

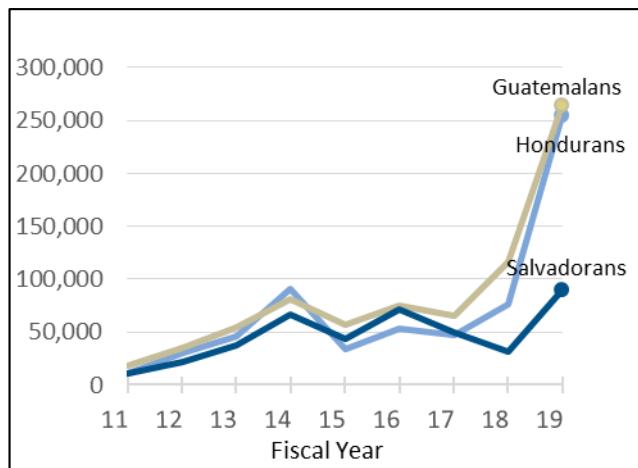
U.S. Strategy for Engagement in Central America: An Overview

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. Criminal organizations have used the Central American corridor for a range of illicit activities, including the trafficking of approximately 53% of South American cocaine bound for the United States in 2018. Central America also has surpassed Mexico as the largest source of irregular migration to the United States in recent years. In FY2019, U.S. authorities apprehended nearly 608,000 unauthorized migrants from the Northern Triangle at the southwest border (see **Figure 1**). More than 80% of those apprehended were unaccompanied minors or families, many of whom were seeking asylum.

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



Sources: 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, November 14, 2019.

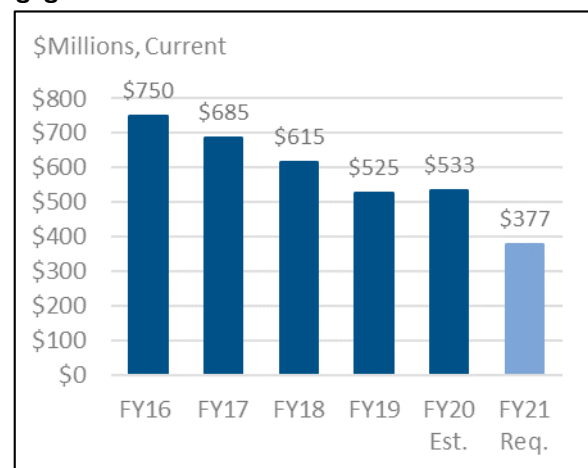
In 2014, the Obama Administration determined that it was in the national security interests of the United States to work with Central American governments to promote economic prosperity, improve security, and strengthen governance. It approved a new, whole-of-government U.S. Strategy for Engagement in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

The Trump Administration initially maintained the strategy, but suspended most aid for the Northern Triangle in March 2019—less than two years into the strategy’s on-the-ground implementation. Some Members of Congress objected to the Administration’s policy shift and introduced legislation to continue providing U.S. foreign assistance to the region. The decisions of the 116th Congress could play a crucial role in shaping U.S. policy in Central America.

Funding

Since FY2016, Congress has appropriated more than \$3.1 billion for the U.S. Strategy for Engagement in Central America (see **Figure 2**). Congress has divided appropriations relatively 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. U.S. agencies have allocated the vast majority of the aid to the Northern Triangle countries.

Figure 2. Appropriations for the U.S. Strategy for Engagement in Central America: FY2016-FY2021



Sources: U.S. Department of State, Congressional Budget Justifications for Foreign Operations, FY2018-FY2021; Congressional Notification 19-288, September 12, 2019; and FY2020 estimate data provided to CRS, June 15, 2020.

Note: Actual amounts may be lower due to the Administration’s decision to suspend and reprogram some aid.

Suspension of U.S. Assistance

The Trump Administration suspended most foreign aid to the Northern Triangle countries in March 2019 due to the continued northward flow of migrants and asylum-seekers from the region. Although some Department of Homeland Security and Department of Justice programs continued, the aid suspension forced other U.S. agencies to begin closing down projects and canceling planned activities. In Honduras, for example, the total number of beneficiaries of

U.S. Agency for International Development activities fell from 1.5 million in March 2019 to 700,000 in March 2020.

