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REVIEW OF RESOURCES, PRIORITIES AND PROGRAMS IN THE FY 2017 STATE DEPARTMENT BUDGET REQUEST

UNITED STATES SENATE COMMITTEE ON FOREIGN RELATIONS

SUBCOMMITTEE ON WESTERN HEMISPHERE, TRANSNATIONAL CRIME, CIVILIAN SECURITY,
DEMOCRACY, HUMAN RIGHTS AND GLOBAL WOMEN'S ISSUES

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**Testimony of
Assistant Secretary Tom Malinowski
Democracy, Human Rights and Labor Bureau**

**Subcommittee on Western Hemisphere, Transnational Crime, Civilian
Security, Democracy, Human Rights and Global Women's Issues
Senate Foreign Relations Committee**

April 26, 2016

Chairman Rubio, Ranking Member Boxer and Members of the Committee, thank you for this opportunity to describe how the *Democracy, Human Rights and Labor Bureau* (DRL) works to promote human rights and fundamental freedoms in closed societies. We are grateful for the continued encouragement and support from this Committee.

As you know, Secretary Kerry recently released the annual *Country Reports on Human Rights Practices*, which provides an assessment of human rights conditions in countries around the world. When releasing the report, Secretary Kerry noted that we have seen important democratic gains in such countries as Vietnam, Tunisia, Nigeria, Sri Lanka, and Burma, though in each there are challenges that still need to be overcome. He also pointed out, however, that in many countries in the world, there are still major challenges. Seventy-two countries saw increased persecution of civil society, crackdowns on freedom of expression, and restrictions on the rule of law. Members of religious minorities are persecuted for their faith. Human rights activists are harassed, detained, abducted, and even killed for speaking out. Physical threats by state and non-state actors against journalists and editors reporting on corruption and other abuses are on the rise.

As daunting as these challenges are, countless human rights defenders and civil society organizations are courageously working to push back. We must continue to support them. DRL supports these efforts in large part through the Human Rights and Democracy Fund (HRDF) within the Democracy Fund account. HRDF has grown from \$8 million in FY 1998 to \$88.5 million in FY 2016 thanks to the generous support of Congress, including this committee. Our annual global HRDF budget request is not broken down by region. That is deliberate. DRL reacts to target democratic opportunities and challenges as they arise. By looking at our funding historically, you can see that we do operate in closed or restricted societies in all regions of the world. This past year we managed nearly 350 grants

totaling almost \$500 million that benefit civil society and activists around the world in their struggle for freedom and dignity.

DRL has adjusted operating procedures and applied lessons-learned to our approach in light of ongoing repression of civil society worldwide. Doing so has enabled us to continue our work even in the least hospitable environments. We employ methods aimed at protecting the identity of our beneficiaries. Our programs are overt, are notified to Congress, and we acknowledge them publicly. But what we try to avoid is doing anything that would help an authoritarian government take repressive actions against or punish our partners or beneficiaries.

Our key priorities in FY17 include work in authoritarian states such as Russia and China, and in transitioning countries such as Burma and Tunisia. We promote freedom of religion and conscience, fight corruption and cronyism, work to break strangleholds on access to free and credible information, combat threats against labor activists and journalists, promote worker rights and inclusive economic growth, respond to gender-based violence, promote citizen participation in electoral processes, and address the shrinking space for civil society. These initiatives are an important tool to promote long-term stability.

The majority of DRL programming is implemented in repressive, authoritarian, or transitioning countries, including where the United States has no diplomatic presence. The HRDF functions like a “venture capital fund for freedom.” DRL administers programs that enable us to be flexible, adaptable, and responsive to complex and changing situations on the ground.

Thirty governments and private sector donors now help to fund our human rights initiatives, including aiding embattled frontline NGOs, countering cyber-attacks on activists, and assisting vulnerable populations. These unique partnerships not only expand available funding, but generate broader, coordinated diplomatic support for activists. We also make sure that our programs are well coordinated with USAID and NED. USAID participates in DRL’s proposal review panels.

Some of our key programming efforts include:

Internet Freedom

One of our major HRDF programming areas is Internet freedom. Governments in countries such as China, Cuba, and Russia devise new ways of

tracking and blocking online expression. In response, we support programs to assist those seeking to exercise their rights online with the tools and capacity to communicate securely and freely with one another and the outside world.

