debt. Hence the need for extraordinary interventions from integration mechanisms, multilateralism, and intra- and international cooperation.

Bicentennial Fund FSR

Inspired by the European initiative of the *Next Generation EU*, considering the common tradition of regional integration and the difficulty of finding outlets and solutions only within the framework of national structures, SISCA, with the technical support of the European Union Programme EUROsociAL+, proposes the creation of a **Regional Fund for the Social Resilience of Central America and the Dominican Republic - FSR (Bicentennial Fund).**

This is a financial instrument that makes it possible to channel additional or complementary resources to social, employment and housing policies that target population groups in poverty and extreme poverty, and which present risk factors and greater economic, environmental and social vulnerability in the region. This is a Fund that, for the first time, puts the social dimension at the centre, i.e. policies to develop resilience (protection systems, reduction of inequalities, improvement of human capital, etc.), through which countries can gain the capacity to face crisis situations and progress towards higher levels of (inclusive) development.

In this perspective, as in the European case, the Bicentennial Fund cannot be used to finance subsidies or tax reductions, but rather reforms and investments. The areas to be financed correspond to the three identified by the Council for Central American Social Integration-CIS for the Recovery, Social Reconstruction and Resilience Plan.

The Fund may be financed by various public and private sources, by international cooperation and by cooperation from the region itself.

Regional Fund for Social Resilience in Central America and the Dominican Republic - FSR (Bicentennial Fund).

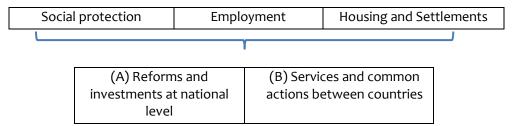
Responsible institution(s)

Other institutions

Financing (USD)

US\$1 billion8

Extraordinary and temporary fund to support countries to finance social resilience, articulated in 2 pillars in 3 areas:



What is the Fund?

A financial instrument that allows SICA countries to implement reforms and make investments aimed at social resilience, or common collaborative initiatives between countries for the benefit of different national realities.

Public policy objectives

- 1. Expansion and strengthening of integrated systems of social protection services.
- 2. Articulation of employment systems capable of supporting skills training, labour inclusion (in particular of women and young people), labour mobility and formalisation.
- 3. Neighbourhood improvement with an integral vision focused on informal and popular settlements.

Cross-cutting areas

- Gender Equality
- Green Transition
- Digital Transition

Process

The Fund finances:

(A) National Programmes (Reforms and investments at national level).

⁸ Amount subject to increase by agreement of the Member States.

(B) Multi-country projects (Services and common actions between countries).

It remains to be established whether the FSR covers as many grants and loans or only the former. And if there is to be co-funding.

In order to access the FSR, the national ministries or entities and the Regional Governments respond to the CABEI call and present programmes and/or projects in the three public policy objectives indicated.

For the formulation of the programmes and/or projects to be evaluated, the following criteria must be met:

- COMMON REFERENCE FRAMEWORK: Recovery, Social Reconstruction and Resilience Plan for Central America and the Dominican Republic
- REGIONAL GUIDELINES: will be elaborated by SISCA with the support of the European Union's EUROsociAL+ Programme; they refer to format, methodology, governance of the implementation phase, etc.
- PURPOSES: only (1) Reforms and investments at national level and/or (2) Services and common actions between countries. The FSR cannot be used for cash benefits assigned to individuals or tax relief. <u>All programmes and projects must include measures in the 3 cross-cutting areas identified.</u>
- TECHNICAL ASSISTANCE: for the formulation of the programmes and projects the countries can count on the technical assistance of the European Union Program EUROsociAL+.
- GRANTING OF FUNDING:
 - Evaluation of draft programmes and/or projects by the FSR technical task force.
 - Final presentation of programme and/or project proposals.
 - Evaluation by the CABEI-SISCA Committee and approval (with the support of external experts).
 - Advance of 20% of the financing.
 - Review of progress on goals and results.
 - If positive, disbursement of second allotment of financing (50%).
 - Repetition of the review schedule for the third and last financing allotment (30%).
 - Final evaluation.

	Governance
Governing Board	The Governing Board of the FSR, as the entity responsible for its strategic direction, would be made up of CABEI, Ministers of Social Development, representatives of civil society, representatives of international cooperation and financing agencies of the Fund.
	The FSR Governing Board will be responsible for approving national programmes and/or multi-country projects submitted for application to the Fund.
Executive Directorate	SISCA as an entity responsible for administrative and operational management (SISCA).
Management	CABEI
Monitoring Board	Entity responsible for follow-up and monitoring national programmes and/or cluster projects

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