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COUNTRY DEVELOPMENT COOPERATION STRATEGY (CDCS) FY 2020-2025

APRIL 27, 2020 – APRIL 27, 2025

Amended and updated on: March 24, 2021

PREAMBLE

The USAID/EI Salvador Country Development Cooperation Strategy (CDCS) was approved on April 27, 2020. On March 24, 2021, the CDCS was amended to change the language in the Goal to replace the words “illegal immigration” with “irregular migration”; these changes are highlighted in the document and reflected in the revised Results Framework on page 10. Other references to “illegal immigration” have also been changed to “irregular migration.” This amendment brings the language of the CDCS in line with the migration language of the new Administration.

In addition to the amendments to the USAID/EI Salvador CDCS, the Mission updated the Results Framework to include:

- A new sub-intermediate result (sub-IR) 2.1.3 “Investment in Key Sectors Increased”, and
- A revision to sub-IR 2.2.4 “Higher Education Institutions Strengthened to Promote Innovation and Respond to Private Sector Needs” to read “Job Training for Likely Migrants Improved.”

The Development Objectives (DOs), Intermediate Results (IRs), and all other sub-IRs remain the same.

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List of Acronyms

A&A	Acquisition and Assistance
ADS	Automated Directives System
BRM	Office of Budget and Resource Management
CARSI	Central America Regional Security Initiative
CBP	Customs and Border Protection
CDCS	Country Development Cooperation Strategy
CEN	Central America
CICIES	International Commission against Corruption in El Salvador
CRM	Climate Risk Management
DCA	Development Credit Authority
DFC	Development Finance Corporation
DHS	Department of Homeland Security
DIS	Development Information Solutions
DO	Development Objective
DOD	Department of Defense
DOJ	Department of Justice
DRG	Democracy, Rights and Governance
ECON	Economic Office of the Embassy
GBV	Gender Based Violence
GDP	Gross Domestic Product
GOES	Government of El Salvador
INL	Bureau of International Narcotics and Law Enforcement Affairs
IOM	International Organization for Migration
IR	Intermediate Result
J2SR	Journey to Self-Reliance
LAC	Latin America and the Caribbean
LGBTI	Lesbian, Gay, Bisexual, Transgender and Intersex

MARN	Ministry of Environment and Natural Resources
MCC	Millenium Challenge Corporation
MEL	Monitoring, Evaluation and Learning
MHPSS	Mental Health and Psychosocial Support
NGO	Non-governmental Organization
OFDA	Office of Foreign Disaster Assistance
PMP	Performance Management Plan
POL	Political Office of the Embassy
PPP	Purchasing Power Parity
RPO	Regional Program Office
UN	United Nations
U.S.	United States
USAID	United States Agency for International Development
USG	United States Government

I. Executive Summary

El Salvador has a particularly deep, close, and multifaceted relationship with the United States. Approximately 25 percent of Salvadorans live abroad, and most of these reside in the U.S. In 2019, these residents sent more than \$5.65 billion back to El Salvador, primarily to family members, representing nearly 21 percent of the country's total GDP.¹ These family ties can create a 'pull factor' for migration to the United States, but lack of economic opportunity and insecurity in El Salvador are often cited as the fundamental root causes of outward migration. Eighty-three percent of **irregular migrants** returning from the United States cite individually or a combination of: a lack of economic opportunities, insecurity, and a lack of government protections and services, as their main reasons for leaving El Salvador.² In addition, El Salvador frequently experiences extreme climate events, such as flooding and drought, and natural disasters, such as earthquakes and tropical storms. These crises affect physical and human capital, have particular impacts on women and children, and further exacerbate internal displacement and both legal and **irregular migration**. Improved security, enhanced economic opportunity, and strengthened governance will therefore play a central role in responding to the needs of Salvadoran citizens, including the specific needs of women and youth, and in building resilience to the country's vulnerabilities so that its citizens can prosper in their home communities.

The Government of El Salvador (GOES) administration has a five-year term (2019-2024) that corresponds to a majority of this 2020-2025 CDCS, and the strategy aligns directly with its proposed improvements in security, economic prosperity and governance. USAID/El Salvador has a notable window of opportunity to deepen partnerships with the GOES, municipalities, private sector, and civil society, and advance the country's ability to reduce **irregular migration**. Furthermore, El Salvador's scores on most development indicators measured by USAID's FY 2020 Journey to Self-Reliance Roadmap hover just above or below global averages, meaning that well-planned interventions carried out with the political and financial support of the GOES and other partners will be well-positioned to have a meaningful, sustained impact in ways that further develop the country's self-reliance.

This CDCS was developed and finalized in 2019 and early 2020 as COVID-19 became a global pandemic. USAID/El Salvador will continue to monitor its potential impact and if needed, the Mission will re-evaluate the strategic approach.

The strategic vision of the 2020-2025 CDCS is to increase the belief among targeted populations that they can lead a safe and prosperous life, supported by a transparent and accountable government, in El Salvador. Hard data and corroborating anecdotal information demonstrate that improved security and economic prosperity, combined with confidence in government institutions and effective public service provision, motivate people to stay in El Salvador.³ USAID/El Salvador will determine the validity of the development hypothesis and whether the interventions carried out help reduce **irregular migration** and foster self-reliance in El Salvador by using data to measure the impact of our efforts, both real and perceived, using a variety of sources. USAID/El Salvador also plans to commission sub-national perception surveys focused on the urban hubs of El Salvador, which will provide additional data on

¹ Central Bank, January 14, 2020 Remittance data. ([https://www.bcr.gob.sv/esp/index.php?option=com_k2&view=item&id=1464:el-salvador-recibi%C3%B3-us\\$56502-millones-de-remesas-familiares-en-2019&Itemid=168](https://www.bcr.gob.sv/esp/index.php?option=com_k2&view=item&id=1464:el-salvador-recibi%C3%B3-us$56502-millones-de-remesas-familiares-en-2019&Itemid=168))

² Ibid.; Dirección General de Migración y Extranjería, 2018

³ Northern Triangle Migration Information Initiative, International Organization for Migration, 2018

intentions to migrate and the factors influencing that decision. To best accomplish the strategic vision, the CDCS builds upon lessons learned and improved access to data to make several shifts in USAID's strategic approach to reduce **irregular migration** and increase the country's self-reliance.

USAID/EI Salvador will have a clear geographic, demographic, and programmatic focus for this CDCS. As part of the CDCS development process, USAID/EI Salvador invested in select strategic analyses and worked with colleagues and partners from across the interagency and outside of it to generate the evidence needed to refine our approach and ensure that U.S. taxpayers get the best return on investment possible.

Utilizing new apprehension data from U.S. Customs and Border Protection and other sources, USAID/EI Salvador will strategically target all programming on those individuals most likely to **migrate irregularly**. Specific factors include age, education level, employment status, income level, sex, crime victimization, internal displacement, and evidence of prior attempts to migrate. USAID/EI Salvador will also strategically narrow its geographic focus to the country's three main urban hubs: San Salvador, San Miguel and Santa Ana, which account for the majority of **irregular migration** and insecurity in the country. Finally, USAID/EI Salvador will align all programming to the core drivers of **irregular migration**, including security, prosperity, and combating impunity and corruption. Through this focus, USAID/EI Salvador will no longer prioritize programming focused specifically on rural development, agriculture and environmental conservation, though efforts in these areas may fall under the scope of other programming when important synergies exist.

USAID/EI Salvador's goal for this 2020-2025 CDCS is: Reduce the Drivers of **Irregular Migration** by Fostering a More Self-Reliant EI Salvador: Secure, Prosperous and Well-Governed. USAID/EI Salvador will remain focused on stemming the flow of **irregular migration** to the United States by addressing the root causes that drive Salvadorans north, and, thereby, building the country's self-reliance.

USAID/EI Salvador's security programming will focus on three core thematic areas: preventing crime, protecting vulnerable populations and victims, and improving the criminal justice system in El Salvador, or in other words: prevention, protection, and prosecution. USAID/EI Salvador's security programming will strive to improve real and perceived citizen security within targeted urban hubs, with an emphasis on those most likely to migrate.

USAID/EI Salvador's economic growth programming will facilitate job creation for likely migrants, and address key barriers to trade, investment, and access to capital by utilizing and building upon other U.S. government tools, networks, and relationships to mobilize Salvadoran and international private sector investment in key sectors, particularly through the DFC. USAID/EI Salvador will undertake inclusive economic growth programming in select high-growth sectors to position El Salvador assertively as a competitive emerging market and leader in developing new products and services in alignment with the GOES' defined priority areas.⁴ USAID/EI Salvador's prosperity programming will focus on human capital development, mostly at the basic, secondary and vocational education, in alignment with the recent USAID Education Policy and USAID Private Sector Engagement Policy. USAID/EI Salvador will no longer prioritize higher education activities due to the focused targeting of this CDCS, although partnerships with higher education institutions may be used to support CDCS objectives through learning and knowledge sharing.

⁴ Ministry of Economy, 2014. "Política Nacional de Fomento, Diversificación, y Transformación Productiva de El Salvador."

USAID/EI Salvador's governance programming will improve citizens' confidence in government, both nationally and sub-nationally. This improvement will advance the USAID Democracy, Rights and Governance Strategy and directly support the sustainability of outcomes under both prosperity and security. Programs will result in more efficient and effective resource management and expenditure and better quality service delivery that responds to citizen needs and demands. Activities will combat corruption by enhancing oversight and accountability, and by strengthening civil society and institutions working to counter corruption.⁵ The Mission will work to promote more active and vibrant citizen advocacy groups to serve as a check on government, and more representative and responsive political parties.

On the 2020 Country Roadmap EI Salvador ranks average in commitment (0.5) and just above average in capacity (0.55) (see Annex A).⁶ USAID/EI Salvador conducted a multifaceted assessment process to review self-reliance parameters and metrics within the context of EI Salvador and USG strategies and policies to inform this CDCS and its implementation. Based on that assessment, USAID/EI Salvador will concentrate on J2SR-related strategic outcomes most directly related to the core drivers of irregular migration to the United States, including security, prosperity, and anti-corruption / combating impunity. Specifically, under security, USAID/EI Salvador will focus on Safety & Security, Open Government and Social Group Equality metrics. Under prosperity, USAID/EI Salvador will concentrate on GDP Per Capita, Business Environment and Education Quality metrics. Finally, under governance, USAID/EI Salvador will focus on Government Effectiveness, Liberal Democracy, Tax System Effectiveness and Civil Society & Media Effectiveness metrics.

USAID's 2020-2025 CDCS will therefore focus on the demographics of those most likely to irregularly migrate to the United States in EI Salvador's main urban hubs, and increase their sense of hope by targeting improvements in economic opportunity, security, and confidence in the government, particularly to build the foundation of the country's journey to self-reliance. USAID/EI Salvador recognizes that this journey requires the interest and participation of numerous actors, including but not limited to the Government of EI Salvador, private sector companies, and civil society organizations.

While the Mission sees this CDCS as the first in a sequence of reinforcing, interrelated strategies, this strategy will play a central role in bolstering EI Salvador's J2SR through the use of data, analysis and research in the pursuit of joint U.S./EI Salvador development objectives. This CDCS will facilitate the ability of the private sector, GOES, and civil society to make informed decisions, and encourage them to choose development partners committed to building EI Salvador's self-sufficiency. During implementation of our CDCS, USAID/EI Salvador will ensure that central to the design and implementation of our strategy will be the mission-wide effort to diversify our partner base, and engage (and co-create with) new and underutilized partners, including faith-based organizations; strengthen private sector engagement; support women's economic empowerment; and advance religious freedom.