Since 2008, DRL has programmed over \$105 million in grants that defend and promote a free and open Internet worldwide. These Internet freedom programs have helped millions around the world. The battle for Internet Freedom is now being waged on a global stage between those who support an open Internet and those who see it as a tool of control. In recent months, the cold war between these two sides has reached a critical tipping point. Those who oppose a free and open Internet are devoting extraordinary technical and financial resources to further exert their control over cyberspace.

DRL has developed a high impact, low cost approach to increase the free flow of information and to deny a government's ability to track, censor, and disrupt communications. We support the development and distribution of technology that provides uncensored access to content, tools that increase the digital security of activists, advocacy resources for human rights defenders, and research on where and how Internet controls are being applied. This approach also helps to hold accountable those who perpetrate and facilitate abusive activities.

Supporting Marginalized Populations

DRL has programs that provide direct assistance to members of religious minorities, women, persons with disabilities, and the LGBTI community.

In Nigeria, DRL supported the creation of a network of religious leaders from among the Catholic, Protestant, and Muslim communities who collaborate to encourage peaceful, interfaith coexistence and reconciliation. Through media campaigns, trainings, performances, and town hall events, the program has empowered thousands of community members to become active leaders with knowledge of conflict de-escalation strategies. As a result, former partisans with a history of engaging in sectarian violence have become peer educators and advocates for intercommunal tolerance. These young men and women have documented cases in which their action has prevented the kind of violent interactions that lead to loss of life, community instability, and reprisal attacks.

We also support efforts to combat anti-Semitism. For example, our funding supported coalition building and advocacy training with Hungarian NGOs to create a consolidated voice in advocating against anti-Semitism. This coalition was part

of a broad, successful effort to oppose the erection of a statue to honor Balint Homan (the notorious anti-Semitic minister of religion and education, who co-sponsored legislation that stripped Hungarian Jews of their citizenship rights leading to mass deportation to Auschwitz). They continue the fight against anti-Semitism and all forms of hate.

The Gender Based Violence Emergency Response and Protection Initiative (GBVI) provides urgent assistance to survivors of egregious forms of gender-based violence. It helps provide critical medical, psychological, and social support as well as shelter and legal assistance. The Initiative also supports integrated training for governments, the judiciary, and key elements of civil society in implementing laws that address GBV. In 2016, trainings will be conducted in Thailand, the Philippines, South Africa, and Turkey.

In response to the kidnapping of 276 girls by Boko Haram, through the GBVI we funded an Early Warning System in Northern Nigeria, which uses communications technology to reduce response times to rebel attacks on villages from several days or weeks to within hours of threats and outbreaks. In Iraq, the GBVI provided emergency assistance, including medical, psychosocial support, and livelihood assistance to 145 survivors, including Yezidi, that were formerly held captive by Da'esh.

Our work through the Global Equality Fund is also supported by 20 like-minded governments and private sector partners to support civil society organizations promoting the human rights of LGBTI persons around the world. This support has helped over 120 LGBTI human rights defenders who are under threat be able to continue their courageous work. Nearly 500 activists received training to enhance their ability to respond to the violence affecting LGBTI communities.

Rapid Response

DRL has the ability to respond to issues in a matter of days. We have vastly expanded our capacity to assist threatened human rights activists and organizations by providing them small infusions of support – to allow them to continue their work in safety. Emergency assistance to human rights activists attacked or under threat includes paying the costs of temporary relocation, installation of surveillance cameras, and medical, legal, psychosocial, and other support services. Since 2007, DRL rapid response/emergency assistance programs have assisted more than 3,300 people and organizations in more than 98 countries.

Five years ago we launched the *Lifeline: Embattled Civil Society Organizations Assistance Fund* to offer emergency grants to civil society organizations advancing human rights. Sixteen other governments and two foundations have since provided support for the Lifeline Fund. It has provided emergency assistance to more than 800 civil society organizations in 88 countries and territories. For example, in Kunduz, Afghanistan, the Taliban specifically targeted independent radio stations. The fund provided emergency assistance to stations that had been looted and destroyed, allowing almost ten stations to get back on the air and continue their broadcasts.

Anti- Corruption

People around the globe demand greater governmental transparency and accountability. In partnership with USAID, DRL supports the Open Government Partnership, which is a global initiative that aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance. Since 2011, OGP has grown from eight countries to 69, including Sri Lanka and Tunisia where new governments are developing national action plans in partnership with civil society to advance public sector integrity and key reforms.

