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

Introduction

Instability in Central America is one of the most pressing challenges 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 also has become a significant source of mixed migration flows of asylum seekers and economic migrants to the United States. In FY2017, U.S. authorities at the Southwest border apprehended nearly 163,000 unauthorized migrants from the Northern Triangle. More than 63% of those apprehended were unaccompanied children or families, many of whom were seeking humanitarian protection. These flows have continued over the past year, with some migrants banding together in large “caravans” to make the journey.

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 in the region. It approved a new, whole-of-government U.S. Strategy for Engagement in Central America and requested significant increases in foreign aid to enable the strategy’s implementation. With congressional support, U.S. assistance to Central America more than doubled from \$338.1 million in FY2014 to \$753.7 million in FY2016.

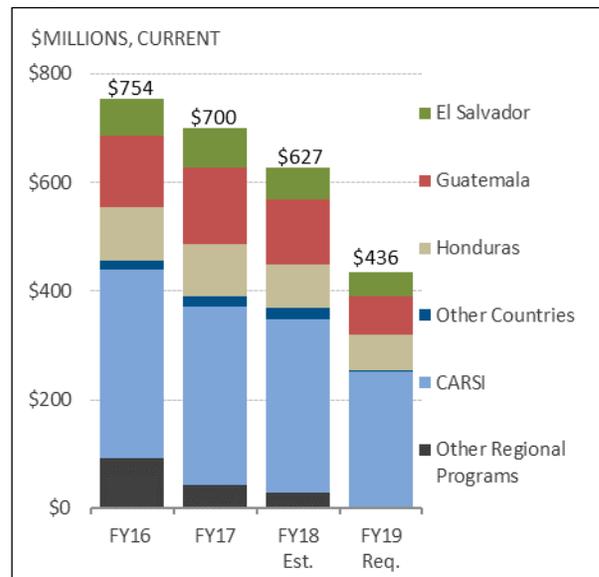
The Trump Administration has voiced support for efforts to promote prosperity and security in Central America but has sought to significantly scale back U.S. assistance to the region. Congress has rejected the majority of the Administration’s proposed cuts, appropriating \$699.7 million for the Central America strategy in FY2017 and an estimated \$626.5 million for the strategy in FY2018.

Funding

Since FY2016, Congress has appropriated an estimated \$2.1 billion for the U.S. Strategy for Engagement in Central America. The assistance has been roughly evenly divided between traditional development programs focused on good governance, economic growth, and social welfare, and security and rule-of-law efforts intended to prevent violence, reform justice-sector institutions, and combat gangs and organized crime. Some 41% of the aid has been appropriated for the Northern Triangle nations, and 3% has

been appropriated for Belize, Costa Rica, Nicaragua, and Panama. Congress has appropriated the other 56% to regional programs, such as the Central America Regional Security Initiative (CARSI) (see **Figure 1**). Country-by-country breakdowns are not available, but the vast majority of funding for regional programs appears to have been allocated to the Northern Triangle.

Figure 1. Funding for the U.S. Strategy for Engagement in Central America: FY2016-FY2019



Sources: U.S. Department of State, Congressional Budget Justifications for Foreign Operations, Fiscal Years 2017-2019; U.S. Department of State, “FY 2018 653(a) Allocations – FINAL,” 2018; and the explanatory statement accompanying P.L. 115-141.

Notes: “Other Countries” includes Belize, Costa Rica, Nicaragua, and Panama. CARSI = Central America Regional Security Initiative.

President Trump occasionally has threatened to cut off aid to the Northern Triangle countries. He has significant discretion to do so with funds Congress appropriated in FY2018, since the Consolidated Appropriations Act, 2018 (P.L. 115-141), placed a ceiling on aid to the region but no floor. The act also empowers the Secretary of State to suspend and reprogram some aid if he determines the Northern Triangle governments have made “insufficient progress” in addressing various legislative conditions (see “Conditions,” below).

FY2019 Request

The Trump Administration’s FY2019 budget request included \$435.5 million to continue implementing the Central America strategy. If enacted, assistance to the region would decline by 30% compared to the FY2018 estimate. The request included \$45.7 million for El Salvador (-21%), \$69.4 million for Guatemala (-42%), \$65.8 million for Honduras (-18%), and \$1.8 million for the

other four nations in the region (-91%). It also included \$252.8 million for CARSI (-21%). Although the request would cut all types of assistance, it would shift the balance of the remaining aid toward security and rule-of-law efforts and away from governance and economic growth programs.

The Senate and House Appropriations Committees reported their respective FY2019 Department of State, Foreign Operations, and Related Programs appropriations measures on June 21, 2018, and July 16, 2018. The Senate committee bill (S. 3108) would have provided \$515.5 million for the Central America strategy, and the House committee bill (H.R. 6385) would have provided \$595 million. Neither bill received floor consideration, however, and a stopgap measure (P.L. 115-298) that continued to fund the Central America strategy at the FY2018 level expired on December 21, 2018. Funding for the remainder of FY2019 will depend on appropriations legislation enacted by the 116th Congress.

Conditions

Congress has placed strict conditions on assistance to the Northern Triangle in an attempt to bolster political will in the region and ensure foreign aid is used as effectively as possible. According to the Consolidated Appropriations Act, 2018 (P.L. 115-141),

- 25% 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 informing their citizens of the dangers of irregular migration, combating human smuggling and trafficking, improving border security, and cooperating with the United States to receive and reintegrate repatriated citizens who do not qualify for asylum.
- Another 50% must be withheld until the Secretary of State certifies that the governments are addressing 12 other concerns, including combating corruption; countering gangs and organized crime; increasing government revenues; supporting programs to reduce poverty and promote equitable growth; and protecting the rights of journalists, political opposition parties, and human rights defenders to operate without interference.

The State Department certified that all three countries met both sets of conditions in FY2016 and FY2017. For FY2018, it has issued certifications for all three countries regarding the first set of conditions but not the second set.

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 \$7.7 billion to the initiative from 2016-2018.

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 31% of Salvadorans, 49% of Guatemalans, and 50% 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. Nevertheless, the Northern Triangle countries remain among the most violent in the world, with homicide rates of 26 per 100,000 in Guatemala, 44 per 100,000 in Honduras, and 60 per 100,000 in El Salvador in 2017. The percentage of individuals reporting they were victims of crime in the past year increased in all three Northern Triangle nations from 2014 to 2017, according to the Latin American Public Opinion Project.

The region has made some tentative progress in improving governance, though there have been considerable setbacks over the past year. 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 also has experienced democratic backsliding, with Freedom House reporting erosions in political rights and 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?
- How would cuts in assistance to Central America affect U.S. objectives in the region? If assistance to the region is reduced significantly, which programs and activities should remain priorities?
- How have the Trump Administration's domestic immigration policies affected irregular migration from the region? How might those policy changes affect U.S. objectives in Central America?

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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