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# UNACCOMPANIED ALIEN CHILDREN: PRESSING THE ADMINISTRATION FOR A STRATEGY

U.S. HOUSE OF REPRESENTATIVES, COMMITTEE ON FOREIGN AFFAIRS, SUBCOMMITTEE ON  
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“UNACCOMPANIED ALIEN CHILDREN:  
PRESSING THE ADMINISTRATION FOR A STRATEGY”

TESTIMONY OF  
ROBERTA S. JACOBSON  
ASSISTANT SECRETARY OF STATE  
BUREAU OF WESTERN HEMISPHERE AFFAIRS  
U.S. DEPARTMENT OF STATE  
BEFORE  
THE SUBCOMMITTEE ON WESTERN HEMISPHERE AFFAIRS  
UNITED STATES HOUSE OF REPRESENTATIVES  
NOVEMBER 18, 2014

Mr. Chairman, Ranking Member Sires, and Members of the Committee:

Thank you for the opportunity to testify on the United States strategy for engagement with Central America. I know many of you have been personally involved on this issue. The Administration welcomes the support and interest of this committee in our efforts to develop a humane and effective response to these migrants – unaccompanied children and families – arriving at our southwest border. Although we are encouraged that the numbers have decreased since July, we remain vigilant in our efforts to protect these children and address the underlying factors of violence and poverty in their countries of origin that are pushing them north.

More than sixty-five thousand unaccompanied children have left their homes to make the dangerous journey to the United States this year. From a foreign policy perspective, this migration is a warning sign that the serious and long-standing challenges in Central America are worsening. The course of action is clear. We must adequately address the underlying factors compelling so many to undertake this dangerous journey or be prepared for what is likely to be an ongoing cyclical phenomenon - with significant cost to the United States.

A stable, prosperous, and well-governed Central America is an important national security interest of the United States. Just last week, the Inter-American Development Bank hosted a conference on “Investing in Central America” where Vice President Biden and the Presidents from El Salvador, Guatemala, and Honduras spoke about opportunities and challenges for growth and better

governance in Central America. We appreciate the IDB's role in bringing stakeholders together and offering to provide follow-up technical meetings.

Fortunately, we believe the essential condition for finding solutions is present: political will in the region. Central American leaders recognize the scope of the challenges they face at home and have begun to act. At the IDB conference, the presidents of El Salvador, Guatemala, and Honduras publicly presented an unprecedented, coordinated plan – the Alliance for Prosperity in the Northern Triangle. Their plan includes a clear-eyed assessment of the region's challenges, well-considered lines of action to resolve them, and specific priorities that they themselves will pursue. The plan addresses the underlying factors of migration and promotes a region of opportunity for all of its citizens, especially young people. The presidents' message at the conference was simple: the region's leaders know they have serious challenges and are prepared to make the tough choices to address them, but they need our assistance.

Their agreement to a joint plan is, in and of itself, an important demonstration of this political will, which we must now harness to cultivate, and where appropriate, expand the effective developmental and security partnerships that are in the U.S. national interest.

Without significant progress in Central America, the region will continue to face extreme violence, severe economic inequality and social exclusion, and widespread corruption and poverty, compelling many Central Americans to flee their homes each year. Others will embark on this journey to reunify with relatives and family members who are already residing in the United States or to enjoy higher quality of life in the United States. A secure, democratic, and prosperous Central American region will be a stronger partner for the United States and will provide an environment in which all of its citizens, including youth, find opportunities to build their lives at home.

Over the course of the past 18 months, the U.S. government has taken a hard look at both our approach and our investments. We determined that while security is still paramount, in order to succeed, we needed to broaden our vision. Consequently, we developed an interagency strategy that can support much of what the leaders of Central America put forward in their own coordinated plan. The U.S. Strategy for Engagement with Central America both aligns with and supports the objectives of the Alliance for Prosperity plan.

To achieve this vision, U.S. engagement with Central America must balance three objectives – prosperity, governance, and security. These goals are interrelated and interdependent.

