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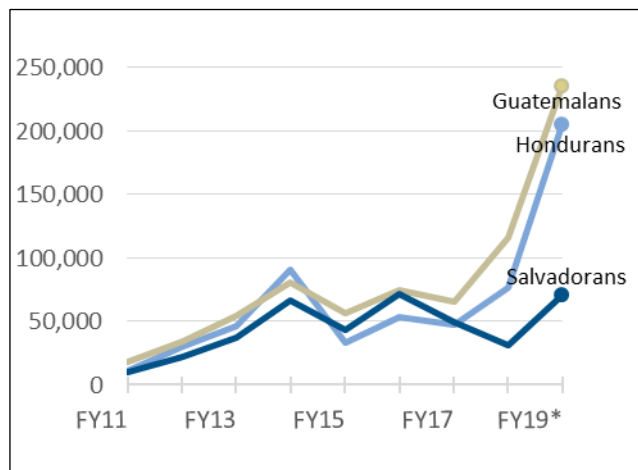
U.S. Strategy for Engagement in Central America: An Overview

Introduction

Instability in Central America is a pressing challenge for U.S. policy in the Western Hemisphere. Several nations—particularly El Salvador, Guatemala, and Honduras in the “Northern Triangle” of Central America—are struggling with widespread insecurity, fragile political and judicial systems, and high levels of poverty and unemployment.

The inability of Central American governments to effectively address those challenges has had far-reaching implications for the United States. Transnational criminal organizations have used the Central American corridor for a range of illicit activities, including the trafficking of approximately 90% of cocaine bound for the United States. Central America also has surpassed Mexico as the largest source of irregular migration to the United States. In the first nine months of FY2019, U.S. authorities apprehended more than 511,000 unauthorized migrants from the Northern Triangle at the southwest border (see **Figure 1**). Nearly 82% of those apprehended were unaccompanied minors or families, many of whom were seeking humanitarian protection.

Figure 1. U.S. Apprehensions of Northern Triangle Nationals at the Southwest Border: FY2011-FY2019



Sources: CRS presentation of data from U.S. Customs and Border Protection, “U.S. Border Patrol Nationwide Apprehensions by Citizenship and Sector in FY2007-FY2018”; and “U.S. Border Patrol Southwest Border Apprehensions by Sector Fiscal Year 2019,” press release, July 10, 2019.

Note: FY19* includes October 2018-June 2019.

In 2014, the Obama Administration determined that it was in the national security interests of the United States to work with Central American governments to promote economic prosperity, improve security, and strengthen governance. It approved a new, whole-of-government U.S. Strategy for Engagement in Central America and, with congressional support, more than doubled aid to the region.

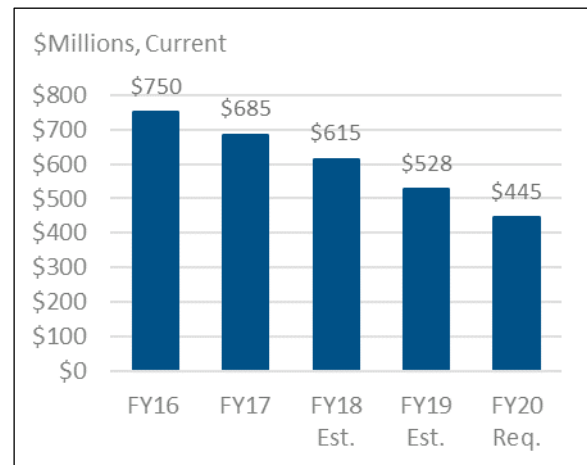
The Trump Administration initially maintained the strategy but adjusted it to place more emphasis on preventing illegal immigration, combating transnational crime, and generating opportunities for U.S. businesses. The Administration also sought to scale back funding for the initiative. Although Congress has rejected some of the Administration’s proposed reductions, annual assistance to Central America has declined by nearly 30% since FY2016 (see **Figure 2**).

The future of the Central America strategy is now in question, as the Trump Administration has begun closing down foreign assistance programs in the Northern Triangle. Some Members of Congress have objected to the Administration’s abrupt policy shift and have introduced legislation that would restrict its ability to transfer funds away from the region. The decisions made by the 116th Congress could play a crucial role in determining the direction of U.S. policy toward Central America in the coming years.

Funding

Since FY2016, Congress has appropriated nearly \$2.6 billion for the U.S. Strategy for Engagement in Central America. The funding has been divided fairly evenly between bilateral assistance programs focused on good governance, economic growth, and social welfare and Central America Regional Security Initiative (CARSI) programs intended to prevent violence, reform justice-sector institutions, and combat gangs and organized crime. The State Department and the U.S. Agency for International Development have allocated the vast majority of that aid to the Northern Triangle, including at least 76% of the funding appropriated in FY2016 and FY2017.

Figure 2. Appropriations for the U.S. Strategy for Engagement in Central America: FY2016-FY2020



Sources: U.S. Department of State, Congressional Budget Justifications for Foreign Operations, FY2017-FY2020; and H.Rept. 116-9.

