

# President Obama's \$1 Billion Foreign Aid Request for Central America

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In 2014, the number of unaccompanied minors and family groups from the "northern triangle" of Central America (El Salvador, Guatemala, and Honduras) attempting to enter the United States sharply increased. The resulting [spike in apprehensions](#) strained U.S. government resources and created a complex humanitarian situation. The Obama Administration's initial response to the migrant crisis included working with the governments of the northern triangle and Mexico on public diplomacy campaigns to discourage people from making the journey, and law enforcement operations to dismantle human smuggling networks (see CRS Report R43702, [Unaccompanied Children from Central America: Foreign Policy Considerations](#)). With U.S. support, Mexico also apprehended record numbers of Central Americans (see CRS Report IF10215, [Mexico's Recent Immigration Enforcement Efforts](#)). During the first nine months of FY2015, [total apprehensions](#) of unaccompanied minors at the southwest border were 54% lower and total apprehensions of family units were 55% lower than in the same period in FY2014. Nevertheless, [some analysts](#) think these reductions are likely to be short-lived unless policymakers in the countries of origin and the international community take steps to address the poor security and socioeconomic conditions causing Central Americans to abandon their homes.

## FY2016 Aid Request

Asserting that the 2014 influx of migrants was a reminder that "[the security and prosperity of Central America are inextricably linked to our own](#)," the Obama Administration has requested over \$1 billion in foreign assistance for the region in FY2016 to support a whole-of-government "[U.S. Strategy for Engagement in Central America](#)." The request includes:

- **\$438 million for promoting economic prosperity.** These funds would support efforts to facilitate trade, promote customs and border integration, improve business environments, and integrate regional value chains and electricity markets. They would also support programs to reduce poverty, improve early grade literacy, and provide vocational training and alternative education programs.
- **\$315 million for improving security.** These funds would support training for law enforcement personnel, border and maritime interdiction operations, and efforts to strengthen investigative and prosecutorial capacity. They would also support community policing, municipal crime prevention committees, and the expansion of outreach centers that provide opportunities for at-risk youth.
- **\$249 million for strengthening governance.** These funds would support efforts to implement civil service reforms, improve revenue collection and financial management, and strengthen rule-of-law institutions and government service delivery. They would also provide support to civil society groups designed to strengthen their capacities to hold governments accountable.

While the U.S. government already funds many of these types of activities in Central America, the [FY2016 request](#) would allow current programs to be scaled up significantly. Compared to FY2014, bilateral aid for El Salvador would increase from \$22 million to \$119

million, aid for Guatemala would increase from \$65 million to \$226 million, and aid for Honduras would increase from \$42 million to \$163 million. Funding for the Central America Regional Security Initiative (CARSI; see CRS Report R41731, [Central America Regional Security Initiative: Background and Policy Issues for Congress](#)), which has been the principal component of U.S. engagement with the region in recent years and has yielded [mixed results](#), would increase from \$161.5 million to \$286 million. The vast majority of the request would support programs, training, and technical assistance implemented by U.S. government personnel and nongovernmental partners. Only a small percentage of the aid would be used for direct government-to-government assistance.

## Alliance for Prosperity

The objectives of the Administration's strategy are consistent with the priorities established in the "[Plan of the Alliance for Prosperity in the Northern Triangle](#)" that was proposed by the governments of El Salvador, Guatemala, and Honduras in September 2014. The five-year, \$20 billion plan seeks to (1) stimulate the productive sector, (2) develop human capital, (3) improve public safety, and (4) strengthen institutions. The three northern triangle governments intend to fund about 80% of the plan, but are seeking private sector and international donor support to finance the rest.

While many analysts are skeptical that leaders in the region are committed to structural changes, especially in light of [recent corruption scandals](#), the three governments have begun to implement some reforms. The Salvadoran government adopted an investment stability law; the Guatemalan government extended the mandate of the International Commission against Impunity (CICIG); and the Honduran government signed an agreement with Transparency International to combat corruption. The three governments also [made a number of specific policy commitments](#) during a March 2015 meeting with Vice President Biden, which they have kept thus far.

## Legislative Developments

The House and Senate Appropriations Committees reported out their FY2016 Department of State, Foreign Operations, and Related Programs appropriations bills ([H.R. 2772](#) and [S. 1725](#)) on June 11 and July 9, 2015, respectively. Based on the appropriations levels and committee recommendations included in the bills and their accompanying reports ([H.Rept. 114-154](#) and [S.Rept. 114-79](#)), neither appears to fully fund the Administration's request for Central America (see [Figure 1](#)).

The House report recommends providing \$296.5 million through CARSI. While it does not prohibit the Administration from dedicating additional aid to Central America for non-CARSI programs, the funding available for such programs would likely be quite limited. The House bill requires the State Department to develop a multi-year strategy for the region. It also directs the State Department to suspend aid if Central American governments fail to work with U.S. agencies to improve border security, prevent illegal emigration, and receive and reintegrate deportees.

The Senate bill provides "up to" \$675 million to implement the new Central America strategy, including up to \$72 million for El Salvador, \$137 million for Guatemala, \$98 million for Honduras, and \$231.5 million for CARSI. It requires the State Department to develop a multi-year strategy for the region. It also requires 75% of the funds for the "central governments" of the northern triangle to be withheld until the Secretary of State certifies those governments are combating corruption, reforming the police, protecting human rights, raising revenues, and resolving commercial disputes, among other actions. Moreover, it directs the Secretary of State to regularly evaluate the northern triangle governments' progress in those areas, and to suspend assistance if it is insufficient.

Figure 1. U.S. Aid to Central America  
(In millions of current U.S. dollars)