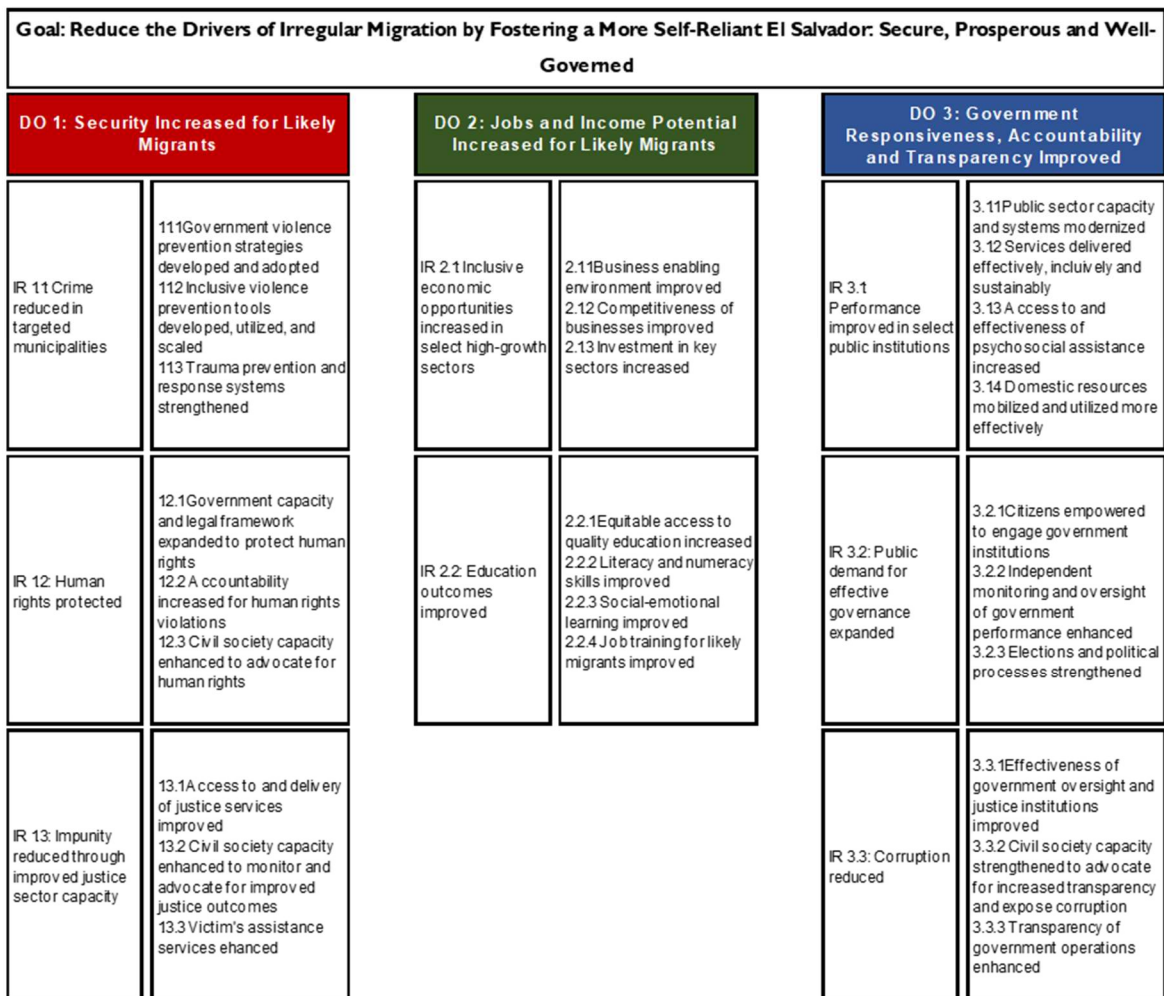
According to the U.S. Commission on International Religious Freedom, a commission that monitors the universal right to freedom of religion or belief abroad, EI Salvador does not qualify as a Tier 1 or 2 country of concern or as a country that needs monitoring.

⁵Control institutions include: Court of Account, Probity Unit, Attorney General's Office, Access to Information Institute, Ethics Tribunal, and the Electoral Tribunal.

⁶ USAID/EI Salvador Journey to Self-Reliance Roadmap, 2020.

USAID programs will work to incorporate the principles of procurement reform and support El Salvador as it leads its own development journey to the point when there is no longer a need for foreign assistance. In addition, USAID/El Salvador views collaboration with other USG agencies as vital for achieving impact and making sustained progress on reducing the drivers of irregular migration. As such, USAID/El Salvador will place particular focus on building capacity and supporting commitment from those vital actors throughout implementation of this CDCS.

Results Framework USAID/EI Salvador



This image is a Result Framework graphic. A Results Framework is a type of logic model that provides a visual summary -- in the form of a flow chart with boxes and arrows - of the major results that the Missions intends to advance support of Goal.

In this Results Framework, the Goal is "Reduce the Drivers of Irregular Migration by Fostering a More Self-Reliant El Salvador: Secure, Prosperous and Well-Governed."

There are three major Development Objectives, or DOs, that support this Goal.

Development Objective 1 is "Security Increased for Likely Migrants." This DO is supported by three Intermediate Results, or IRs: IR 1.1: Crime reduced in targeted municipalities; IR 1.2: Human rights protected, and IR 1.3: Impunity reduced through improved justice sector capacity.

Development Objective 2 is "Jobs and Income Potential Increased for Likely Migrants." This DO is supported by two IRs: IR 2.1: Inclusive economic opportunities increased in select high-growth sectors; and IR 2.2: Education outcomes improved.

Development Objective 3 is "Government Responsiveness, Accountability and Transparency Improved." This DO is supported by three IRs: IR 3.1: Performance improved in select public sector institutions; IR 3.2: Public demand for effective governance expanded, and IR 3.3: Corruption reduced.

II. Country Context

El Salvador is the smallest and most densely populated country in Central America. It is more urbanized than most of its neighbors. Seventy-three percent of the country's approximately 6.2 million population live in urban areas.⁷ El Salvador also has a particularly deep, close, and multifaceted relationship with the United States. El Salvador and the U.S. have successful cooperation structures in place to combat gangs and the transit of narcotics. Economic ties are also strong. Ninety-five percent of El Salvador's exports are sent to Central America and the United States, 21 percent of El Salvador's stock of foreign direct investment comes from U.S. investors,⁸ and many families have strong ties to the United States. Approximately 25 percent of Salvadorans live abroad, and most of these reside in the U.S. In 2019, these residents sent more than \$5.65 billion back to El Salvador, primarily to family members, representing nearly 21 percent of the country's total GDP.⁹

These family ties can create a 'pull factor' for migration to the United States, but lack of economic opportunity and insecurity at home are often cited as the fundamental root causes of out-migration. Eighty-three percent of **irregular migrants** returning from the United States cite a lack of economic opportunities, insecurity, and a lack of government protections and services as their main reasons for leaving El Salvador.¹⁰ In addition, El Salvador frequently experiences extreme climate events, such as flooding and drought, and natural disasters, such as earthquakes and tropical storms (see box below). These crises affect physical and human capital, have particular impacts on women and children, and further exacerbate internal displacement and out-migration. Improved security, enhanced economic opportunity, and strengthened governance will therefore play a central role in responding to the needs of Salvadoran citizens, including the specific needs of women and youth, and in building resilience to the country's vulnerabilities so that its citizens can prosper in their home communities.

In June 2019 President Nayib Bukele took office as the country's first third-party candidate since 1992. The current GOES administration has prioritized improving relations with the USG, promoting foreign direct investment, partnering with the private sector, combating corruption and improving security. The President has called the country's **irregular migration** crisis a "national shame" and vowed to improve security and provide jobs to "repair the social fabric of communities." The current GOES administration has launched a security plan (*Plan Control Territorial*) focused on reclaiming the most insecure parts of the country from gangs and rebuilding communities through increased economic opportunities and social development.

The GOES administration has a five-year term (2019-2024) that corresponds to a majority of this 2020-2025 CDCS, and the strategy aligns directly with its proposed improvements in security, economic prosperity and governance. USAID/El Salvador has a notable window of opportunity to deepen partnerships with the GOES, municipalities, private sector, and civil society, and advance the country's ability to reduce **irregular migration**. Furthermore, El Salvador's scores on most development indicators measured by USAID's FY 2020 Journey to Self-Reliance Roadmap hover just above or below global averages, meaning that well-planned interventions carried out with the political and financial support of the GOES and other partners will be well-positioned to have a meaningful, sustained impact in ways that further develop the country's self-reliance.

⁷ CIA World Factbook: El Salvador, July 20, 2020.

⁸ Central Bank, 2018. FDI data.

⁹ Central Bank, 2019. Remittance data.

¹⁰ Ibid.; Dirección General de Migración y Extranjería, 2018

USAID/El Salvador envisions opportunities for innovative collaboration driven by the GOES' new vision, as well as the Mission's well established partnerships with the local private sector and civil society support, which are increasingly self-reliant mechanisms. This includes complementing and supporting diplomatic, security, economic, and defense engagement in El Salvador in partnership with other USG agencies in ways that promote transformational change, transparency, strong institutions, and market-based development.

Natural Disaster, Climate Risk and Response in El Salvador

A high degree of urbanization and location among active fault lines make El Salvador extremely vulnerable to natural disasters, including earthquakes, tsunamis, and volcanic eruptions. In addition, extreme climate events, including hurricanes, tropical storms, excessive rains, flooding, landslides, drought and extreme temperatures are not uncommon.¹¹ According to the Ministry of Environment and Natural Resources (MARN), El Salvador suffered 52 extreme natural events in the past three decades. These events caused an average yearly loss of close to one percent of the GDP.¹² Two major earthquakes in 2001 resulted in 1,259 deaths and sparked a wave of migration that led to the designation of Temporary Protected Status for affected Salvadorans, many of whom still live in the United States to this day.

In addition, El Salvador forms part of the Central American Dry Corridor, an ecological region on the Pacific coast that runs from southern Mexico to Panama, which has experienced severe droughts and floods. Changing atmosphere-ocean circulation patterns near Central America, such as the El Niño Southern Oscillation, make the Dry Corridor susceptible and vulnerable to extreme irregular rainfall (droughts and flooding), which often results in outward migration. According to MARN, from 2012 to 2015 the country suffered four consecutive droughts that generated agricultural losses up to \$218.8 million. In 2018 and 2019, El Salvador experienced the longest dry period over the last 48 years, followed by extremely heavy rains, damaging two crop cycles.

USAID/El Salvador has not included disaster risk reduction, management, or response as a specific Development Objective in the 2020-2025 CDCS. Rather, due to the country's propensity for natural disasters and extreme climate events, the Mission will work to enable flexible responses and resilience by building disaster response modifiers into its new awards as appropriate, as well as enhancing coordination with the Office of Foreign Disaster Assistance (OFDA) and any new programming within the region. OFDA traditionally provides ongoing disaster risk reduction technical assistance and training to civil society groups and GOES in areas, such as urban search and rescue, incident command, and information sharing/analysis for emergency management and response. OFDA also funded a number of sector-specific preparedness activities, with the most recent being a project to assist municipal and national disaster managers and first responders to better respond to possible earthquakes in San Salvador.

¹¹ Naciones Unidas, CEPAL. Segundo Informe anual sobre el progreso y los desafíos regionales de la Agenda 2030 para el Desarrollo Sostenible en América Latina y el Caribe. https://repositorio.cepal.org/bitstream/handle/11362/43415/5/S1800380_es.pdf.

¹² Ministry of Environment. <http://www.marn.gob.sv/informe-nacional-del-estado-de-los-riesgos-y-vulnerabilidades-es-presentado-a-la-comision-nacional-de-proteccion-civil/>.

As part of the CDCS Climate Risk Management (CRM) Assessment, USAID/El Salvador determined that climatic shocks will likely affect implementation during the CDCS period, with varying degrees of risk associated with the expected CDCS results. All of the potential climate risks could become major drivers of internal displacement and out-migration, depending on their severity, length and the GOES's capacity to respond. With respect to El Salvador's J2SR, the Mission determined that the country has moderate capacity (0.45 in government effectiveness) to respond to climate events, and has demonstrated moderate commitment to responding to past events. This experience provides a solid base on which to partner to further build government capacity for contingency planning and financing to sustainably plan and deliver effective services that reduce migration drivers related to national disasters, particularly under Sub-IRs 3.1.1 and 3.1.2.