Over the course of 2019, the Trump Administration reprogrammed approximately \$405 million of aid appropriated for the Northern Triangle to other foreign policy priorities while negotiating a series of migration agreements with Guatemala, Honduras, and El Salvador. Under a *safe third country agreement* (also known as an *asylum cooperative agreement*), for example, the United States sent nearly 1,000 Hondurans and Salvadorans to Guatemala between November 2019 and March 2020, requiring them to apply for protection there rather than in the United States. Guatemala suspended that agreement in March 2020 due to the Coronavirus Disease 2019 (COVID-19) pandemic; similar agreements with Honduras and El Salvador have yet to begin implementation.

In October 2019, after the migration agreements had been concluded, the Administration announced it would begin restoring targeted aid to the region. As of June 12, 2020, the Administration had informed Congress of its intention to release more than \$705 million of new and previously suspended assistance for the Northern Triangle (see **Table 1**). The Administration asserts that the funds are intended to deter migration, advance U.S. national security interests, implement the asylum agreements, respond to the COVID-19 pandemic, and address other health and humanitarian needs in the region. U.S. agencies have now programmed all of the FY2017 and FY2019 assistance for the Northern Triangle that the Administration had suspended.

Table 1. Targeted Aid for the Northern Triangle
(funds identified for release by the State Department, by appropriation year [millions of current U.S. dollars])

	FY17	FY18	FY19	FY20	Total
El Salvador	31.2	1.0	122.4	23.2	177.9
Guatemala	52.4	2.7	140.6	52.2	248.0
Honduras	35.7	5.0	134.2	11.6	186.5
Regional	13.4	—	48.4	31.1	92.9
Total	132.7	8.8	445.6	118.1	705.2

Sources: U.S. Department of State, “State Department and USAID Migration Related Assistance Programming,” document provided to Congress, November 2019; and “Assistance to El Salvador, Guatemala, and Honduras by Goal, Bureau, and Program,” document provided to Congress, June 2020.

Note: Nearly \$170 million would be provided through foreign assistance accounts other than those through which Congress has appropriated funding for the Central America strategy.

FY2021 Appropriations and Authorizations

The 116th Congress is now considering the Trump Administration’s FY2021 budget request, which includes nearly \$377 million for the Central American region. The Administration has not requested any foreign aid specifically for El Salvador, Guatemala, or Honduras, but asserts that some of the regional aid could be allocated to the Northern Triangle countries if they continue to take action to stem migration to the United States.

Congress also could consider authorizing certain foreign assistance activities in Central America to guide aid levels, set priorities, and enhance oversight of U.S. policy in the region. Several such measures have been introduced in the 116th Congress, including H.R. 2615—passed by the House in July 2019, H.R. 2836, H.R. 3524, S. 1445, and S. 1781.

Regional Developments

According to a September 2019 U.S. Government Accountability Office (GAO) report, “limited information is available about how U.S. assistance [has] improved prosperity, governance, and security in the Northern Triangle.” GAO notes that U.S. agencies lack a comprehensive monitoring and evaluation plan, and that project-level assessments have found mixed results. In September 2019 congressional testimony, State Department officials asserted that U.S. foreign aid programs had been “producing the results [they] were intended to produce” with regard to security, governance, and economic development in the region. Nevertheless, the officials defended the Administration’s aid suspension by arguing that the number of Central American migrants apprehended at the U.S.-Mexico border is “the only metric that matters.”

Although country-level indicators measure factors outside the control of the U.S. government, U.S. assistance can contribute to nationwide improvements over the longer term.

- The Northern Triangle economies have grown by an average of 3.2% annually since 2014. The stable macroeconomic situation has not translated into better living conditions for many households, however, and the U.N. Economic Commission for Latin America and the Caribbean forecasts that poverty will increase by at least 1.5 percentage points in the region in 2020 due to the COVID-19 pandemic.
- Homicide rates in the region have fallen significantly since 2014. The Northern Triangle countries remain among the most violent in the world, however, with 2019 homicide rates of 21.4 per 100,000 residents in Guatemala, 36.5 per 100,000 in El Salvador, and 44.7 per 100,000 in Honduras, according to local violence observatories.
- Prosecutors in the Northern Triangle have made tentative progress combatting high-level corruption, but may struggle to maintain their efforts without the support of international anti-corruption commissions in Guatemala and Honduras. The Northern Triangle also has experienced democratic backsliding, with Freedom House reporting erosions in political rights and civil liberties in all three countries since 2014.

Additional Analysis

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

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