Conditions

Congress has placed strict conditions on assistance to the Northern Triangle in an attempt to bolster reform efforts in the region. According to the Consolidated Appropriations Act, 2019 (P.L. 116-6), 50% of assistance for the central governments of El Salvador, Guatemala, and Honduras must be withheld until the Secretary of State certifies that the governments are addressing 16 congressional concerns. These include improving border security, combating corruption, countering gangs and organized crime, supporting programs to reduce poverty and promote equitable economic growth, and protecting the right of political opposition parties and other members of civil society to operate without interference. The State Department has yet to certify that any of the countries have met the FY2019 conditions. Similar certifications for FY2018 are also still pending.

Potential Suspension of U.S. Assistance

Since March 2019, when the Trump Administration announced its intention to end foreign aid to the Northern Triangle, the State Department reportedly has reviewed over 700 foreign assistance programs in the region. In June 2019, the State Department announced that it is holding approximately \$164 million (26%) of the \$620 million of assistance that was planned for the Northern Triangle in FY2017. It also has begun to reprogram \$404 million (82%) of the \$490 million that was planned for the Northern Triangle in FY2018. The State Department asserts that it will continue foreign assistance programs that support priorities of the Departments of Justice and Homeland Security to help Northern Triangle governments counter transnational crime and improve border security.

It remains unclear whether the Administration intends to withhold assistance appropriated in FY2019 or revise its FY2020 budget proposal, which requested \$445 million for Central America, including at least \$180 million for the Northern Triangle. However, the State Department has declared, “We will not provide new funds for programs in those countries until we are satisfied the Northern Triangle governments are taking concrete actions to reduce the number of illegal migrants coming to the U.S. border.”

Congress appears to have provided the President with significant authority—in annual appropriations legislation (P.L. 115-141) and the Foreign Assistance Act of 1961, as amended (22 U.S.C. §§2151 et seq.)—to reprogram assistance away from the Northern Triangle. If Congress thinks the Administration is using that authority in ways that do not reflect congressional intent, it could enact legislation to restrict the Administration’s ability to transfer or reprogram assistance. For example, the Labor, Health and Human Services, Education, Defense, State, Foreign Operations, and Energy and Water Development Appropriations Act, 2020 (H.R. 2740), passed by the House in June 2019, would appropriate “not less than” \$540.85 million for Central America and strengthen the funding directives for FY2017, FY2018, and FY2019 foreign aid appropriations for the region.

Two authorization bills also would increase congressional influence over U.S. policy in Central America. The United

States-Northern Triangle Enhanced Engagement Act (H.R. 2615), passed by the House in July 2019, would authorize \$577 million for Central America in FY2020 and require FY2020 funds withheld from the Northern Triangle governments to be made available for other programs in the region. The Central America Reform and Enforcement Act (S. 1445), introduced in the Senate in May 2019, would authorize \$1.5 billion for Central America and prohibit the Administration from reprogramming any of the funds appropriated for the Northern Triangle since FY2016.

Regional Developments

The governments of El Salvador, Guatemala, and Honduras are carrying out complementary efforts under their Plan of the Alliance for Prosperity in the Northern Triangle. They collectively have allocated \$7.2 billion for the initiative since 2016 and, with U.S. support, have made some tentative progress.

Economic growth has remained steady since 2014, averaging 2.3% per year in El Salvador, 3.5% in Guatemala, and 3.9% in Honduras, according to the International Monetary Fund. The stable macroeconomic situation has not translated into better living conditions for many households, however, as approximately 26% of Salvadorans, 59% of Guatemalans, and 67% of Hondurans live below their national poverty lines.

Security conditions in the region have improved in some respects, with homicide rates falling in all three countries in each of the past three years. The Northern Triangle countries remain among the most violent in the world, however, with homicide rates of 22 per 100,000 in Guatemala, 41 per 100,000 in Honduras, and 51 per 100,000 in El Salvador in 2018. The percentage of individuals reporting that they were victims of crime in the past year increased in all three nations from 2014 to 2017, according to the Latin American Public Opinion Project.

Efforts to improve governance have produced mixed results. The attorneys general of El Salvador, Guatemala, and Honduras—with the support of the U.N.-backed International Commission Against Impunity in Guatemala (CICIG) and the Organization of American States-backed Mission to Support the Fight Against Corruption and Impunity in Honduras (MACCIH)—have begun to investigate and prosecute high-level corruption cases. Their efforts have generated considerable pushback, however, and the Guatemalan and Honduran governments have sought to undermine CICIG and MACCIH repeatedly. The region has also experienced democratic backsliding, with Freedom House reporting erosions in political rights and/or civil liberties in all three Northern Triangle nations since 2014.

Additional Analysis

For additional analysis, see CRS In Focus IF11151, *Central American Migration: Root Causes and U.S. Policy* and CRS Report R44812, *U.S. Strategy for Engagement in Central America: Policy Issues for Congress*.

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