Our **prosperity** agenda fosters integration of a regional market of 43 million people so that local businesses can become more competitive and the region can be more attractive to international investors. **Economic growth should reach everyone, not just the well-connected few.** Our efforts will promote better education and vocational training for all citizens including women and vulnerable ethnic groups, and create business environments that are friendly to entrepreneurs, and provide alternatives to the illicit activities that contribute to insecurity and undermine effective governance.

Our **governance** agenda recognizes that **economic growth is only sustainable when the rule of law and democratic institutions flourish, corruption and impunity is reduced, fundamental freedoms are respected, and civil society and the media can play their rightful roles.** In many Central American countries, citizens, businesses and governments face corruption, transnational crime, and political cronyism. In such an environment, governments often fail to provide the most basic services and protections. We know that the sustainability of U.S. efforts will be magnified if we focus on government effectiveness and accountability, and leverage our investments to demand honest leadership and a verifiable commitment to the rule of law from our partners in the region.

Without a doubt, **the security agenda will remain a core priority.** If we do not collectively and effectively address insecurity now – from neighborhood streets to transnational criminal networks in El Salvador, Guatemala, and Honduras, the payoff from our other important investments will not bear fruit in the longer term.

Let me be clear. We are still a long way from achieving our core goals of sustained prosperity, good governance, and security in Central America. There is no greater indication of this fact than what we all witnessed this past summer: the willingness of tens of thousands of children to abandon their homes and travel up the isthmus and through Mexico to the United States – at substantial cost and amid the ever-present risk of rape, abuse, and death – to flee the dire conditions many face in their home communities.

Mr. Chairman, I can report that over the past few months, in partnership with Central American governments, we have achieved several important successes. Our coordinated public messaging campaigns informed families about the dangers of a migrant's journey effectively and countered false messages peddled by migrant smugglers. Increased focus on smuggling networks in Honduras and Guatemala by host country law enforcement, including U.S. trained and vetted teams, has led to arrests of smugglers and the rescue of over 235 children. El Salvador, Guatemala, and Honduras are all regularly receiving repatriation flights. The Government of Mexico has also been a vital partner.

While historical migration trends typically show a decrease in the number of migrants crossing the U.S. southern border during the hot summer months and in the fall, we believe that unprecedented efforts on the part of the Administration and our partners in Central America and Mexico bore meaningful results. The number of unaccompanied children apprehended at the U.S.-Mexico border decreased from 10,628 in June to 2,514 in October – levels last seen in January 2013.

As interdiction and enforcement efforts ramp up, we remain conscious of the need to provide protection for children and other vulnerable migrants who need it—and this too is a central component of our efforts.

Our colleagues in the State Department's Bureau of Population, Refugees and Migration – or PRM – are working with international organizations, like the Office of the United Nations High Commissioner for Refugees (UNHCR), to strengthen asylum systems in the region and find ways to protect children who are threatened or displaced in their own countries so they are not forced to flee. They support the International Organization for Migration (IOM) to help the region's governments manage migration and enforce border security in a humane way. At the direction of the White House, PRM has also worked with the Department of Homeland Security, US Citizenship and Immigration Service (USCIS) to develop a new program that was announced by Vice President Biden in his remarks last week at the Inter-American Development Bank. This new program will allow parents lawfully present in the United States to petition for their children in El Salvador, Guatemala, and Honduras to come to the United States as refugees. Those children not eligible for refugee status will be considered on a case-by-case basis for humanitarian parole. Our aim is to offer a safe, legal, and orderly alternative to a child making the dangerous journey alone to the US border.

However, any progress cannot be sustained without an increased and re-engaged U.S. commitment to our long-term strategy in Central America. We assess that it could take \$5 billion over 5 years to fully implement this strategy. It is our intent to work with our regional partners who are going to put their own money and expertise into the effort, coordinate more effectively with international financial institutions, and promote private sector leadership in their efforts on this issue. Our own contributions will leverage these efforts and demonstrate American leadership and commitment to the region.