DRL is also supporting transparency and anti-corruption watchdogs and cross-border investigative reporting that exposes emblematic cases of corruption. Our programs operate at both the national and the regional levels, connecting activists and journalists to facilitate the flow of best practices.

In Central America, a regional program trains journalists' to investigate failures of government accountability and instances of corruption. Journalists who participated in this program went on to expose embezzlement and had their stories picked up by several media organizations.

In Pakistan, we support the efforts of courageous journalists who work in the tribal areas, where the most extreme militants are active. Our program has trained journalists on how to conduct credible national security investigations, while at the same time protecting their personal security. In addition, we have been able to help local human rights organizations expand their documentation of egregious human rights abuses by security forces. As a result of our efforts, local efforts to hold Pakistan security forces accountable for human rights violations stand on firmer ground.

Transitional Justice & Atrocity Prevention

Around the world, legacies of atrocities cast a shadow on transitions from repressive regimes to participatory and democratic forms of governance. As part of the Department's commitment to Presidential Study Directive 10 and the interagency efforts on Atrocity Prevention, DRL has developed a number of tools to contribute to U.S. efforts in this regard. To address impunity for past atrocities, DRL created the Global Consortium for Justice, Truth, and Reconciliation (the Consortium). The Consortium creates programs to address local needs. For example, a \$1.6 million project enables Iraqi civil society to document human rights violations and abuses and violations of international humanitarian law committed by all sides of the current conflict with Da'esh. It establishes protocols and a repository that collects, organizes, preserves, and analyzes evidence gathered to serve a wide range of future transitional justice purposes. It also connects local documentation efforts with the Iraqi judiciary and traditional justice practices. To date, 29 representatives from Iraqi civil society organizations participating in the project have collected over 600 narratives from victims and witnesses of atrocities committed in Iraq. The Consortium can also respond rapidly to emerging needs in post-conflict contexts. For example, partners have responded to requests for rapid technical assistance to address issues of missing and disappeared persons in Ukraine and now Colombia.

DRL's grantee focusing on mass graves excavation has designed a refresher training course to strengthen the ability of partners from the Iraqi Ministry of Martyrs and Anfal Affairs, the Medico-Legal Institutes, criminal investigative and judicial agencies to recover and process human remains in accordance with international standards. This training package has been delivered in Erbil, allowing the relevant Kurdistan Regional Government officials to deploy to Sinjar, where many of Da'esh's atrocities took place, and begin work. DRL grantee staff will mentor and support the process.

In the eastern Democratic Republic of the Congo (DRC), a DRL-supported Early Warning System received reports that helped foil rebel attacks on villages that are home to approximately 150,000 people. The early warning system demonstrates how communications technology can reduce response times from several days or weeks to within hours of threats. It can also ensure that responders

deliver coordinated and comprehensive assistance. The provincial government in this area of the DRC is now funding and managing the system on its own.

China

In China, the Communist Party's monopoly on power remains absolute. Growing numbers of people seek justice, an accountable and transparent government, and the ability to express themselves freely and to peacefully assemble and associate. The Chinese government has expanded its crackdown on human rights lawyers and their associates, civil society organizations and activists, friends and relatives of activists, everyday people expressing themselves online or seeking to practice their faith free of state control, and even foreigners and foreign organizations working on human rights issues. In Tibetan and Uighur areas, authorities have increased restrictions on fundamental freedoms.

DRL funds targeted projects that bolster civil society organizations seeking to improve respect for human rights in China. For example, DRL programs build the capacity of public interest lawyers. Other programs work to protect persons belonging to religious and ethnic minorities and persons with disabilities, and those pressing for government adherence to international human rights. Additionally, DRL programs in China strengthen the advocacy skills of grassroots civil society groups, and take advantage of technological developments to enable greater freedom of expression.

Russia

The United States' commitment to engaging Russian civil society remains firm despite the enactment of laws and practices in Russia that restrict fundamental freedoms. Although the Russian government imposed restrictions on civil society organizations receiving international support, Russian organizations continue to express a desire to engage with the United States. As a result, the Administration is developing new ways to increase direct interactions between Russians and Americans. These include establishing peer-to-peer and other regional programs that support exchanges of best practices on civil society development. We remain committed to supporting the people of Russia in their pursuit of democracy, justice, and human rights, including fighting corruption and creating a more pluralistic and participatory society with viable, independent, and accountable institutions.