Security Context

Overall, El Salvador improved its rating on the J2SR Safety and Security sub-dimension from 0.33 in FY 2019 to 0.45 in FY 2020. However, El Salvador still ranks below the J2SR country average, demonstrating both the need for further improvement, as well as an opportunity to partner to further scale past efforts. Further, El Salvador scores slightly above average in Open Government (0.40) and below average in Social Group Equality (0.27), two sub-dimensions relevant to the country's security and justice landscapes. These are areas for improvement and focus.

El Salvador's insecurity affects nearly all elements of the economy and society, despite recent improvements. In 2015, homicides skyrocketed to 103 per 100,000 inhabitants, and reinvigorated gang activity led to an increase in extortion, robbery, and rape.¹³ Since then, the homicide rate has fallen every year since 2015, reaching a low of 34 per 100,000 by near end 2019, the lowest level since the "gang truce" in 2012.¹⁴ However, even with these national gains, there are communities in which the rate remains close to double the national rate, and there has been a concerning increase in disappearances. In 2019 officials received more reports of disappearances than homicides, with an average of 8 per day.¹⁵ Forced internal displacement, a frequent harbinger of irregular migration, has also risen alarmingly to a total of nearly 300,000 people,¹⁶ which represents approximately five percent of the total population. Further, the country has a weak criminal justice system with high rates of impunity: for every 100 murders, only nine perpetrators end up going to jail.¹⁷ This fuels the public's general lack of confidence in government institutions, which dropped below 50 percent, to just over 46 percent, in 2018.¹⁸

In addition, according to the UN, El Salvador has one of the highest femicide rates in the world and a culture of gender discrimination that perpetuates patterns of violence against women and other minority groups. The National Survey on Violence against Women in 2017 showed that 67 percent of women in El Salvador have suffered violence in their lifetime and 34

¹³Salvadoran National Police

¹⁴Salvadoran National Police data. 81/100,00 in 2016, 61/100,000 in 2017, 50/100,000 in 2018, and 27/100,000 in 2019 to date. .

¹⁵*Plan El Salvador Seguro*, 2017 Performance Review - 2018 (Ministry of Justice and Security and the *Consejo Nacional de Seguridad Ciudadana de El Salvador*.) 2019 data from Attorney General's Office reports.

¹⁶Internal Displacement Monitoring Center and *Instituto Universitario de Opinión Pública* of the University of Central America. Note: Internal displacement is a critical precursor to eventual outward migration.

¹⁷*Informe sobre la Efectividad del Sistema de Justicia y Cumplimiento de Derechos*" United Nations Development Programme (UNDP) 2016.

¹⁸Latin America Public Opinion (LAPOP) Survey. University of Vanderbilt. 2016 and 2018 data. 100% of public trust represents the greatest degree of trust.

percent reported having experienced gender-based violence (GBV) in the past year.¹⁹ Of these, 60 percent are between the ages of 12 and 17. The highest rates of femicide and violence against women tend to occur in urban centers such as San Salvador, San Miguel and La Libertad.²⁰

Despite these challenges, there have been advances in security, many of which were enabled by USG support. USAID/EI Salvador helped to build political consensus and raise resources to implement a national security plan focused geographically on the most vulnerable communities over the past three years. In addition, rates of impunity for GBV dropped by 65 percent for cases processed through USAID-supported GBV centers.²¹ Moreover, USAID developed and implemented a “place-based justice” strategy that the GOES has indicated interest in replicating, which streamlines communication and unifies case management procedures and systems along the justice chain (police, prosecution, judiciary, and forensic medicine) to improve response times and reduce impunity. Pilot communities implementing such reforms have seen improved crime scene response time, reductions in case backlogs, reductions in the time it takes to process a case, reductions in times to provide information to clients (e.g autopsy results) and increased numbers of citizen complaints being filed due to greater trust in the system.

Prosperity Context

EI Salvador scores relatively well on the 2020 J2SR Country roadmap in several economic areas (0.54 in Business Environment, 0.76 in Trade Freedom, 0.48 in GDP per Capita, and 0.53 in Export Sophistication). However, other data sources and USAID/EI Salvador’s experience indicate major challenges still exist. In particular, an uncompetitive business environment, anemic foreign direct investment, and a heavy dependence on remittances (approximately 20 percent of the country’s annual GDP) has contributed to EI Salvador having the second slowest economic growth rate in Central America, averaging 1.9 percent per year over the past 15 years.²² As a result, the economy is unable to create a sufficient number of quality jobs to employ those seeking work, leading to underemployment and a poverty rate that remains above 25 percent - and causing some to turn to gangs and criminal activity, or to seek employment opportunities elsewhere.

EI Salvador’s weak economy is highlighted by several studies. EI Salvador ranked 91st out of 190 countries in terms of ease of doing business according to the World Bank *Doing Business Survey*. This represented a continued worsening in its position compared to 2018 (85th) and 2017 (73rd). Furthermore, the 2019 Global Competitiveness Index ranked EI Salvador 103 out of 141 countries, a drop of five places from 2018, highlighting EI Salvador’s insecurity, weak governance, low innovation capacity, insufficient digital skills and low human capital performance as major impediments to economic growth. While 66 percent of the nation's economy is reliant upon exports, 95 percent of which occurs between Central America and the United States, customs inefficiencies and the lack of an integrated regional system increase the time and cost associated with the import and export of goods. Further, in the World Bank’s 2016 Enterprise Survey, access to credit is listed as a top constraint for small and medium-sized

¹⁹ National Survey of Violence against Women, *Dirección General de Estadística y Censos*, 2017.

²⁰ Report on the status and situation of violence against women in El Salvador 2018, Salvadoran Institute for Women Development (ISDEMU, Spanish acronym)

²¹ USAID project implementation monitoring data.

²² *Banco Central de Reserva*, 2019

businesses. One reason for this is that seventy-five percent of all businesses in El Salvador are informal²³ and often lack access to capital markets or financial services.

Contributing to pressures driving out-migration, each year only 12,000 of the approximately 54,000 individuals entering the labor market are able to find jobs in the formal sector.²⁴ The rest remain unemployed or work in the informal sector where they often earn below minimum wage (typically about \$300/month) and have no access to health insurance or other social protection. In urban areas, for every 100 individuals, 37 are underemployed and 6 unemployed, with more women than men employed informally.²⁵ These individuals are at high risk of using **irregular** means to migrate to the United States.

Gender disparity also inhibits economic growth and social stability. Approximately 37 percent of households are female-headed, but women face even greater hurdles to finding employment in the formal sector or running their own business. USAID/El Salvador's analysis found that access to credit is one of the most significant bottlenecks in the growth of women-owned/operated enterprises and that women earn 20 percent less than men on average in El Salvador.²⁶ Overall, El Salvador scores below average (0.54) on the J2SR 2020 Country Roadmap indicator for Economic Gender Gap. This data underscores the need for gender-aware approaches to economic development.

For those jobs that do exist, many people do not have the skills required. In terms of human capital development and education, the J2SR 2020 Country Roadmap places El Salvador in the middle of J2SR countries worldwide.²⁷ However, people in El Salvador average only seven years of schooling, with 7.2 years for boys and 6.9 years for girls.²⁸ In addition, half of the population with no formal education is unemployed, and 42 percent of young people have seriously considered leaving the country.²⁹ Consequently, closing early learning deficits in El Salvador is critical to improving economic development and reducing **irregular migration**. On average, Salvadoran students exit basic education with a grade point average of 5.26 out of a possible 10, meaning they have only mastered half of what is expected.³⁰ Furthermore, 49 percent of second graders and 40 percent of third graders are reading at or below a rate of one word per second, identifying them as "at risk" for developing reading difficulties, school failure, grade repetition and school dropout.³¹ Children tend to drop out of school in critical transition years of 4th, 6th and 9th grades. The links between migration, violence, underemployment, and

²³ Encuesta Nacional de la Micro y Pequeña Empresa 2017, Comisión Nacional de la Micro y Pequeña Empresa (CONAMYPE)

²⁴ *Fundación Salvadoreña para el Desarrollo Económico y Social*, 2017. Note: Annual new entrants to the labor market total 54,000. Of these new entrants, those employed formally are 12,000, those in informal employment are 35,000 and those unemployed are 7,200.

²⁵ Encuesta de Hogares para Propósitos Múltiples 2018, Dirección General de Estadísticas y Censos (DIGESTYC). 61 of every 100 employed men are in the formal sector, and 39 in the informal sector. For every 100 women employed, 53 are in the formal sector and 47 in the informal sector.

²⁶ USAID CDCS Gender and Inclusive Development Analysis, 2019

²⁷ In 2017 El Salvador learning-adjusted years of schooling averaged 6.6 years of schooling, while Honduras and Guatemala had 6.4 and 6.3 years, respectively.

²⁸ Encuesta de Hogares para Propósitos Múltiples 2018, Dirección General de Estadísticas y Censos (DIGESTYC).

²⁹ *Fundación Salvadoreña para el Desarrollo Económico y Social*, (2018). Informe de coyuntura social 2017-2018, Octubre de 2018. <http://fusades.org/lo-ultimo/noticias/informe-de-coyuntura-social-2017-2018>. Overall, educational levels directly affect the chances of whether a youth is likely to attempt **irregular migration**. The more educated a person is, the less likely they are to attempt to leave **irregularly**, or in other words, an increase in high school retention keeps people at home. *Efecto de la educación y el trabajo con el flujo de migraciones de El Salvador: un enfoque de los modelos gravitacionales*. J. Castañeda, J. Martínez, A. Flores, 2018.

³⁰ USAID Education Sector Assessment, 2017.

³¹ The World Bank Group, (2016). Policy Research Working Paper 7561: School Dropout in Central America: An Overview of Trends, Causes, Consequences, and Promising Interventions. <http://documents.worldbank.org/curated/en/308171468198232128/pdf/WPS7561.pdf>. USAID Early Grade Reading Assessment, 2018.

low levels of education are clear; nearly 70 percent of Central American migrants surveyed on their journey north reported having only primary education levels or less, with 20 percent reporting no formal education.³² However, most formal sector jobs require at least a high school degree.

Governance Context

Although El Salvador scores above average on the 2020 Country Roadmap in the sub-dimensions of Liberal Democracy (0.49), Open Government (0.40) and Government Effectiveness (0.45), the country still faces challenges to furthering transparency and the rule of law. El Salvador ranked 113 out of 180 countries in Transparency International's 2019 Perception of Corruption Index, and endemic corruption contributes to citizens' lack of confidence in the GOES.³³ Recent prosecution and conviction of high level officials on charges of corruption, enabled in part through past USAID support, have exposed some of this corruption. For example, former Salvadoran presidents Antonio Saca and Mauricio Funes were found guilty of illegally diverting approximately \$650 million in public funds.³⁴ There is a need to continue to strengthen the independence and capacity of civil society and independent government agencies that serve as watchdogs over current government officials and enable citizen participation. This includes support to enable continued open and transparent elections.

Inadequate tax collection and financial management processes, and non-transparent budgeting systems also provide opportunities for corruption and limit the ability of the government to provide its citizens with basic services, such as education, health, and water, in an inclusive and sustainable way. Meanwhile, public debt is rapidly increasing without addressing these key concerns. The nation's debt-to-GDP ratio has increased from 51 percent in 2011 to more than 73 percent in 2019, and the quality and availability of most core services remains inadequate.³⁵ In April 2020, the IMF reported that the high debt ratio is the most vulnerable aspect of the Salvadoran economy. Interest payments on debt represent 20 percent of annual tax revenues. There are, nevertheless, successes upon which USAID/El Salvador can build further progress. Government revenues have increased recently, in part due to USAID assistance,³⁶ and the GOES has demonstrated commitment to investing in and implementing systems that enhance budget transparency. However, on the 2020 Country Roadmap, El Salvador remains below average (0.41) on the Tax System Effectiveness indicator.