Despite serious and complex challenges, there is reason to be optimistic about Central America's future. As I mentioned, I believe the three leaders of the Northern Triangle countries of El Salvador, Guatemala, and Honduras are prepared to make hard decisions and to invest their own national budgets. Leaders in Panama and Costa Rica are demonstrating how the region can modernize and integrate to achieve better economic outcomes. Now is the time for a new U.S. approach to Central America that harnesses the region's political will for change and advances a strategy that balances and prioritizes prosperity, good governance, and security in equal measure. We have a vision, we have a plan, and we want to work with Congress to help Central America and protect U.S. national security.

Thank you and I welcome your questions.

**Testimony of Elizabeth Hogan**  
**Senior Deputy Assistant Administrator for Latin America and the Caribbean**  
**U.S. Agency for International Development**  
**House Committee on Foreign Affairs**  
**November 18, 2014, 2PM “ How USAID is Responding to the Challenge of**  
**Unaccompanied Minor Migration from Central America”**

Chairman Salmon, Ranking Member Sires, Members of the Subcommittee, thank you for the opportunity to share how the U.S. Agency for International Development (USAID) is responding to the challenge of unaccompanied minors migrating from El Salvador, Guatemala and Honduras to the U.S. border. Our response to this challenge is consistent with the U.S. policy to address underlying causes of this problem and our mission to partner to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity.

Through family connections, remittance flows, economic ties and gang activity, the countries of Central America are increasingly linked to communities in the United States, some of which are located just a few miles from this hearing room. For the past five years, USAID has worked alongside the State Department and other U.S. agencies to prioritize assistance in the areas of security, governance and economic development in Guatemala, Honduras and El Salvador. In recognition of the gravity of the development challenges in Central America and the impact those challenges could have on the United States, USAID has maintained funding levels to Central America even in a constrained budget environment. In fact, we have shifted approximately \$100 million over the last five years from USAID programs in South America to Central America.

Although we have shifted resources and maintained the budget, clearly more needs to be done. This is why the Administration requested additional resources in the FY 2014

supplemental budget request and why we look forward to working with Congress to ramp up our programming as additional resources become available. We believe these additional resources will result in security and development gains that exceed their costs – even in the short run, and most certainly in the medium to longer term. Our confidence in the effectiveness of our approach at the scale we have been able to enact is based on a recent independent impact evaluation in high crime communities in El Salvador, Guatemala, Honduras and Panama that provide statistically significant evidence that crime rates are lower and public perception of security higher in the areas in which we work as a direct result of our crime prevention efforts. Getting wider results on the ground that will impact the lives of millions of citizens, however, needs resources to scale up and nationalize these very positive efforts.

Mr. Chairman, we have learned that the reasons for migrations are varied and complex. For example, the child migrants from Guatemala are predominantly from indigenous communities and rural areas while those from Honduras are largely from urban areas. We know that the underlying factors of lack of economic opportunity, threats to personal security, and the wish to reunite with families coupled with misperceptions about U.S. immigration laws are driving migration, yet some of these factors weigh more heavily for some communities than others. Most of the young people arriving at the U.S.-Mexico border are between the ages of 14 and 17. Many of them are aware that the journey is dangerous. Nevertheless, they and their parents choose to take this risk, and many of them do so more than once.

The surge in unaccompanied minors migrating out of Central America makes the adoption, ownership and expansion of proven crime and violence prevention approaches by Central American governments more important than ever. Our greatest impact, over time, will be that programs which have demonstrated success become the policy of the host nation-

supported by their taxpayers. We are heartened that these governments are increasingly dedicating additional financial and intellectual resources to address the root causes of violence and criminality in their countries. However, even greater investment by Central American governments is needed to deepen the impact of our joint efforts. Host nations are working hard to help their most vulnerable populations who live on the margins of the formal economy, but we can and should urge them to do more to enact needed reforms. As the Vice President told Central American leaders on November 14 at the Inter-American Development Bank conference on addressing the constraints to growth in El Salvador, Honduras and Guatemala, “Urgent challenges demand urgent action—backed by courage and political will. It’s hard, but it can be done.”

