

Joint Statement by the Presidents of El Salvador, Guatemala, and Honduras, and the Vice President of the United States of America Regarding: The Plan for the Alliance for Prosperity of the Northern Triangle

Media Note

**Office of the Spokesperson
Washington, DC**

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Begin Text:

The Presidents of El Salvador, Salvador Sánchez Cerén; Guatemala, Otto Pérez Molina; Honduras, Juan Orlando Hernández; and, the Vice President of the United States, Joseph Biden, met in Guatemala City on March 2-3, 2015, with the President of the Inter-American Development Bank, Luis Alberto Moreno, to discuss the important commitments which will accelerate the implementation of the Plan for the Alliance for Prosperity in the Northern Triangle of Central America. The senior representatives also agreed to conduct joint high-level dialogues on security issues with relevant authorities, to discuss social issues with civil society, and to review trade and investment issues through meetings between the U.S. private sector and the private sectors of the Northern Triangle of Central America. All these meetings will be held in the first half of this year.

The leaders stressed that their governments agreed to continue the development of the Plan for the Alliance for Prosperity of the North Triangle in an expedited and comprehensive manner, through coordinated efforts among the three countries of the Northern Triangle and with the technical support of the Inter-American Development Bank. They will continue this work throughout 2015. The draft implementation plan and roadmap for each of the above-mentioned topics will be presented in Washington on March 16. For its part, the Government of the United States reiterated its commitment to support these efforts.

The leaders agreed that the joint regional plan and its continued implementation represent significant milestones for the collaboration among the governments of El Salvador, Guatemala, and Honduras.

The leaders reviewed recent progress in El Salvador, Guatemala, and Honduras, including the following examples:

- El Salvador has passed an Investment Stability Law, giving investors assurances that tax and customs regulations will not change over the course of an investment. It has also begun the process of restoring one-stop business registration for foreign investors.

- The Government of El Salvador has created the National Council for Public Security and Coexistence to promote consensus on a public security strategy and a forum for dialogue between the government and multiple social actors; it has also established an Anti-Extortion Task Force.
- El Salvador has passed the Development and Social Protection Law, which establishes a legal framework to support development, citizen protections, and social inclusion. Likewise, El Salvador conducted ambitious reforms in the area of health, laying the groundwork for a new, integrated health system. El Salvador also has implemented important educational programs, such as “Full-Time School,” which allows for a holistic approach to expanding the educational system’s intervention model.
- Guatemala has inducted new police officers through regional academies throughout the country that will be assigned to police stations for those geographic areas, continuing the policy of regionalization with a goal of deploying 35,000 agents nationwide. This has already reduced murder rates from 46 to 31 persons per every 100,000 inhabitants.
- Under its plan to implement the National Policy on Integrated Rural Development, the Government of Guatemala has reached agreement with 33 communities on reparations for communities where human rights were violated by the construction of the Chixoy dam, through Government Agreement 378-2014 of the Cabinet Council.
- Guatemala has achieved a diversified energy grid incorporating new technologies such as natural gas, wind, and solar power, allowing for 60% of its energy generation to be based on renewable sources of energy, which contributes to reducing greenhouse gas effects and fulfills the objectives of Guatemala’s Climate Change Law of 2013.
- The Government of the Republic of Honduras, in its renewed commitment to transparency in public administration, has become the first country to sign a Cooperation Agreement with Transparency International for the Promotion of Transparency, Combating Corruption, and Strengthening International Transparency Systems, which includes plans to make human resources and government procurement information publicly available.
- Honduras developed mechanisms aimed at restoring peaceful coexistence, highlighting the following efforts and results: i) air, sea, and ground shields to prevent the entry of drugs into the country; ii) counternarcotics actions to combat the drugs that enter the country; iii) development of effective judicial authorities; iv) strengthening of democratic institutions; v) anti-corruption measures; vi) emphasis on the protection of human rights; vii) actions against poverty; and, viii) a security tax. These actions resulted in a significant decrease in homicide rates from 86.5 in 2012 to 66.4 in 2014 for every 100,000 inhabitants. Based on the same commitment, Honduras has extradited 7 Honduran and 8 foreign high-profile drug traffickers involved in Latin American drug networks.
- In the area of fiscal management, Honduras reduced its fiscal deficit by more than 3 percentage points of GDP, closing at 4.5 in 2014. Honduras increased tax revenue by 21% in 2014, and took specific actions to control public spending to include specific measures strengthening transparency in its public finances.