Self-Reliance Context

On the 2020 Country Roadmap El Salvador ranks average in commitment (0.5) and just above average in capacity (0.55) (**see Annex A**).³⁷ USAID/El Salvador conducted a multifaceted assessment process to review self-reliance parameters and metrics within the context of El Salvador and USG strategic policies to inform this CDCS and its implementation. Based on that assessment, USAID/El Salvador has determined that it will focus on factors

³² Red de Documentación de las Organizaciones Defensoras de Migrantes, (2018). El Estado indolente: recuento de la violencia en las rutas migratorias y perfiles de movilidad en México, Informe 2017. Impresos Mercurio, S.A. de C.V.: Sinaloa, México. https://drive.google.com/file/d/1fiSF_oZRYh98Fa5l9_wCsTFsNZIV5xri/view

³³ El Salvador's score experienced a slight improvement from 32 points in 2017 to 34 points in 2018, and stayed the same at 34 points in 2019, after significant drops in the previous 3 years. However, El Salvador is still below the average score for the Americas (43).

³⁴ In comparison, El Salvador's 2018 budget deficit amounted to \$350 million, which the country had to cover with an IDB loan plus interest for the next 20 years.

³⁵ *Banco Central de Reserva*, 2018; Ministry of Finance, 2018.

³⁶ Of the \$280 million in additional annual tax revenues generated in 2018, \$60 million were directly attributed to \$5 million of USAID technical support, a leverage ratio of 12:1.

³⁷ USAID/El Salvador Journey to Self-Reliance Roadmap, 2020.

impeding progress in the following self-reliance metrics, as they are critical for mitigating the drivers of **irregular migration**:

DO 1: Security Increased for Likely Migrants	DO 2: Jobs and Income Potential Increased for Likely Migrants	DO 3: Government Responsiveness, Accountability and Transparency Improved
<ol style="list-style-type: none">1. Safety & Security2. Open Government3. Social Group Equality	<ol style="list-style-type: none">1. GDP Per Capita in PPP2. Business Environment3. Education Quality	<ol style="list-style-type: none">1. Government Effectiveness2. Liberal Democracy3. Tax System Effectiveness4. Civil Society & Media Effectiveness

In targeting improved outcomes in these areas, USAID/EI Salvador will use data and research to measure strategic impact and inform programmatic decisions, as well as provide focal points for discussion with local partners and implementers.³⁸ While the Mission sees this CDCS as the first in a sequence of reinforcing, interrelated plans of action, this strategy will play a central role in bolstering EI Salvador’s J2SR through the use of data, analysis and research in the pursuit of joint U.S./EI Salvador development objectives. It will facilitate the ability of the private sector, GOES, and civil society to make informed decisions, and encourage them to choose development partners committed to building EI Salvador’s self-sufficiency, rather than being lured by malign actors’ methods that build dependence, reduce transparency, and ultimately impair EI Salvador’s development journey. USAID/EI Salvador recognizes the vital role of including youth, the private sector and civil society to bolster progress on the J2SR, and this is reflected in the CDCS Results Framework. Another USAID/EI Salvador assessment highlighted the need to focus on education and human development, build trust in institutional capacity to govern, promote policy reform, address ongoing security challenges and the role of intergenerational trauma, reintegrate returnees, and prepare for expected natural disasters. By addressing these issues, with a particular focus on youth, women and likely migrants, USAID/EI Salvador activities will support current and future generations who will lead EI Salvador’s journey to self-reliance.

³⁸ USAID/EI Salvador will measure both actual results and citizen perceptions under the three DOs throughout implementation of this CDCS. As noted on the Roadmap, many metrics combine both real numbers and perceptions under a composite index.

III. Strategic Approach

The strategic vision of the 2020-2025 CDCS is to increase targeted populations' confidence that they can lead a safe and prosperous life, supported by a transparent and accountable government, in El Salvador. While the reasons people decide to flee El Salvador are multicausal, **irregular migration** to the United States ultimately occurs when individuals are no longer rooted within their communities and have little hope for their futures. Evidence suggests that this occurs when people feel they lack economic security or opportunities, do not feel safe, or lack confidence in their government. Conversely, both hard data and anecdotal information demonstrate that improved security and economic prosperity, combined with confidence in government institutions and effective public service provision, motivate people to stay in El Salvador.³⁹ To best accomplish this strategic vision, the CDCS builds upon lessons learned and improved access to data to make several shifts in USAID's strategic approach to reduce **irregular migration** and increase the country's self-reliance.

USAID/El Salvador will have a clear geographic, demographic, and programmatic focus for this CDCS. In developing the strategy, USAID/El Salvador invested in select strategic analyses and assessments, and worked with colleagues and partners from across the interagency and the development community, including the International Organization for Migration, local NGOs, the Department of Homeland Security, and more, to generate the evidence needed to refine our approach and ensure that U.S. taxpayers get the best possible return on the investment made.

Demographic Focus

USAID/El Salvador will focus demographically to target project participants. The Mission analyzed data on returnees to identify criteria that can be used to define whether a person may be likely to attempt to **migrate irregularly**. Specific factors include age, education level, employment, sex, crime victimization, internal displacement, and evidence of prior attempts to migrate (**see the following box for more information**).

³⁹ Northern Triangle Migration Information Initiative, International Organization for Migration, 2018

Characteristics of a Likely Migrant in El Salvador

USAID/El Salvador conducted extensive data collection and research in coordination with the GOES and IOM to analyze the characteristics of returning migrants and determine criteria that could make a person a likely migrant. Based on the analysis, USAID/El Salvador developed the following list of criteria that, alone or coupled with other factors, makes a person at risk of attempting **irregular migration**. The criteria include:

- **Age:** 76 percent of returnees are between the ages of 16-40 (55 percent between 16-30). 42 percent of vulnerable youth⁴⁰ expressed an intention to try to migrate within the next three years.⁴¹
- **Education:** 75 percent of returnees have less than a high school education.⁴²
- **Sex:** Men who attempt **irregular migration** are primarily driven by economic reasons; women more often cite security and gender-based violence. Roughly 25 percent of children and youth cite security as their main driver.⁴³
- **Employment Status and Income:** Most likely migrants are informally employed and earn less than \$300/month, the typical minimum wage.⁴⁴ While data shows that the poorest of the poor do not have adequate resources to attempt migration, it does not take much additional income to change people's desire to migrate. Unemployment is a determinant factor for **irregular migration**, and is an even more significant factor for youth. Individuals coming from households with a monthly income of over \$400/month are much less likely to attempt **irregular migration**.⁴⁵
- **Location:** Most likely migrants come from vulnerable communities with high crime rates. The three urban hubs account for 64 percent of homicides and 54 percent of returnees.⁴⁶
- **Victimization:** 51 percent of migrants age 15-29 are crime victims. 67 percent of all women in El Salvador have been victimized in their lifetime, 34 percent in the past year.⁴⁷
- **Returnees:** 30 percent of Salvadoran returnees attempt **irregular migration** again.⁴⁸
- **Forced Internal Displacement:** 63 percent of El Salvador's estimated 296,000 internally displaced persons are likely to migrate in the next two years if they do not receive necessary protections.⁴⁹

With both the demographic and geographic focuses, USAID/El Salvador envisions comprehensive programming that best targets high-priority groups but also recognizes their often complex and differentiated needs. For example, populations representing likely migrants

⁴⁰ Vulnerable youth are defined as those who: 1) attend school and live in poor communities or neighborhoods with high rates of crime and gang activity, 2) have learning disabilities, 3) have adult responsibilities at a young age (including teen mothers), or 4) are out of school and unemployed with little or no education or are employed and need workforce readiness skills.

⁴¹ "Creating reasons to stay: Unaccompanied youth migration, community-based programs, and the power of 'push' factors in El Salvador," *Children and Youth Services Review*, 2018

⁴² Dirección General de Migración de El Salvador, 2018 data. Data analysis conducted by the IOM.

⁴³ Dirección General de Migración de El Salvador, January-July 2019 data. Data analysis conducted by the IOM.

⁴⁴ Dirección General de Migración de El Salvador, January-July 2019 data. Data analysis conducted by the IOM.

⁴⁵ "Saliendo adelante: What drives unauthorized migration to the U.S.? What shapes the decision to migrate?" Creative Associates International, February-June 2019.

⁴⁶ Dirección General de Migración de El Salvador, January-July 2019 data. Data analysis conducted by the IOM.

⁴⁷ *La Encuesta de Victimización y Percepción de Inseguridad*, 2018. Plan El Salvador Seguro (PESS).

⁴⁸ Dirección General de Migración de El Salvador, averages for 2012-2018 timeframe. Data analysis conducted by the IOM.

⁴⁹ Internal Displacement Monitoring Center and *Instituto Universitario de Opinión Pública* of the University of Central America.

often suffer from lasting trauma as a result of violence and/or discriminatory practices in their homes and communities, as well as other shocks to their lives and livelihoods. Therefore, trauma services, psychosocial support, and aid to build basic life skills are often key factors in enabling youth to stay out of gangs, obtain employment, and become productive, well-rooted members of their communities.

Likely migrants also face specific gender-related issues. Studies analyzed for this CDCS, including the Gender and Inclusive Development Analysis, demonstrate systemic discrimination against women, members of the LGBTI community, and other vulnerable groups. These individuals then often feel the need to flee the violence, discrimination, and lack of opportunity they face in El Salvador. Therefore, USAID will help build an understanding of the needs of vulnerable groups and empower these groups to advocate for their human rights. This work will be integrated into the demographic focus under this CDCS.

Geographic Focus

USAID/El Salvador will focus geographically on El Salvador's three urban hubs where most people live and work, and which comprise the major sources for **irregular migration** to the United States. The Mission has analyzed data from U.S. Customs and Border Protection (CBP) and the International Organization for Migration (IOM) to understand migration outflows and returns, and mapped those data points to target the areas in need of assistance. USAID has also examined areas with the greatest economic potential, and coordinated with colleagues from INL, the Justice Department, and GOES to identify areas targeted for crime reduction. This resulted in the geographic focus on the urban hubs of San Salvador, San Miguel and Santa Ana (**see the map below**). Although most USAID programming will target these efforts, making these hubs safer and more prosperous will have positive impacts far beyond their limited geographic area, and some activities will expand beyond these boundaries.

USAID/El Salvador conducted an extensive Donor Assessment that mapped all donor activity in the country in 2018. Based on analysis of this Assessment, USAID/El Salvador further refined its geographic focus as related to donor coordination. Other major donors also work in the urban hubs in different ways. For example, the Spanish Cooperation Agency (AECID) focuses on sustainable development, poverty reduction, and citizen security and violence prevention; the Japanese cooperation (JICA) on agriculture, sustainable development and disaster management, and education; and, the European Union on sustainable development, equity, social inclusion and poverty reduction, and citizen security and violence prevention.

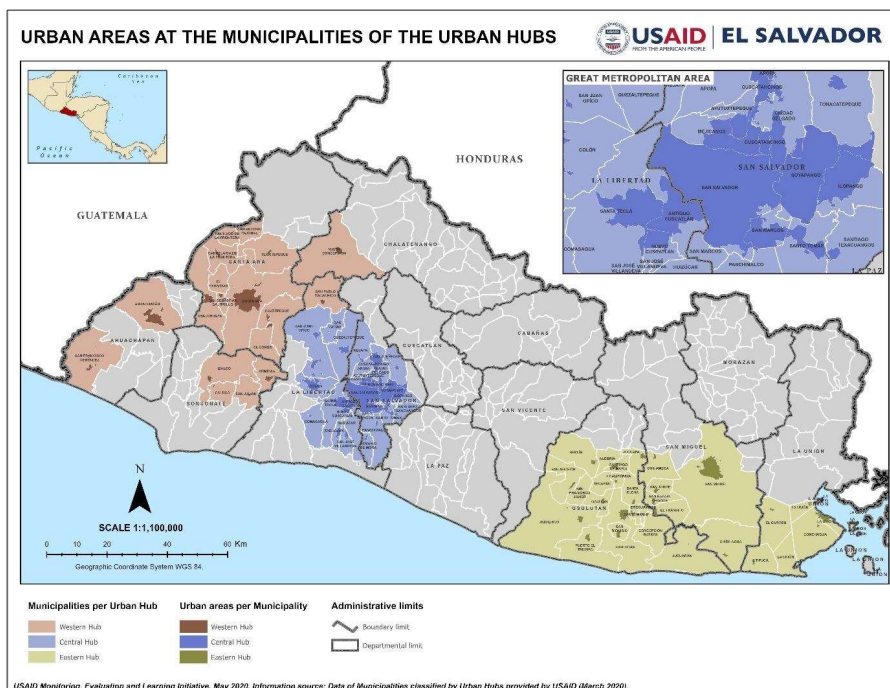
The European Union's work on equity, social inclusion and poverty reduction also occurs in many municipalities outside of the urban hubs. At the same time, other donors, like the German Cooperation agency, have concentrated efforts in areas of governance, citizen security and violence prevention, and sustainable development and disaster management, outside of the urban hubs.