In terms of a direct response to this year’s migration flow, USAID has moved quickly to strengthen the reception capacity of the three main countries of origin. Through a \$7.6M grant to the International Organization for Migration (IOM), we are working to ensure that countries can receive and process increased numbers of returnees of all ages. In addition, we are working to make sure that the governments in the region can provide any immediate care and onward assistance for returning families and children so that they are received home in a safe, dignified, and orderly manner.

Pending final Congressional approval, USAID expects to implement up to \$160 million in FY 2014 funds to tackle the root causes of the crime, violence and economic insecurity driving the child migration phenomenon. Through the Central America Regional Security Initiative (CARSI), we are supporting crime and violence prevention programs that expand opportunities for youth living in insecure neighborhoods and strengthen the institutions charged with administering justice and keeping people safe.

USAID's prevention strategy revolves around smart targeting – geographic, demographic, and according to a specific set of risk factors for violence. In simple terms, our work seeks to concentrate prevention efforts on high-risk youth in high-risk communities. For example, by partnering with the Los Angeles Mayor's Office and the University of Southern California, we are using tried and tested methodology to identify a set of specific risk factors most associated with youths joining gangs.

We have evidence that these kinds of programs are working, and evidence is crucial so we can build on what really works. The final results from a four-year, third-party impact evaluation carried out by Vanderbilt University in high crime communities in El Salvador, Guatemala, Honduras and Panama show that – as a direct result of USAID's programs – reported crime is lower and public perception of security higher. Our community-based crime prevention approach is a package of activities that include programs for at-risk youth, such as outreach centers that provide safe spaces and workforce preparedness training; security-related planning by municipal crime prevention committees; activities that address environmental issues like street lighting and graffiti; and community policing.

The Vanderbilt evaluation found that, compared to what would have occurred without USAID intervention, 57% fewer residents in targeted communities in Honduras reported being aware of extortion in their neighborhoods; in Guatemala, 60% fewer residents reported being aware of homicides in their neighborhoods; and in El Salvador, 36% fewer residents reported being aware of illegal drug sales in their neighborhoods. People believe and see their communities are getting better.

Agustin, a former gang member from Guatemala, participated in a USAID funded prevention program several years ago. He turned his life around, became a family man,

and now gives "prevention talks" to schools in his community. As an activist with the Youth Movement Against Violence, Agustin has starred in his own Tedx Talk series offering solutions for at risk youth.

USAID is already starting to expand the most successful prevention approaches beyond the initial test communities, working with municipal and national Central American leaders. For instance, over the past six years, we have increased our network of youth outreach centers -- which offer youth services and refuge from gang violence -- from 25 in Guatemala to 139 across Central America, and worked with mayors to root these programs in the community. And we are preparing to open an additional 77 centers in high-crime neighborhoods in El Salvador. In Honduras alone, tens of thousands of youth have received assistance through more than 40 such centers based in that country's most violent cities. President Hernandez of Honduras has seen this in action and has publicly committed to allocating 30 percent of the funds collected through the country's Security Tax to support prevention programs.

In Guatemala, the government has expanded USAID's successful 24-hour court model to additional communities, demonstrating its commitment to an independent and accessible judicial system, and the Government of El Salvador launched its ambitious new National Strategy for Violence Prevention in February to empower municipalities to lead on prevention efforts.

Going forward, USAID will continue to better target our assistance to those communities where crime, violence and child migration rates remain high, working alongside the State Department, Departments of Justice and Homeland Security, and other international donors. Through the *Safer City* model, which we are currently developing, we will align our resources and efforts with those of host governments, donors, private sector, and multi-laterals to ensure economies of scale. The most effective way to reduce homicide and violence is through such an

integrated approach, which must ultimately be scaled up by the governments in the region.