These examples of progress are the results of the commitments that the governments of El Salvador, Guatemala, and Honduras are making to Central America’s success. In this context, and well aware of the continued challenges, the leaders expressed their commitments on the following points:

1. The presidents of the Northern Triangle of Central America and the Vice President of the United States of America expressed a shared commitment to promote the strategic areas of the Alliance for Prosperity, such as: energizing the productive sectors of the economy; creating economic opportunities; developing human capital, citizen security, and social inclusion; improving public safety and enhancing access to the legal system; and strengthening institutions to increase trust in the state.

To that end, we, the governments of El Salvador, Guatemala and Honduras, recognizing the importance of promoting the productive sector of the economy in our countries, will:

1.1 Advance economic integration based on the legal frameworks of the Central American integration process, CAFTA-DR, and other existing trade agreements.

1.2 Welcome the signing by Honduras and Guatemala of the General Framework for the Establishment of the Customs Union, which includes, inter alia, the elimination of border crossings between both countries and the establishment of a unified customs area. The details of this agreement will be defined and supported through negotiations to occur before December 2015.

1.3 Take steps to promote an integrated, efficient energy market among the countries of the Regional Electricity Market (MER), and the markets of neighboring countries. Review existing regulations and gradually standardize them so that commercial transactions between countries may be conducted in an equitable, competitive, transparent manner, to ensure legal certainty and allow for the promotion and development of markets with reduced costs. This will be addressed in subsequent forums in 2015, to be completed before the end of 2016.

1.4 During 2015, continue to promote the conditions for increased investment in the diversification of the energy grid, specifically to support measures resulting in the operation of the natural gas pipeline between Mexico and Central America, for which an agreement between the member countries of the Alliance will be required. By March 13, Guatemala and Honduras will sign an additional protocol to the Mexico-Guatemala agreement, which will permit this interconnection work to go forward.

1.5 Promote a public-private dialogue regarding the implementation and monitoring of the Alliance for Prosperity in the Northern Triangle governments by mid-2015, through existing public-private partnerships.

1.6 Continue efforts to establish and run one-stop business registration windows for foreign investors before the end of 2015.

2. The Government of the United States will support the governments of the Northern Triangle to promote their productive sections with a view toward greater inclusion, by:

2.1 Facilitating trade with the support of Customs and Border Protection (CBP) authorities, who can share proven risk management strategies and provide other types of training to make the transfer of goods across borders more secure and efficient.

2.2 Helping to implement actions to improve trade between the countries of the Northern Triangle, within the Central American Integration System.

2.3 Providing support for the integration of energy markets in Central America, Panama and Mexico, including by supporting the review of existing regulation to promote long-term contracts.

2.4 Providing technical assistance to develop laws that will incentivize the adoption of technologies and best practices for energy-efficiency.

2.5 Supporting rural development of the countries of the Northern Triangle.

2.6 Providing potential investors and project developers the financial and risk mitigation tools to make investments in the Northern Triangle more attractive, with the support of the Overseas Private Investment Corporation.

3. We, the countries of the Northern Triangle, will strengthen our strategies for social and economic development to achieve the following:

3.1 In line with national plans, identify the geographic areas of greatest need to focus development and investment by April 2015.

3.2 Establish a plan to strengthen and streamline investment in education, especially at the pre-school, secondary, and vocational levels by 2016.

3.3 Create the conditions to facilitate access to credit for micro, small, and medium enterprises through financial education programs, improvements to legal frameworks, and development of specific financial products beginning in 2015.

3.4 Expand existing programs to improve health services, nutrition, and child development.

3.5 Strengthen equal opportunities policies, especially for the economic empowerment of women, ethnic groups, and at-risk youth by 2016. During the same year, each country will double the number of women and youth served and provided training by specialized community centers.

4. The United States government will support the Northern Triangle governments in meeting commitments for the development of economic and social opportunities for its citizens, giving special attention to the following:

4.1 Advancing economic prosperity with programs and training that accelerate business development in urban and rural areas.