This comprehensive approach, with major donors focused both in the urban hubs and outside of them, allows USAID/El Salvador to maximize its return on investment. USAID/El Salvador closely coordinates with those donors also working in the urban hubs, affecting the majority of likely migrants, economic activity, and security issues. At the same time, USAID/El Salvador complements those efforts being made elsewhere to address other development challenges the country faces and that also contribute as driving factors for **irregular migration**.

USAID/EI Salvador envisions that this geographic focus will help build the required foundation for a country-wide transformation towards enhanced safety, prosperity, and self-reliance. It is based on lessons learned from other countries (e.g. Colombia) that show that in order to generate national change, authorities must first hold major cities. Concentrating assistance in urban hubs will also allow for deeper partnerships with the private sector, and the establishment of joint USG/GOES goals for targeted efforts to combat crime and gang activities.

El Salvador's Urban Hubs

Sixty-two percent of Salvadorans live in urban areas (2019 data), and three large urban hubs account for the majority of migration, insecurity, economic life and population in the country: Santa Ana, San Salvador and San Miguel. The largest urban hub is the Metropolitan Area of San Salvador, where 27 percent of all Salvadorans live.* The historic downtown of San Salvador has an even greater economic and cultural importance; an estimated 1,000,000 people commute through the downtown area each day, and 25,000 informal vendors occupy the historic downtown streets and pay upwards of \$30 million per year in extortion to gangs. Combined, these three hubs accounted for 71 percent of national GDP in 2009**, however even in these areas of concentrated economic activity, poverty rates near 20%, (vs 26.3% nationally) in San Salvador, and climb to 25% in San Miguel and 29% in Santa Ana. They also suffer from high levels of insecurity. From 2015-2019, these three urban hubs also accounted for 64 percent of all homicides.*** Likely due to all these factors, 53 percent of returning migrants are from these hubs.****



Map of El Salvador's three urban areas: San Salvador, Santa Ana and San Miguel.

*Multipurpose Household Survey 2019, Dirección General de Estadísticas y Censos, DIGESTYC.

**Homicide rates calculated with data from January-November 2019.

***IOM estimates based on UNDP's information: "Almanac 262. Human Development Status in Salvadoran Municipalities 2009."

****While the hubs account for approximately 50% of returned migrants, USAID/EI Salvador has based its decision to focus resources on those three hubs on extensive data collection and analysis. First, USAID/EI Salvador expects the concentration of USG interagency resources in the hubs to have a spillover effect in security and economic improvements in surrounding

municipalities, thus indirectly improving migration outcomes in other areas. As the hubs are the centers of economic activity for the entire country, if USAID/EI Salvador can promote growth there, areas that supply inputs and labor to the hubs will also benefit. The hubs are also the centers of resource generation for gangs. By cutting off those resources through coordinated efforts with INL and DOJ, USAID/EI Salvador expects to minimize security-related migration in and around the hubs. Second, with limited resources, a focused approach in the urban hubs represents the best return on investment for the USG. Third, USAID/EI Salvador couples its focused efforts in the hubs with those of other international donors who have concentrated their work in urban centers to achieve the greatest return on investment, while at the same time, complementing the work done outside of those urban hubs by other donors who make investments in areas outside of USAID/EI Salvador's focused security, economic prosperity and governance work. Fourth, USAID/EI Salvador ensures close coordination with the GOES to ensure that prioritized urban hubs correspond with GOES municipalities selected under their *Plan Control Territorial* security initiative. This will maximize our ability to leverage government resources and expertise to accomplish our shared objectives. Finally, one of the main pull factors for irregular migration is family reunification, particularly from rural areas in the north and east of the country - outside of the urban hubs. Due to its very nature and the funding provided, USAID/EI Salvador is unable to address that factor.

Programmatic Focus

Finally, USAID/EI Salvador will focus programmatically on the core themes of J2SR in this CDCS period: financing self-reliance, promoting private enterprise-driven development with private sector engagement, and redefining the host country relationship to create partnerships that lead to autonomy rather than dependency. This approach includes supporting the GOES to build its reputation among global financiers and investors by controlling expenditures, institutionalizing processes like results-based budgeting, implementing information technology systems that promote transparency, removing unnecessary bureaucratic hurdles to investment, and increasing the efficiency and transparency of revenue collection.

USAID/EI Salvador will use the J2SR Country Roadmap and other tools to identify and focus on building self-reliance, particularly in areas that have the greatest impact on reducing irregular migration. This includes building the capacity of key institutions so that they can better serve the Salvadoran people, and deepening partnerships with the private sector and civil society entities in ways that enhance their self-reliance so that they champion and carry out future development efforts with reduced, and ultimately, no USAID assistance.

In order to accomplish this objective, USAID/EI Salvador will co-design, pilot and/or help scale innovative approaches in partnership with the government, local institutions, NGOs and the private sector, and enable local capacity to replicate and scale up. USAID/EI Salvador will also build civil society capacity to serve as an effective watchdog overseeing government performance and resource utilization, in order to inhibit future graft and corruption. USAID/EI Salvador will collaborate with the private sector for market-based solutions across all areas of work, as emphasized in the new Private Sector Engagement Policy.⁵⁰

USAID/EI Salvador will also continue to engage directly with the private sector and further expand those partnerships, encouraging private sector partners to invest in the country's future and opening up opportunities for U.S. businesses to invest in EI Salvador. This approach is already bearing fruit as evidenced by USAID/EI Salvador's efforts to recapture and revitalize urban spaces. These endeavors are supported not only by the GOES and international donors, but also by local Salvadoran businesses and associations, which have pledged millions of dollars to take back downtown streets from gangs and turn them into job creation hubs.

Another important component of this strategic shift will be increased, direct coordination between USAID/EI Salvador and other USG partners operating in-country. In addition to providing feedback for this CDCS, other USG agencies have also aligned interventions and

⁵⁰ USAID's Private Sector Engagement Policy, April 2019

programming to target strategic geographic areas and demographic groups. In particular, USAID/EI Salvador works closely with Embassy offices including POL, ECON, and INL, as well as DHS, DOJ, DOD, DOC, and MCC, and most recently, the DFC, under all three DOs. In addition, the Mission and DHS/CBP have jointly collaborated on migration data sharing to improve understanding of migration-related issues. Moreover, this CDCS aligns with the EI Salvador Integrated Country Strategy and the U.S. Strategy for Central America, and it contributes directly to the Joint Strategic Plan and National Security Strategy.

This enhanced cooperation and focus on self-reliance will be supported by a complementary messaging and communications strategy purposely aligned with the strategic approach of the CDCS and U.S. Embassy objectives. In other words, the joint goal of the Mission's Communications Strategy will be to increase the belief among targeted Salvadoran populations that they can have a more prosperous and secure life in EI Salvador, mirroring the CDCS goal. This message will be amplified by regional and national campaigns targeting the attitudes, beliefs and opinions that help drive irregular migration, and directly linked to efforts by Embassy's Public Affairs to deter irregular migration by highlighting how Salvadorans are prospering in their own country.

At the same time, USAID/EI Salvador will cease efforts not directly tied to the complementary goals of reducing the drivers of irregular migration and building EI Salvador's self-reliance. USAID/EI Salvador's programmatic focus will be driven by data integration, evidence and analysis, and coordination and collaboration with other USG agencies, like DHS, CBP, DOC, and DOJ, to name a few, to achieve the greatest impact. USAID/EI Salvador will no longer prioritize new programming specifically or narrowly focused on rural development, agriculture, and environmental conservation⁵¹. Under the previous CDCS, USAID/EI Salvador promoted the adoption of sustainable production of agro-tradables to expand exports, focusing on the development of the cacao value chain and agroforestry systems. These efforts will continue beyond USAID/EI Salvador's initial investments as other donors and the GOES have begun to build upon that progress to date. Likewise, USAID/EI Salvador invested in the institutional strengthening of higher education institutions, financed post-graduate degrees for university faculty and funded research labs. However, based on the J2SR metrics and data analysis, USAID/EI Salvador will now concentrate on J2SR-related strategic outcomes most directly related to impacting the core drivers of irregular migration to the United States and associated goals linked to security, prosperity, governance, and self-reliance.

In other words, USAID's 2020-2025 CDCS will focus on the demographics of those most likely to irregularly migrate to the United States in EI Salvador's main urban hubs, and increase their sense of hope by targeting improvements in economic opportunity, security, and confidence in the government, particularly to build the foundation of the country's journey to self-reliance. USAID/EI Salvador recognizes that this journey requires the interest and participation of numerous actors, including, but not limited to the Government of EI Salvador, private sector companies and civil society organizations. In addition, USAID/EI Salvador views collaboration with other USG agencies as vital for achieving impact and making meaningful progress on reducing the drivers of irregular migration. As such, USAID/EI Salvador will place particular focus on building capacity and supporting commitment from those vital actors throughout implementation of this CDCS.

⁵¹ While the World Food Program reports that 50 percent of irregular migrants from Guatemala, Honduras and EI Salvador come from the agricultural sector, in EI Salvador this number is only 8 percent.

IV. Results Framework

Goal Statement and Narrative:

USAID/EI Salvador faces a development challenge to promote a prosperous, well-governed, safe and self-reliant EI Salvador that creates the conditions required for Salvadorans to believe they can thrive at home, in their country and communities. Therefore, USAID/EI Salvador's goal for this 2020-2025 CDCS is: **Reduce the Drivers of Irregular Migration by Fostering a More Self-Reliant EI Salvador: Secure, Prosperous and Well-Governed.** USAID/EI Salvador will remain focused on stemming the flow of irregular migration to the United States by addressing the root causes that drive Salvadorans north, and, thereby building the country's self-reliance.

DO 1: Security Increased for Likely Migrants

If EI Salvador strengthens its capacity to prevent crime, provides more protections for crime victims and other vulnerable populations, and gives access to efficient and effective justice services to more citizens, then security (both real and perceived) will improve, thereby reducing a main driver of irregular migration and contributing to EI Salvador's self-reliance.

In alignment with the Central America Regional Security Initiative (CARSI) and the USAID Democracy, Rights and Governance (DRG) Strategy, USAID/EI Salvador's security programming will focus on three core thematic areas: preventing crime, protecting vulnerable populations and victims, and improving the criminal justice system in EI Salvador, or in other words: prevention, protection, and prosecution.

USAID/EI Salvador's prevention programming will strive to improve real and perceived citizen security within targeted urban hubs, with an emphasis on the most vulnerable individuals (i.e. likely migrants) and their communities. Programs will 1) pilot and evaluate innovative citizen security approaches -- e.g. targeted behavior change strategies and psychosocial services to individuals, and improved management of public spaces and transportation for communities, as well as others-- so they can be integrated into a national crime and violence prevention policy for expansion and sustainability; 2) improve national and municipal government services provided to vulnerable individuals and communities, including in schools, the transportation sector, and public spaces; and, 3) organize and empower individuals and communities to advocate for the policies, programs, and services they need to improve safety and security.

USAID/EI Salvador's protection programs will promote human rights by aiding advocacy groups to monitor abuses and enhancing government capacity to prevent and address the most prevalent human rights violations. These violations include the excessive use of force by security personnel and the disproportionate effects of law enforcement tactics on specific groups, such as vulnerable youth, women, LGBTI persons, and people with disabilities, among others.⁵² Programming will also strengthen the child protection system to prevent and/or mitigate trauma that Salvadoran youth face in broken homes and communities. USAID will also work with Salvadoran protection and judicial authorities to provide comprehensive assistance to victims of abuse, particularly victims of gender-based violence, children, women, and internally displaced populations.