While insecurity related to crime and violence is cited as a primary driver for the migration of minors from the region, the lack of jobs and economic opportunities at home for youth and their families is also a crucial factor. USAID's development programs -- to create jobs, spur agricultural development, strengthen food security and improve literacy and youth workforce development -- seek to improve the educational opportunities and livelihoods for the poor in more rural areas. These programs remain particularly relevant because they complement and amplify our youth and urban-oriented CARSI programming and will be coordinated with our outreach efforts with the private sector. As Secretary of Commerce Pritzker told the presidents of El Salvador, Honduras and Guatemala on November 14, "to further advance your countries' success, we want to see your best and brightest young people stay home, start businesses, and help grow your economies."

In Guatemala, for instance, USAID is investing nearly \$25 million over five years in a new program to improve educational access and quality for under-served populations, including rural indigenous girls and boys in 900 rural schools, and educational and vocational training opportunities for 2,000 out-of-school youth in the country's Western Highland region.

In El Salvador, where small and medium-enterprises (SMEs) account for half of all economic activity in a nation of 6 million people, a USAID partnership with Banco Davivienda unlocked \$25 million for SMEs to help spur job creation.

As part of our Feed the Future investments in Honduras, USAID contributed \$24.5 million to the new Dry Corridor Initiative to promote sustainable agricultural development in the country's drought-plagued southwest border region and improve the livelihoods of some 50,000 families.

And we are supporting a robust program across the region to limit the devastation of the Coffee Rust epidemic on Central America's lucrative coffee sector. Our investments are helping small-scale coffee growers and workers all along the coffee value chain replant, refinance and improve management of coffee farms.

These kinds of economic development programs align with our crime prevention programs to build a foundation for prosperous economies that offer economic and other opportunities for youth and their families, and in so doing relieve the pressure to migrate north. The integrated nature of our assistance in Central America is precisely why we are not looking to cut programs in rural agriculture or climate change or health and redirect those resources exclusively to crime prevention programs. We caution against narrowing our portfolio in those countries any further.

The U.S. government continues to successfully utilize partnerships with the private sector to supplement and sustain our investments in Central America and encourage corporate social responsibility. Over the past few years, USAID has leveraged approximately \$40 million in private sector resources to support at-risk youth. For example, through a USAID and Microsoft collaboration in El Salvador, approximately 25,000 youth in 13 high-crime municipalities will have access to competitive computer and technology training and a path to certification. These partnerships are part of an effort to help build a Central American economy that provides viable opportunities for current and future generations to thrive.

Such partnerships are also integral to the effectiveness of our economic development programs. In Honduras alone, USAID has developed 41 partnerships with companies, including Syngenta and Walmart, to strengthen key agricultural value chains and increase incomes of farmers and agricultural workers (more than 24,000 to date). We're also partnering with coffee

industry leaders, Keurig Green Mountain, Starbucks and Smuckers, to help coffee farming areas recover from the coffee rust outbreak.

The U.S. strategy in Central America recognizes the inextricable requirements of progress in areas of prosperity, security and governance. We remain convinced that only by working to keep children safe and in school, train out-of-school youth for higher education or work and help business create jobs, while encouraging more government transparency, effectiveness and a stronger rule of law, will Central America become the peaceful and prosperous region we all desire.

Thank you and I look forward to answering any questions you may have.

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**Testimony of Robert N. Kaplan**  
**President and CEO, Inter-American Foundation**  
**Before the Subcommittee on the Western Hemisphere,**  
**House Committee on Foreign Affairs**  
**For the hearing,**  
**“Unaccompanied Alien Children: Pressing the Administration for a Strategy”**  
**November 18, 2014**

Chairman Salmon, Ranking Member Sires and members of the Subcommittee:

Thank you for the opportunity to appear today to testify on behalf of the Inter-American Foundation (IAF), a small independent foreign assistance agency of the U.S. government that works directly with the organized poor in Latin America and the Caribbean. The board and staff of the IAF appreciate this Subcommittee’s long-standing support for our mission of promoting and investing in citizen-led grassroots development to help communities thrive.