4.2 Helping to create a better climate for micro, small, and medium businesses to create conditions to expand their access to credit and strengthen proven results throughout specialized business centers in the hemisphere, thus strengthening value chains.

4.3 Continuing efforts to boost family farming and food security through various programs, such as "Feed the Future."

4.4 Implementing plans to improve access to education and educational quality for underserved populations, including indigenous and afro-descendant children in rural schools, as well as the expansion of educational and vocational training opportunities for at-risk youth.

4.5 Supporting populations along Central American border areas in order to bolster a surge in new economic activity in these communities.

4.6 Backing the efforts of the Northern Triangle countries to redouble their assistance to women and youth in specialized community centers.

5. We recognize the need to improve public security and access to justice; therefore, the leaders of the Northern Triangle agree to:

5.1 Expand security policies and programs, especially those that dismantle gangs and prevent gang violence, as well as by combating common crime, extortion, money laundering, human trafficking, illegal trafficking, and drug trafficking. We will strengthen justice institutions, among others, using international best practices, depending on the specific context of the priority areas.

5.2 Promote approaches to strengthening the justice sector, emphasizing efficiency, transparency, and accountability, as well as decreasing case backlogs and promoting alternative dispute and domestic violence resolution techniques.

5.3 Improve prison systems, including infrastructure based on prisoner risk profiles, the capacity of prison staffs, and rehabilitation programs, including those focused on juvenile offenders and their prison conditions.

5.4 Deepen police reforms, including reforms focused on money laundering and human trafficking throughout 2015. During the first half of 2015, Honduras will announce a proposal for the comprehensive reform of its educational system and its police training initiative, as well as its plan to train and contract 6,000 new police officers over the next three years. Guatemala announced that it is in the process of reforming its immigration law in order to criminalize the trafficking of Guatemalans, especially children and adolescents.

5.5 Approve and strengthen laws against money laundering. El Salvador has established an Anti-Extortion Task Force, and will begin in mid-2015 a legal reform to criminalize bulk cash smuggling.

5.6 Guatemala will promote reforms in its civil and commercial procedure codes to establish and streamline oral hearings and make more efficient its judicial proceedings during 2015. In addition it will create new specialized criminal investigative anti-money laundering units, asset forfeiture units, and cyber-crime units, in the first half of 2015.

6. The Government of the United States, along with the governments of the Northern Triangle, will back efforts to improve public safety and access to justice by supporting:

6.1 Police reforms, to including police training in the areas of internal affairs, vetting, and oversight and transparency mechanisms, as well as through the provision of equipment and information systems.

6.2 The work of governments to strengthen local mechanisms for the prevention of crime and violence.

6.3 The work of religious and civil organizations within the framework of government strategies to provide at-risk youth with life skills, job training, and recreational activities, and supporting civic groups to recover public spaces controlled by gangs and improve basic infrastructure.

6.4 The expansion and strengthening of centers against domestic violence and violence against women.

6.5 The strengthening of juvenile justice and alternatives to incarceration and detention.

6.6 The efforts of States to improve criminal investigations, especially through improved forensic laboratories.

6.7. The work of the security agencies to effectively dismantle transnational organized crime networks that carry drugs and money in coastal waters and across land borders.

7. With the goal of promoting strengthened institutions, Northern Triangle countries will continue to promote transparency and engender confidence in our citizens. In this regard we will:

7.1. Promote independent monitoring mechanisms, using best practices to ensure governmental transparency throughout 2015.

7.2. Increase and strengthen tax revenues through greater efficiency and effectiveness in tax collection, strengthening tax authorities, simplifying tax codes, and professionalizing tax collection authorities.

7.3. Join forces to improve the professionalization of the civil service, starting in 2015.

8 The Government of the United States will support governments of the Northern Triangle in strengthening its institutions, by:

8.1. Working with Central American governments to provide expert advisors, such as those from the Department of the Treasury, and including assistance to governments to leverage additional resources through more efficient tax administration and public-private partnerships.

Finally, with regards to implementing this plan, we agreed to take into account existing best practices in the region, such as the model implemented by the Millennium Challenge Corporation, to maximize the impact of our initiatives and actions that seek to be effective and transparent, and which recognize the leading role of the state and its public institutions.

Agreed to in Guatemala City on March 3, 2015.

End Text