USAID/EI Salvador will help strengthen the justice system to more fairly and effectively prosecute and convict criminal offenders. Programs will advance national-level reforms, while

⁵² U.S Embassy Annual Human Rights Report for 2017.

also concentrating resources in targeted jurisdictions (a strategy known as place-based justice) to directly impact real and perceived impunity for criminals -- a primary driver of insecurity and distrust in government. USAID/EI Salvador will focus on juvenile justice and the violent crimes that most adversely affect broader community security, particularly homicides and femicides, extortion, transportation-based crimes, and gender-based violence.

On the J2SR Roadmap, USAID/EI Salvador's work under DO1 will contribute to the following metrics under the Commitment sub-dimension - Inclusive Development (Social Group Equality); Open and Accountable Governance (Liberal Democracy); and under Capacity - Government Capacity (Safety and Security). With respect to improving Commitment, DO1 will address inclusive development by fostering mutual understanding and respect among security forces and vulnerable populations, and ensuring improved services and access to justice for victims of gender-based violence and forced internal displacement. Actions under DO1 will advance open and accountable governance by furthering respect for human rights. USAID/EI Salvador will promote consistent, appropriate consequences for violations of citizens' rights carried out by security forces. USAID/EI Salvador will help increase awareness of and respect for fundamental human rights when security officials exercise their duties. Moreover, activities under DO1 will improve respect for the rule of law by empowering justice sector actors to work collaboratively, effectively, and sustainably to investigate and prosecute violent crimes and extortion, thereby reducing impunity. With respect to Capacity, DO1 will address government capacity by fostering private sector investment; improving the effectiveness of local and national government; increasing community involvement to improve Salvadorans' personal safety and security; increasing the number and quality of safe spaces in urban hubs; deploying successful crime-prevention strategies in high-crime areas; and countering the influence of gangs through culture- and community-building approaches.

Vision for Results under DO1:

USAID/EI Salvador will endeavor to achieve the following results under DO1 in targeted areas by the end of the CDCS period:

- Cut homicide rates by half in targeted areas, and double the rate of homicide case resolution from 10% to 20%
- Reduce gender-based violence (GBV) impunity rates to 35%
- Improve general citizen perception of security by 20%
- Reduce reports of human rights abuses by police by 55%
- Reduce extortion and transportation crime rates

Assumptions for DO1:

- GOES prioritizes safety and security, access to justice, crime prevention, and measures to reintegrate former gang members.
- Treating trauma in historically violent communities will reduce violence and increase economic productivity at the individual and community levels.
- With civil society capacity improved, those organizations will play an enhanced role in improving security.
- GOES commits to protecting human rights while implementing additional security measures, which results in improved perceptions of the police and military.
- Activity designs integrate inclusive development principles and improved beneficiary targeting and GOES and private sector counterparts adopt those best practices to increase impact and improve security for likely migrants.

IR 1.1: Crime reduced in targeted municipalities

Persistent violent crime in El Salvador's communities contributes to low levels of real and perceived security. Studies indicate that Salvadorans claim insecurity as a prime factor in their decision to migrate.⁵³ Therefore, to change the calculus of this migration decision, USAID/El Salvador will work with relevant actors to improve real and perceived security by significantly and sustainably reducing crime in target urban hub communities. The Mission will capitalize on the current GOES administration's desire to expand upon existing successful crime prevention strategies and deploy new approaches developed in conjunction with relevant local actors.

USAID/El Salvador will support the government and target communities to develop and implement national and local violence prevention policies and programs. In addition, building on pilot projects and successes, the Mission will continue to develop and scale-up individual and community violence prevention tools, with the goal of handing them over to government and civil society institutions which will be able to adopt them as best practices, expand their use, and sustain their implementation in the future. Moreover, USAID will work hand-in-hand with the municipalities that comprise the urban hubs, police, local communities, civil society, the private sector, and other donors to reclaim and expand safe community spaces to reduce crime and increase "rootedness" in target communities. Finally, USAID will address cycles of violence by increasing trauma prevention and response systems.

IR 1.2: Human rights protected

Violence or abuses from state or other actors and the lack of effective state protection contribute to a cycle of **irregular migration**, which vulnerable populations often view as the only feasible option to flee those abuses. To counter this cycle, USAID/El Salvador will focus on human rights protections by strengthening government capacity and legal frameworks to protect human rights and increase institutionalized accountability structures to hold government officials accountable for human rights violations committed by their direct actions or with their consent or negligence.

A significant number of Salvadorans who **migrate irregularly** cite Salvadoran police abuses, gender-based and/or other forms of violence. They often cite the lack of effective protection from violence within the country. While incidents of violence and other abuses have severe impacts on the individual victim, the negative effects of human rights violations have a multiplier effect on citizens' perceptions of protection by the GOES. USAID/El Salvador will build upon prior efforts to: 1) strengthen and consolidate victim's assistance to provide protections to those at risk of private and/or state perpetrators, and increase discrimination-free access to services; 2) adopt measures to prevent human rights abuses committed by law enforcement entities; 3) help address impunity over human rights violations that could reflect a tolerance or failure to prevent further violence or abuses; and 4) support human rights groups to monitor and report on human rights concerns.

IR 1.3: Impunity reduced through improved justice sector capacity

High impunity rates foster feelings of insecurity among the population, disincentivize citizens from reporting crimes or participating in judicial processes, and encourage criminals to further terrorize the population without fear of repercussions. On the other hand, when a government enforces laws and consistently and justly holds those criminals accountable, real and perceived security increases and those potential criminals refrain from committing crimes.

⁵³ Dirección General de Migración y Extranjería, 2012-2019. Data analyzed by IOM.

USAID/EI Salvador will prioritize efforts to improve the ability of justice sector actors to detect, investigate, and prosecute violent crimes and corruption, placing particular emphasis on support services for crime victims. Building on pilot project successes under the current CDCS, the Mission will continue and scale up support for improved justice access, efficiency, and delivery, and will empower civil society organizations to monitor and conduct ongoing advocacy for improved justice outcomes. USAID will also expand victims' assistance services. In addition, the Mission will work with government and civil society entities to adopt those services as best practices and sustain their implementation in the future, while concurrently increasing civil society capacity to monitor and advocate for efficient and effective justice services. Moreover, USAID/EI Salvador will expand its successful place-based justice strategy to a target of six new municipalities to create ongoing structures for justice sector actors to collaborate effectively on case investigation, improve justice delivery and reduce impunity.

Integrating Mental Health and Psychosocial Support Across the Portfolio

El Salvador has a lengthy history of both national-level trauma exposure and poor early childhood care practices. Empirical evidence underscores the economic and social costs of untreated mental illness,^{54 55 56} and research on early childhood demonstrates the need to support early brain growth and social development to foster long-term economic and social gains.⁵⁷ Many Salvadorans have experienced multiple traumatic events and few have benefited from supportive early childhood care and development practices. Thus, many Salvadorans struggle with the cognitive, emotional, and social impacts of mental health issues^{58 59 60 61 62} -- yet there are almost no mental health services of sufficient quality available. El Salvador's progress on the Journey to Self Reliance requires attention to this issue. Evidence clearly demonstrates significant economic and social return on investment in mental health and psychosocial support activities.^{63 64} Recognizing the importance of this issue, USAID/El Salvador will incorporate mental health and psychosocial support throughout this CDCS, through Sub-IR 1.1.3 -- Trauma prevention and response systems strengthened; Sub-IR 2.2.3 -- Social-emotional learning improved; and Sub-IR 3.1.3 -- Access to and effectiveness of psychosocial assistance increased. The Ministries of Health and Education, the Salvadoran child protection authorities and the newly-formed National Commission for Well-Being (headed by the First Lady), have all included improving mental health and psychosocial support as a priority, thus demonstrating the GOES' commitment to this important issue.

DO 2: Jobs and Income Potential for Likely Migrants Increased

If El Salvador improves economic opportunities and better prepares Salvadorans to take advantage of those opportunities, then jobs and income potential for likely migrants and their

⁵⁴ Lancet Global Mental Health and Development Commission. <https://globalmentalhealthcommission.org/the-report/>

⁵⁵ Globally, mental health problems affect young people more than any other health problem, according to the Lancet Commission.

⁵⁶ Lancet Global Mental Health and Development Commission.

⁵⁷ <https://heckmanequation.org/>

⁵⁸ Stamm, B. Hudnall, and Friedman, Matthew J., 'Cultural Diversity in the Appraisal and Expression of Trauma,' in Arieh Y. Shalev, Rachel Yehuda, and Alexander C. McFarlane (eds.), International Handbook of Human Responses to Trauma (New York: Kluwer Academic/Plenum Publishers, 2000), p.74; Southwick, Steven M., Yehuda, Rachel, and Charney, Dennis S., 'Neurobiological Alterations in PTSD: Review of the Clinical Literature,' in Carol S. Fullerton and Robert J. Ursano (eds.), Post-traumatic Stress Disorder: Acute and Long-Term Responses to Trauma and Disaster (Washington: American Psychiatric Press, Inc., 1997), pp.241-266; Yehuda, Rachel, 'Cortisol Alterations in PTSD,' in Arieh Y. Shalev, Rachel Yehuda, and Alexander C. McFarlane (eds.), International Handbook of Human Responses to Trauma (New York: Kluwer Academic/Plenum Publishers, 2000), pp.265-283; McFarlane, Alexander C., and deGirolamo, Giovanni, 'The Nature of Traumatic Stressors and the Epidemiology of Post-traumatic Reactions,' in Bessel A. van der Kolk, Alexander McFarlane, and Lars Weisaeth (eds.), Traumatic Stress: The Effects of Overwhelming Experience on Mind, Body, and Society (New York: The Guilford Press, 1996), p.141; McFarlane and van der Kolk, 'Trauma and its Challenge to Society,' p.35; McFarlane and Yehuda, 'Resilience and Vulnerability,' pp.165-168; Weisaeth, 'War-Related Psychopathology,' p.119; Fullerton and Ursano, 'The Other Side of Chaos; van der Kolk, 'The Complexity of Adaptation to Trauma,' pp.189-191.

⁵⁹ Bullman, Tim A., and Kang, Han. K., 'Post-Traumatic Stress Disorder and the Risk of Traumatic Deaths Among Vietnam Veterans,' in Carol S. Fullerton and Robert J. Ursano (eds.), Post-traumatic Stress Disorder: Acute and Long-Term Responses to Trauma and Disaster (Washington: American Psychiatric Press, Inc., 1997), pp.175-189; McFarlane and Yehuda, 'Resilience and Vulnerability,' p.166; Weisaeth, 'War-Related Psychopathology in Kuwait,' p.100.

⁶⁰ McFarlane and van der Kolk, 'Trauma and its Challenge to Society,' p.35; van der Kolk, 'The Complexity of Adaptation to Trauma,' pp.199-200; Weisaeth, 'War-Related Psychopathology in Kuwait,' p.110.

⁶¹ Cairns, Children and Political Violence, pp.59, 163; Dubrow, 'The Role of Mental Health Professional in Building Bridges of Peace,' pp.415-416; McFarlane and van der Kolk, 'Trauma and its Challenge to Society,' p.32; van der Kolk, 'The Complexity of Adaptation to Trauma,' pp.196-197.

⁶² McFarlane and van der Kolk, 'Trauma and its Challenge to Society,' p.35.

⁶³ <https://www.who.int/news-room/headlines/13-04-2016-investing-in-treatment-for-depression-and-anxiety-leads-to-fourfold-return>

⁶⁴ Analyzed separately, the return on investment was slightly lower for low- and middle-income countries, but was still over 300%. Analyzed all together, making no distinction between income levels, the global average return on investment was 400%.

family units will increase and incentives to **migrate irregularly** to the United States will be reduced as Salvadorans lead more prosperous lives at home and contribute to El Salvador's self-reliance.