As the members of this Subcommittee deliberate on weighty matters of national and regional scope in our hemisphere, we appreciate your interest in a community-level perspective. We all know from our own country’s experience that thriving communities strengthen democracy, expand economic opportunities and enhance social resilience. Our strongest communities are those where ordinary citizens work together as neighbors to achieve common objectives. That is the essence of the IAF’s work in Latin America and the Caribbean. I am pleased to discuss with you today our activities in Central America, and how we can complement the efforts of other government agencies, as well as private organizations and firms, to help our Central American neighbors provide better opportunities for their citizens to lead healthy, safe and productive lives.

You well know the long list of “push” factors in Central America that contribute to individuals’ decisions to leave their community. Regardless of whether they move to another part of their country, to somewhere else in Central America or Mexico, or attempt to cross into the United States, the exodus is a symptom that something is wrong back home.

In poor communities where the IAF works, we see the human costs of too few good jobs, barriers to starting and sustaining small enterprises, and a lack of viable options for young people to continue their education locally. Access to clean water, basic utilities, good roads and affordable sources of energy are often scarce. In the “northern triangle” of El Salvador, Guatemala and Honduras, one-quarter of the population subsists on less than \$2.00 per day. How can parents send their children to high school in a neighboring town when gangs routinely board buses to shake down students, or worse? The cost of extortion keeps entrepreneurs from opening shops. Neighborhoods divided by gangs or at-risk from organized crime shutter at 7:00 p.m. When natural disasters strike, the poor are particularly vulnerable. This year’s severe drought in Central America added to the misery in rural communities already suffering from the devastating

effects of a widespread outbreak of coffee rust. Small farmers have reported losing half their crop.

Facing these threats, families do not know where to turn. Government institutions are too often absent, unable to respond adequately or simply not trusted. When citizens feel unprotected by the state, it is little wonder that they lose faith that democracy can work for them. Community “safety nets” have broken down as well; local civil society organizations are under-resourced and themselves subject to many of the same pressures, vulnerabilities and fears. The private sector can do more to provide a spark for economic development that is inclusive and benefits local people most likely to migrate. But too often, reports of corruption and firms’ indifference to the local population fuel cynicism and contribute to a climate of despair.

It is in this context that the IAF has invested carefully over many years to help local Central American citizens’ organizations gain some control over their lives by carrying out initiatives that they themselves conceive. Our partners set priorities and demonstrate their commitment by contributing their own funds to the effort; on average, they provide about \$1.30 for every \$1.00 invested by the IAF, making the U.S. a minority partner in the development projects we support. Our portfolio is diverse because it reflects local priorities, ranging from microbusiness development to agricultural diversification to domestic violence prevention to watershed management. At the same time, our selection process ensures that we apply our resources prudently to achieve U.S. interests as well. As others invest in improving state institutions, the IAF invests directly at the grassroots to strengthen the capacity of citizens to be protagonists in their communities’ development and to engage their governments effectively.

Today, our active portfolio in Central America includes 81 projects, representing \$37 million of combined investment by the IAF and our grantee partners. Looking only at the three northern triangle countries, we are supporting local initiatives in over 880 communities. Similarly, in Mexico, we are supporting work in over 400 communities, mostly in the southern states. These urban and rural communities are the homes of families struggling to sustain and protect themselves.

What are some of the results of the IAF’s investments? Our grantee partners report their results every six months, and we independently verify the information. In the last few years, they created over 14,300 new jobs for low-income people in Central America. In the northern triangle, 80 percent of our grantee partners who tracked income generation reported an increase, on average more than doubling household income in a year.

Participation has changed the appeal of migration. In a survey of participants in one project that helped create 15 community-based businesses in El Salvador, less than 22 percent of those aged 25 years or younger said they would consider migrating, compared to 83 percent when the project started. Most insist they want to contribute to the economic stability of their communities

and create employment opportunities for their neighbors. Similarly, a recent IAF grantee partner in rural Guatemala used a combination of education programs on the risks of migration, credit and training for small farming businesses to reduce emigration among youth. Nearly 60 percent of families in this municipality had at least one member living in the United States, yet 79 percent of the 730 young participants had decided not to migrate by the end of the grant period.

