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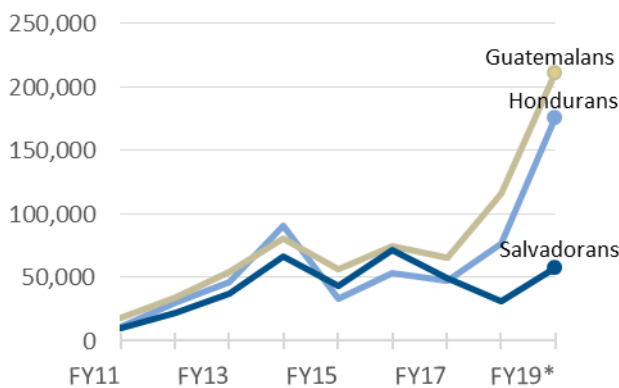
# U.S. Strategy for Engagement in Central America: An Overview

## 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 address those challenges effectively 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 has also surpassed Mexico as the largest source of irregular migration to the United States. In the first eight months of FY2019, U.S. authorities apprehended nearly 445,000 unauthorized migrants from the Northern Triangle at the southwest border (see **Figure 1**). More than 81% 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**



**Source:** 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, June 5, 2019.

**Notes:** FY19\* includes October 2018-May 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.

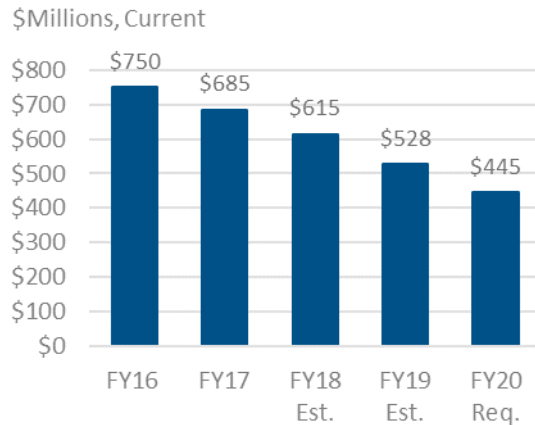
The Trump Administration initially maintained the strategy but adjusted it to place more emphasis on preventing illegal immigration, combating transnational crime, and generating opportunities for U.S. businesses. The Administration has also sought to scale back funding for the initiative.

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 announced in March 2019 that it intends to end 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 116<sup>th</sup> 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 75% 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, Fiscal Years 2017-2020; and H.Rept. 116-9.

### Conditions

Congress has placed strict conditions on assistance to the Northern Triangle in an attempt to bolster political will in the region and ensure that foreign aid is used as effectively as possible. 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, protecting the right of political opposition parties and other members of civil society to operate without interference, and resolving commercial disputes. 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 Termination of U.S. Assistance to the Northern Triangle

In March 2019, the Trump Administration announced that it intends to end foreign assistance programs in the Northern Triangle. Although the Administration has yet to detail its plans, the State Department has indicated that the decision will affect approximately \$450 million in FY2018 funding. That appears to include nearly all bilateral aid appropriated for El Salvador, Guatemala, and Honduras, as well as CARSI aid allocated to the Northern Triangle. In May 2019, however, Attorney General William Barr announced that some law enforcement assistance would continue. It remains unclear how the decision may affect assistance appropriated in other fiscal years or if the Administration intends to revise its FY2020 budget proposal, which requested \$445 million for Central America, including at least \$180 million for the Northern Triangle.

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—such as H.R. 2839 (incorporated into H.R. 2740), S. 1445, and H.R. 2615—that would restrict the Administration’s ability to transfer or reprogram assistance appropriated for Central America.

### 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. Drafted with technical assistance from the Inter-American Development Bank, the plan aims to address the root causes of emigration from the region by stimulating the productive sector, developing human capital, improving public safety, and strengthening institutions. The Northern Triangle governments collectively allocated an estimated \$7.2 billion to the initiative from 2016 to 2018.

With U.S. support, the Northern Triangle nations have made some tentative progress over the past three years. They have implemented policy changes intended to stabilize their economies and have benefitted from more favorable international economic conditions. Nevertheless, the improved macroeconomic situation has not translated into better living conditions for many residents of the region. Approximately 29% of Salvadorans, 49% of Guatemalans, and 53% of Hondurans live on less than \$5.50 per day, according to the World Bank.

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 over the past four years, with Freedom House reporting erosions in political rights and/or civil liberties in all three Northern Triangle nations.

### Policy Considerations

As Congress assesses potential changes to U.S. policy in Central America, it may consider the following questions:

- How have conditions in Central America changed since the launch of the U.S. Strategy for Engagement? How much aid over how many years would be necessary to alter conditions in the region substantially?
- To what extent are governments in El Salvador, Guatemala, and Honduras bolstering or undermining the effectiveness of U.S. assistance efforts? How could the U.S. government better support reformers in the region?

- How would ending foreign assistance programs in the Northern Triangle affect U.S. objectives in the region? If assistance to the region is reduced significantly, which programs and activities should remain priorities?

For further information and analysis, see CRS Report R44812, *U.S. Strategy for Engagement in Central America: Policy Issues for Congress*.

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