USAID/El Salvador will undertake inclusive economic growth programming in select high-growth sectors in order to create jobs and enable targeted demographics to gain employment. El Salvador has the potential to expand its role as a regional economic leader and trading partner with the United States and other countries. The strategy will emphasize strengthening the private sector's capacity to develop new products and services in alignment with GOES priorities.⁶⁵ Concurrently, El Salvador must improve its business enabling environment and build a highly skilled workforce with strong technical expertise and critical life skills, which requires access to quality primary, secondary, and tertiary education. USAID/El Salvador's prosperity programming will work to reach not only youth, but also to improve economic opportunities for those under 40 years old with up to a 9th grade education - two demographic profiles that comprise roughly 75 percent of the returned migrant population.⁶⁶

To create new jobs, USAID/El Salvador's economic growth programming will address key barriers to trade, investment, and access to capital and credit. The Mission will work to increase businesses' access to capital by utilizing and building upon other U.S. government tools, networks, and relationships to mobilize Salvadoran and international private sector investment in key sectors, including textiles, energy, trade infrastructure, and information communication technology. Improving the entrepreneurial climate by increasing business access to infrastructure, business flexibility, and clear and fair regulation will improve El Salvador's J2SR commitment scores for economic policy.

To help increase incomes, USAID/El Salvador's prosperity programming will focus on human capital development, mostly at the basic, secondary and workforce levels of education, and align efforts with USAID's Education Policy and Private Sector Engagement Policy. Sustainability of investments across all sectors requires a skilled workforce and population capable of leading and managing its own development. Investments in quality, equitable and inclusive education can create pathways for greater economic growth, improved health outcomes, sustained democratic governance, and more peaceful and resilient societies.⁶⁷ El Salvador's current J2SR ranking for Citizen Capacity (Education Quality) suggests that both retention rates and the quality of the country's educational system need significant improvement to create a more skilled and productive workforce. Under DO2, USAID will improve education services, including targeting parents of children vulnerable to dropping out, with flexible modalities and job training, increasing retention rates, and improving literacy, numeracy, and social-emotional skills that are foundational to future learning and success.

On the J2SR Roadmap, USAID/El Salvador's work under DO2 will contribute to the following metrics: Commitment sub-dimension - Inclusive Development (Economic Gender Gap); Economic Policy (Business Environment and Trade Freedom); Capacity sub-dimension - Government Capacity (Government Effectiveness Index); Capacity of the Economy (GDP Per Capita in PPP and Export Sophistication); Citizen Capacity (Education Quality and Poverty Rate).

⁶⁵ Ministry of Economy, 2014. "*Política Nacional de Fomento, Diversificación, y Transformación Productiva de El Salvador.*"

⁶⁶ IOM Northern Triangle Migration Information Initiative - January 2014-May 2018 data.

⁶⁷ United Nations Educational, Scientific and Cultural Organization (UNESCO), 2014. Teaching and learning: achieving quality for all; EFA global monitoring report, 2013-2014.

Compared to the rest of Central America, El Salvador demonstrates low economic capacity manifested in GDP per capita measurements. The GOES has demonstrated increased commitment recently to improving public policies and producing results to grow the economy, as well as keeping children in school and improving education quality. Through DO2, USAID/El Salvador will support the GOES and private sector as they invigorate the economy, creating jobs that provide sufficient income for people to stay in El Salvador. To do this, DO2 will target and create economic growth that will drive employment to those likely to migrate. Efforts will ensure that likely migrants obtain the skills needed to participate in the formal economy, particularly through better paying jobs that demand higher skills that USAID/El Salvador will help them obtain. Under DO2 USAID/El Salvador will work with the public and affordable private education system at high school and lower grade levels, as well as with vocational institutes, to improve educational outcomes and produce a skilled workforce that is capable of improving the economy's capacity. Additionally, along with work under DO3, USAID/El Salvador will engage the government at the national and municipal levels on their regulations, processes, and laws to address constraints to investments and help ensure inclusive economic growth.

Vision for Results under DO2:

At the highest level, USAID will endeavor to achieve the following results under DO2 in targeted areas by the end of the CDCS period:

- Spur job creation of 100,000 new and better formal jobs, specifically targeting employment opportunities for those most likely to migrate,
- Spur \$5 billion in new investment
- Increase exports by \$175 million
- Facilitate 5,000 worker visas
- Directly train and place 10,000 vulnerable people in better jobs, and foster a more competitive workforce nationwide.
 - Increase the average adjusted years of schooling to 9th grade
 - Increase survival school retention rates by 3%, approximately 100,000 children in targeted schools
 - Stop an additional 50,000 youth from dropping out of school

Assumptions for DO2:

- GOES will commit to improve the investment climate by being more business-oriented and supporting policies needed to create jobs.
- GOES will continue to advance Customs Union integration.
- El Salvador can match jobs created with workforce skills developed in the short to mid-term.
- GOES will focus on quality of education, in addition to access, including curricula development.
- Incorporating mental health and psychosocial support in programming will lead to an improved pool of human capital and a more safe and secure El Salvador.
- Activity designs integrate inclusive development principles and improved beneficiary targeting and GOES and private sector counterparts adopt those best practices to increase impact on job creation and income for likely migrants.
- Better targeted services for returned migrants will help them reintegrate into their home communities by improving support services, including private sector job programs, reducing their attempts to leave again.

IR 2.1: Inclusive economic opportunities increased in select high-growth sectors

USAID/EI Salvador will continue programming to remove barriers to the broad business enabling environment. Examples of ongoing USAID interventions include improving the cost, time, and rationality of permits and licenses needed to start and operate a business; lowering the cost and time to trade goods across borders; reducing high electricity costs; and increasing formalization of businesses. Regional trade programming will continue to harmonize standards, regulations, and procedures for trading goods in the region, improving El Salvador's commitment to trade freedom and export sophistication capacity.

USAID/EI Salvador's programs will partner with the GOES and private sector in areas that have shown great potential to create employment for likely migrants, namely: textiles, plastics, information and communication technologies, and agro-processing.⁶⁸ In addition, USAID/EI Salvador will work with identified industries and within the urban hubs to expand market access, improve productivity, and increase formalization of businesses that reside in the large informal sector. This focus will increase worker protections and income potential, improve revenue generation by the state, and allow newly-formalized businesses to access government services.

USAID/EI Salvador will focus on growing the economy by attracting investment in high-growth potential areas that can employ a large percentage of likely migrants. Additionally, USAID/EI Salvador will capitalize on the goals of the current GOES administration to develop public-private partnerships and receive advisory services on needed economic reforms and government co-investment. These efforts will reinforce El Salvador's commitment to improving its business environment and, in turn, increase its GDP and job creation. Further, USAID/EI Salvador hopes to improve business competitiveness by supporting the U.S. Development Finance Corporation (DFC) in cultivating strong, ongoing partnerships with key Central American, U.S. and international businesses, investors, and associations, including those based in El Salvador, which have committed to making investments in line with USAID's objectives.

USAID/EI Salvador determined that IR 2.1 has a high level of climate risk. Climate events can negatively affect production and the movement of labor and goods within the country and impact international trade, particularly among the most active economic sectors. For example, extreme climatic events can negatively impact areas promoted as new tourist destinations. Loss of business and employment opportunities trigger both internal displacement and out-migration. In response, the Mission will consider the impact of rains, flooding and droughts on vulnerable populations, internal displacement, and economic activities during project design.

IR 2.2: Education outcomes improved

To economically stabilize likely migrants, USAID/EI Salvador will help youth and adults without a high school education obtain a diploma and receive help with job training and job placement. The vast majority of likely migrants drop out of high school in order to find work to support their parents and family. The Mission will increase retention rates at the 4th, 6th and 9th grade levels, which are key transition years, and build the human capital of likely migrants to obtain work that provides sufficient economic reward to ensure that migration becomes a less attractive option.

USAID/EI Salvador's education programming will support El Salvador's citizen capacity and education quality by increasing access to safe, high-quality education opportunities for

⁶⁸“Política Nacional de Fomento, Diversificación y Transformación Productiva de El Salvador.” Ministry of Economy 2014.

children and youth in the urban hubs. This programming will lay the foundation for children and youth to succeed academically and socio-emotionally in the public school system, and will build a path back to quality education for youth that have dropped out of school.⁶⁹ USAID/EI Salvador will concentrate activities in two focus areas: 1) improving access, quality of education, and social well-being of learners in traditional public schools (focusing across all grades); and 2) improving the responsiveness and accessibility of alternate paths to school completion for those who have dropped out of traditional schools (i.e., “flexible modalities”). Activities will monitor student retention and performance through early warning systems, including by analyzing the economic constraints and vocational needs of both students and parents, which are key determinants of student retention.

USAID/EI Salvador will end direct higher education programming to focus on workforce development for high- and primary-school dropouts, though may partner with higher education institutions to support knowledge sharing and development. IOM migration data shows that 98 percent of Salvadoran migrants do not complete primary or secondary school. Conversely, only 2 percent of irregular Salvadoran migrants have completed high school or tertiary education. Thus, USAID/EI Salvador will focus new education efforts on retaining children in primary and high schools and getting dropouts back into the education system, whether through workforce development or within the formal school system. USAID/EI Salvador will work with the GOES and may partner with higher education institutions to provide critical skills for workforce development institutes by responding to private sector needs and building communities and practitioners who are better able to bridge the economic gender gap, reduce the poverty rate, and support EI Salvador’s Journey to Self-Reliance.

DO 3: Government Responsiveness, Accountability, and Transparency Improved

If the GOES improves its capacity to respond to public needs effectively and reduces corruption, and public empowerment and capacity increase to hold the government accountable, then EI Salvador will improve its capacity to promote prosperity and security to reduce the drivers of irregular migration and increase the country’s self-reliance.

USAID/EI Salvador’s governance programming will improve citizens’ confidence in government, both nationally and sub-nationally. This improvement will advance the USAID DRG Strategy and directly support the sustainability of outcomes under both prosperity and security. Programs will result in more efficient and effective resource management and expenditure, and better quality service delivery that responds to citizen needs and demands. Activities will combat corruption by enhancing oversight and accountability, and by strengthening civil society and institutions working to counter corruption.⁷⁰ The Mission will also build on a strong civil society foundation to promote more active and vibrant citizen advocacy groups, and more representative and responsive political parties.

At the national level, USAID will catalyze transparent public financial management and anti-corruption systems to boost the government’s ability to generate and effectively utilize its own resources to support development. Working with key institutions, the Mission will further consolidate transparency reforms, support improvements in fiscal performance, and build

⁶⁹ USAID/EI Salvador is expanding its consideration of Mental Health and Psychosocial Support (MHPSS) across its portfolio, through the adaptation, piloting, and scaling of evidence-informed MHPSS practices. The Mission seeks to build evidence for the efficacy (or not) of proven practice in the Salvadoran context and will expect to see clear references to the evidence base for any MHPSS practices proposed for integration into this activity.

⁷⁰ Control institutions include: Court of Account, Probity Unit, Attorney General’s Office, Access to Information Institute, Ethics Tribunal, and the Electoral Tribunal.

capacity in institutions that detect and prosecute corruption. USAID/EI Salvador will strengthen GOES capacity to increase the efficiency and transparency of tax collections, and help create a transparent, results-oriented budgetary process for improved public management. The Mission will also support improved public administration through the development of merit-based recruitment and promotion systems that further professionalize El Salvador's public sector. In addition, USAID/EI Salvador will help empower civil society to advocate for legislative and policy changes, ensure citizen oversight, and advance the integrity and transparency of public resource management. These governance enhancements will specifically target sustainable improvements in the provision of services that Salvadorans need to build a brighter future in El Salvador, such as education, security, and access to economic opportunity.

At the sub-national level, USAID/EI Salvador will bolster geographically-focused efforts identified under the prosperity and security DOs to strengthen targeted municipal governments' and municipal associations' abilities to plan, pay for, and deliver key security, business and municipal public services to citizens. These investments will expand efficient service provision and provide assurances needed for private sector investment. They will build on multi-stakeholder platforms (local prevention councils) that have been instituted in many municipalities to prevent crime. They will also work with civil society organizations and key GOES institutions to improve victims assistance services and to build connectivity between key justice sector actors to increase response capacity and judicial processing, resulting in greater case resolution. Programs will foster increased transparency, improved service delivery, citizen participation in economic (budgeting and planning) and security processes, and civil society oversight of municipal performance. By improving the most local tiers of government, these programs will increase Salvadorans' confidence that their government works for them and helps to expand opportunities for them and their children in El Salvador.