Importantly, with half of Central America's population under 25 years old and a disproportionate number of them poor, many of the initiatives we support engage young people, and these are the focus of my remarks today. About 45 percent of the IAF's investment in El Salvador, Guatemala and Honduras benefit young people directly; even more benefit indirectly as the children of mothers and fathers involved in IAF-funded programs.

What do we see that works to keep Central American youths in their home communities? Let me share a few insights from our experience.

Creating jobs by itself may not necessarily be enough to stem emigration. Similarly, providing activities to "occupy the time" of so-called "ni-ni's" -- a term referring to the one-quarter of youths aged 15-24 in Central America who neither study nor work -- is not sufficient if youths remain passive recipients of programs designed or carried out by others. A first lesson from our experience is that when disadvantaged youths come together on their own initiative to build skills and safe spaces, start their own small businesses, and exercise leadership and teamwork for the benefit of their community, they are less likely to leave. Why? Because they become *invested* in the *present* and *future* of their home communities. Through their own effort, young people with financial hardship acquire the tools, knowledge, confidence and social support networks that make it possible -- and preferable -- to sustain themselves in their home communities and respond constructively to crises. Ideally, their enthusiasm becomes contagious among their peers as well. As one Honduran teenager participating in an IAF-funded project in Tegucigalpa recently told us, "*Before participating in the program, I wanted only to follow the American Dream; now I believe that I can create my American Dream here.*" And as a Salvadoran youth participant explained, "*Before, I thought of moving to a different country, but now I think about making changes in **my** country.*"

Second, community-based initiatives should target those at greatest risk of migrating. This is a dynamic group of young people, who, though poor or disadvantaged, have impressive drive and ambition for their future and feel locked out of opportunities at home. Our grantee partners seek to unlock access to economic, educational and other social advancement in hundreds of communities where these young people live.

Third, it is important to let youths lead. Listen and respond to the ideas marginalized young people themselves present. Rather than treating them as passive participants or trainees, we need

to give young people opportunities to take on leadership roles in the design, implementation and long-term sustainability of community-based initiatives.

Fourth, invest in both urban and rural youth, and meet them where they are -- in their home communities -- because it can be too dangerous for young people to travel outside of their neighborhoods. Central American youth migrants come from both urban and rural settings. In many cases, those from the countryside first migrate to city slums before eventually leaving the country. We have aligned our investments in the region to address this important dynamic.

Fifth, markets matter, and investing in the creation and improvement of local economic opportunities is fundamental. Young people need the skills to increase their competitiveness in the job market or to open and sustain small businesses. If they decide to go into business, they need access to affordable financing. With a poorly functioning economy that is unable to generate dignified work in so many communities, it is no surprise that the IAF receives so many requests to support microenterprise development, microcredit or community savings and loan associations.

Let me give you an example to illustrate this point. In the slums of Tegucigalpa and surrounding rural areas, IAF grantee partner Centro de Educación Vocacional Grupo Juvenil Dion (GJD) is working to improve the employment prospects of high-risk youths through vocational training, internships with local businesses and access to microcredit. A majority of the youth and their families live in areas of the city saturated with gang activity, poverty, and crime. The center combines training in hard skills with programs that develop communication and soft skills. So far, 800 young Hondurans have graduated with certification in technical trades and 105 have gotten access to microcredit to launch enterprises, including beauty salons, bakeries and carpentry businesses. At this point, 91 percent of borrowers are current with their loan payments. Importantly, “mobile workshops” take the training program to youths in communities outside metropolitan Tegucigalpa. Its marketing center provides a venue and support for six brands for the entrepreneurs’ products and services.

Sixth, building the ability of citizens to engage their government regarding urgent local needs is a critical step to increase their commitment to their home communities. Civic engagement is a challenge for marginalized communities with large out-migration. Many do not know how to raise concerns with their government and hold local officials to account for responding to citizens’ needs. Feeling hopeless about the ability to change their circumstances at home, they vote with their feet. Let me give you another example. An IAF grantee partner, Asociación Para el Desarrollo Sostenible de la Juventud (ADESJU), is changing this attitude among the 750 participants in its network of 25 youth groups. ADESJU is based in Chiantla, a municipality in Guatemala’s Western Highlands, where 78 percent of the population lives in poverty or extreme poverty and three-quarters of the population is under age 30. Participants in the association’s leadership and teamwork development programs took it upon themselves to develop a detailed

proposal to the municipal government with recommendations for programs or services that would address the urgent needs of local youth.

What is the IAF's role in these efforts? Our work involves much more than sending dollars to the region, and the direct results of the projects we fund tell only part of the story. Our whole approach to selecting, accompanying and evaluating our grassroots partners is designed to strengthen their capabilities so that they can take on even bigger challenges. As we invest directly with incipient grassroots organizations, we help strengthen local talent and capacity to participate effectively in civic life. We also help them tap into existing civil society networks, including the family of IAF grassroots groups across the region, and connect organizations with common or complementary interests so that they can form new partnerships of their own. We want them to learn from each other and become leaders in their own communities. In the process, they create social and economic anchors at home and demonstrate their preference to stay. I am convinced that this is indeed what people want because I have heard it repeatedly in hundreds of conversations with parents and grandparents who look on with dismay as their children leave.

This may sound like painstaking and meticulous work. It is. But that does not mean that it cannot be undertaken on a larger scale. The IAF has many years of experience nurturing local capabilities, and we can tap into extensive networks of grassroots organizations throughout the region to draw new resources and energy into the effort from a variety of sources.

So where do we go from here?

There are many opportunities to do so much at the grassroots to address the causes of youth migration *before* they leave or once they are returned. The IAF sees considerable talent and capacity in Central American civil society to *manage* more resources to help youth and their communities open economic opportunities and work with their governments and business sector to respond to challenges of crime and violence. The impact of a single thriving community, an organized group of rural poor or an inspired young person in an urban slum may appear small, but they become the safe havens and incubators of change that inspire others. There remain untapped thousands of communities, tens of thousands of organized groups and hundreds of thousands of young people ready to step forward with solutions and what little resources they have. If reached, if empowered and if connected to each other, they are capable of generating the sea change so desperately needed in the region.

We believe it is important to put community members -- including young leaders -- in the driver's seat to best address local problems. Youth need to be engaged in more than job-training or extra-curricular activities. They need a chance to become citizens. Fundamentally, they are the ones who will need to change their communities and countries.

Forty-five years ago a small congressional delegation of members of this committee paid a visit to Central America, in part to examine the effectiveness of U.S. development efforts in the region. What they learned was not surprising: that true, long-lasting, meaningful change depends in large part on thriving communities -- communities that provide not only social and economic opportunities for the most marginalized but that are themselves foundations upon which future democracies can be built. One result from that trip was the creation of the Inter-American Foundation. We are driven by the vision of thriving communities where people direct their own lives as individuals and citizens. Over our history we have supported more than 5,000 organizations in communities across the hemisphere in pursuit of this goal. While our grantee partners may be poor, they are not passive. When we are successful, they are protagonists – not participants -- with aspirations and the ability to think beyond a project and shape their own future.

Working at the community level as we do complements U.S. diplomatic efforts and other bilateral foreign assistance for improved prosperity, governance and security in Central American countries. Importantly, it serves Congress's intent in the creation of the Inter-American Foundation spelled out in our enabling legislation: to "*strengthen the bonds of friendship and understanding among the peoples of this hemisphere.*"

Again, I thank the Subcommittee for the opportunity to testify before you today on behalf of the IAF and our thousands of grassroots partners in the region.