On the J2SR Roadmap, USAID/EI Salvador's work under DO3 will contribute to the following metrics under the Commitment sub-dimension: Open and Accountable Governance (Open Government and Liberal Democracy); Economic Policy (Business Environment); and Inclusive Development (Social Group Equality). Under the Capacity sub-dimension, DO3 will contribute to Government Capacity (Government Effectiveness and Tax System Effectiveness); and Civil Society Capacity (Civil Society and Media Effectiveness). DO3 will advance open and accountable governance in two ways. First, USAID/EI Salvador will empower public servants and civil society representatives to build transparent, responsive institutions at the national and local levels, capable of providing key economic and security services. USAID will work to expand information sharing and the inclusion of citizens in policy deliberation and implementation processes more proactively. Second, USAID/EI Salvador will foster processes to improve societal trust in political parties - as competitive, open and inclusive representational entities - and improve electoral integrity.

In relation to the economic policy metric, USAID/EI Salvador will enhance the business environment by facilitating commerce, access to credit, improved regulations and fair and transparent processes. Addressing the inclusive development metric, USAID/EI Salvador will support improved social group equality by integrating populations that have been historically isolated from political processes or discriminated against in judicial processes given geographic or economic circumstances. This includes vulnerable municipalities close to urban hubs with high crime. Efforts will pay particular attention to emerging youth and female leaders.

Addressing the government capacity metric, USAID/EI Salvador will support government efforts to improve service delivery through local projects and innovative digital solutions. Service delivery will also include further increasing tax revenue by modernizing and enhancing

the government's tax collection systems and capacity to fight tax evasion, creating incentives for micro-businesses to become part of the formal economy, establishing new planning processes for results-based budgeting processes and improving security and access to victims assistance and consolidated judicial services. Further, USAID/EI Salvador will support approval and implementation of a new civil service legal framework that helps to instill meritocracy throughout Salvadoran bureaucracy. In regards to the civil society capacity metric, the Mission will build upon already strong elements of civil society, strengthening the ability to provide and oversee political processes and rule of law issues, hold public institutions accountable, and defend human rights - particularly for often marginalized and victimized populations - and freedom of the press.

Vision for Results under DO3:

At the highest level, USAID/EI Salvador will endeavor to achieve the following results under DO3 in targeted areas by the end of the CDCS period:

- Reduce government procurement costs by 25%
- Increase citizen satisfaction with government services of half of the population (50%) in targeted areas
- Improve demand for government services and accountability through continued civil society organization appeals to the Institute of Access to Information (IAIP)
- Improve Corruption Perception Index score by 10 points

Assumptions for DO3:

- The government continues to display a genuine public commitment to efficiency and effectiveness, including streamlining, which will lead to improved service delivery and public satisfaction with national and local government institutions.
- GOES will promote and implement anti-corruption and transparency reforms.
- EI Salvador will continue to hold free and fair elections.
- GOES will manage its fiscal situation and prioritize more efficient budgeting and accountable spending to finance its own reform agenda.

IR 3.1: Performance improved in select public sector institutions

On the supply side of effective government services, USAID/EI Salvador will continue to support modernization of the public sector capacity and systems to support effective, inclusive and sustainable service delivery, particularly at the municipal level. The Mission will support the capacity of local and national governments to provide basic services to bridge divides in many poor urban areas and meet the basic needs of all through improved public security. USAID will build on OFDA's natural disaster and disaster risk reduction support to the GOES to find opportunities to build further capacity, create contingency plans and improve service delivery during emergencies. USAID/EI Salvador will build on work with institutions providing public security, while incorporating new dimensions to focus on crimes affecting large numbers of Salvadoran citizens, including gender-based violence, extortion and crimes in the transportation sector. In addition, USAID will work with the government to increase access to and the effectiveness of mental health psychosocial services, particularly for youth and children, so that Salvadorans take charge of their own journey to self-reliance with cognitive and social support. The Mission will continue work with the Ministries of Education and Health, Salvadoran child protection entities and NGOs, to: strengthen local capacity to provide evidence-based treatment for mental health disorders; improve community-level case management services for vulnerable children and families; and publically provide information to help citizens better understand mental health and where to find help. Through this work, USAID/EI Salvador will increase government effectiveness and citizen capacity.

USAID/EI Salvador will continue to support improvements to the government's domestic resource mobilization and resource expenditure efforts to reduce dependency on foreign actors. To improve expenditures, the Mission will build on previous results-oriented budgeting training provided to seven GOES ministries that represent over 50 percent of the GOES' annual budget. USAID will assist the Ministry of Finance to implement a fully automated integrated financial management system that will increase the efficiency and transparency of financial management operations. These processes, along with the modernization of e-procurement systems, form the basis needed to combat opportunities for corruption, and will enhance oversight, transparency and accountability. They will also boost the GOES' ability to generate and effectively utilize its own resources to finance its own self reliance, expand development outcomes, and reduce migration pressures.

IR 3.2: Public demand for effective governance expanded

On the demand side, and to support accountability for the delivery of effective and reliable services, USAID/EI Salvador will enhance civil society's capacity to monitor government performance, with an emphasis on institutions related to anti-corruption, security and victims assistance efforts. The Mission will empower citizens to constructively and effectively engage with government institutions in policy-making processes and to share relevant information to advance transparency, service delivery, rule of law and other common goals. USAID/EI Salvador will also support transparent elections, political party strengthening and political processes to help build and maintain confidence in these systems and the accountability of elected officials. USAID/EI Salvador will further promote accountability through electoral observation missions and through support to civil society platforms to monitor the implementation of electoral reforms and election process independence. Finally, USAID/EI Salvador will support spaces of dialogue and training for emerging youth leaders. These spaces will provide intellectual and practical tools to expand their impact and help them develop networks of cooperation across party lines and civil society sectors.

IR 3.3: Corruption reduced

USAID/EI Salvador will support open government, government oversight and justice institutions to fight corruption effectively. These institutions include the Court of Accounts, the Supreme Court's Probity Unit, the Government Ethics Tribunal, the International Commission against Impunity in El Salvador (CICIES), the Access to Public Information Institute, and the Attorney General's Office. In addition, USAID/EI Salvador will assist civil society institutions to advocate for transparency and expose corruption. The Mission will continue to support efforts to pass a new civil service law and will support citizen oversight platforms in key institutions to advance the transparency and anti-corruption agenda at the national and municipal levels. USAID will also work with the GOES to increase the transparency of all government operations to reduce corruption. The Mission will do this by continuing to foster the growth of the GOES Interinstitutional Anti-Corruption Working Group; providing technical support that helps Working Group members better fulfill their mandates; and supporting, to the extent possible, the creation and functioning of new mechanisms to combat corruption at all levels of the government.

USAID/EI Salvador determined that IR 3.3 has a high level of climate risk. Further, the Mission determined that El Salvador has only moderate capacity (0.45 in government effectiveness) to respond to extreme climate events, and has demonstrated moderate commitment to responding to past events. Climate events can negatively affect service provision and the government's response capacity. In addition, responses to extreme climate events provide ample opportunities for corruption and the misuse of funds and donations, something that has occurred in the past in the country. Given the frequency of severe climate

events and their impact on the country, USAID/EI Salvador will work to improve transparency, build resilience into institutional disaster response processes to combat opportunities for corruption, and support civil society efforts to monitor and oversee those processes while under the pressures often experienced during extreme climate events.

V. Monitoring, Evaluation, and Learning

USAID/EI Salvador will use its Monitoring, Evaluation and Learning (MEL) plan for this CDCS to determine the validity of the development hypothesis and whether the interventions carried out help reduce **irregular migration** to the United States and foster self-reliance in El Salvador. USAID/EI Salvador will use data to measure impact and determine if efforts in targeted areas are helping to build hope for a better future in El Salvador. USAID/EI Salvador will measure the impact of Mission efforts, both real and perceived, using a variety of sources. For quantitative results, USAID will look at USG, interagency partners, the GOES and third-party (e.g. World Bank) data on economic growth, crime, migration and other critical factors in order to determine if there have been marked changes in key areas of focus. For perceptions, the Mission will look at how Salvadorans perceive the trajectory of the country and their communities, and how this influences decisions to migrate or stay, using perception surveys, such as the Latin Americas Barometer, among other sources.

In addition, USAID/EI Salvador collects data on the impact of programs with direct beneficiaries (e.g. workforce development efforts), in order to measure the results of efforts on likely migrant groups that are receiving USAID support. The Mission will continue to work with the LAC Bureau to adapt and implement these newly established indicators, which measure the direct impact of USAID's programs on migration.

USAID/EI Salvador also plans to conduct sub-national perception surveys focused on the urban hubs of El Salvador, which will provide additional data on intentions to migrate and the factors influencing that decision. Using the above data sources and traditional sources (e.g. monitoring and evaluation data collected from activities), USAID/EI Salvador aims to create a "Rootedness" or "Hope" Index that will examine factors impacting a decision to stay, as opposed to leave, and how efforts have affected citizens' views of their future, and their intentions to remain, in El Salvador.

To guide implementation of the MEL agenda, the Mission has identified a set of learning questions to generate data needed for cost-effective, evidence-based management for results. These learning questions align with Agency-wide learning agendas, such as those on self-reliance, positive youth development, private sector engagement and DRG. In addition to portfolio-wide questions, USAID/EI Salvador has identified a list of DO-specific questions, which the Mission will include in the Performance Management Plan (PMP), to be developed after CDCS approval.

General CDCS Learning Agenda Questions:

1. What methods best reduce **irregular migration** to the United States?
2. What advances and challenges did El Salvador face in expanding self-reliance over this five-year CDCS?
3. What strategies most effectively strengthen the capacity of government, civil society and private sector stakeholders, including partners and beneficiaries, to plan, manage and implement solutions to the country's development challenges?
4. To what extent did targeting of likely migrants lead to achievement of the CDCS Goal?

USAID/EI Salvador will monitor its performance based on stated theories of change and will implement the new Agency performance management system, the Development Information Solutions (DIS), in FY 2020 to track CDCS progress and achievements. The Mission's MEL approach aligns with Automated Directives System (ADS) 201: Program Cycle Operational

Policy (updated May 2019) and also follows Mission Order 201-1, Performance Monitoring and Mission Order 201-2, Evaluation (both effective May 31, 2017), which stipulate that the Regional Program Office (RPO) and the Development Objective Teams have responsibility for implementing the PMP. USAID/EI Salvador will write its PMP within three months of approval of the CDCS, per ADS 201.

PMP development will form the first step in the creation of a comprehensive MEL strategy. The PMP will serve as a living document and the Mission will update it as needed based on annual review. The PMP will provide guidance and reference points for implementation, learning, and course-correction, as needed. The PMP will serve as the basis for a CDCS mid-course stocktaking in FY 2022 to determine whether USAID/EI Salvador needs to make any major strategic adjustments. The PMP will incorporate performance indicators, with baselines and targets, as well as the collection and analysis of specific J2SR primary and secondary metrics to monitor the Results Framework's assumptions and triggers, and inform the broader learning agenda. USAID/EI Salvador plans to strategically innovate to measure the ultimate goal of the CDCS of reducing **irregular migration** to the United States, by using a combination of activity-level migration indicators and impact-level composite custom indices. In addition, as noted above, USAID/EI Salvador expects to conduct surveys to measure changes in public perceptions. USAID/EI Salvador will elaborate upon this proposed monitoring further in the PMP.

In addition to the in-house capabilities of the Mission's MEL Team, led by RPO and including MEL Specialists from the Mission's Technical Offices, the Mission also receives support from MEL experts in the LAC Bureau and PPL. In addition, the Mission manages a comprehensive MEL contract to assist with data collection, analysis, and evaluation. The Mission will also use other resources, such as mechanisms managed in Washington available for buy-in as well as the services of the USAID's GeoCenter to continue supporting its MEL efforts, as needed.

VI. Required Annexes

A. Journey to Self-Reliance Country Roadmap