As part of our government's efforts to counter Russian intervention in Eastern Europe, DRL programs assisted people in the southern and eastern parts of Ukraine by facilitating their access to objective and accurate information about Russia's occupation of Crimea, Russian aggression in eastern Ukraine, attempts to destabilize the new Ukrainian government, and the elections. Over 200 Ukrainian and foreign journalists working on Crimea had better access to impartial and accurate information about the situation in the peninsula. They also had a safer workplace for preparing their materials and filing them to their editors. In addition, 59 media outlets in the eastern and southern regions received small grants and produced 857 media reports. 105 journalists received needs assessments and digital security training to allow them to continue their work safely and securely.

Burma

The United States policy of principled engagement in Burma encouraged leaders to undertake democratic reforms. Since May 2013, DRL support has enabled the Assistance Association of Political Prisoners to provide mental health counseling to more than 1,000 released political prisoners, family members, and victims of torture in Burma. Helping these courageous people reintegrate into Burmese society has furthered their continued participation in Burma's political transition. A strong civil society must serve as Burma's moral compass as the country confronts challenges of bigotry and prejudice. These lessons apply to other authoritarian environments. The dividends from our assistance may not show immediately, but can deliver meaningful long-term change.

Tunisia

During my trip to Tunisia last year, one of the key needs my interlocutors identified was strengthening the parliament. Parliamentarians, who have no staff, sought access to the resources and expertise they need to draft and review legislation. We are in the process of establishing a new program to provide members of parliament non-partisan and credible resources to further democratic reforms, including in the areas of human rights and rule of law. The program will ensure that parliamentarians have access to a library of country-specific materials, including fact sheets, briefing materials, research papers, statistical profiles, and other forms of short, written analyses, to enhance their ability to effectively engage on key reforms.

The 2015 Nobel Peace Prize was awarded to the Tunisian National Dialogue Quartet, comprised of the Tunisian General Labor Union (UGTT), the Tunisian

Confederation of Industry, Trade and Handicrafts, the Tunisian Human Rights League, and the Tunisian Order of Lawyers. The award cited its “decisive contribution to the building of a pluralistic democracy in Tunisia in the wake of the Jasmine Revolution of 2011.” The Quartet’s work demonstrates the important role trade unions can play in helping to build and maintain democratic institutions. The labor movement in Tunisia, and UGTT in particular, played a critical role moving Tunisia from dictatorship to democracy. It effectively promoted and mediated peaceful dialogue between citizens, political parties, and authorities. DRL supported the UGTT’s Women’s Committee campaign and its efforts to increase women’s representation in decision making union structures. UGTT women activists played a prominent role in get out the vote campaigns for the national elections. A current DRL supported program in Tunisia aims to formalize Tunisia’s large informal sector so that workers might access decent work and government-mandated protections.

Western Hemisphere

The Western Hemisphere presents new opportunities as well as longstanding challenges. Throughout the region, despite restrictions on freedom of expression and association, citizens have used the democratic process to change the status quo. The people of Argentina chose a new government committed to supporting human rights and democracy in the hemisphere. We look forward to working with the new government of Argentina on the most pressing issues in the region. The Venezuelan people used their parliamentary elections to overwhelmingly reject the course their ruling party had set. We urge the Maduro administration to cease its efforts to restrict the powers of the National Assembly and instead to enter into a dialogue with it. The release of political prisoners would be a welcome preliminary step. The people of Bolivia voted to reject removing term limits from the constitution. We believe these democratic manifestations have been possible in part due to the strong support the United States has shown for those in each of these countries who have worked to counter efforts to undermine democratic institutions. And that effort must continue, including in Ecuador, where criminalizing dissent is a frequent strategy for silencing opposition.

Across the hemisphere, people have also exercised their right to peacefully assemble and demand an end to corruption and impunity. In Guatemala, public outcry supported the efforts of the Public Ministry and the Commission to Combat Impunity in Guatemala that led to criminal corruption charges against the now former president and vice president. Current corruption and impunity challenges in Guatemala are intrinsically linked to past human rights violations and abuses. A

DRL program supported the identification of 97 victims of Guatemalan atrocities. This information was used as principal evidence in the unprecedented arrest of 14 military officers for crimes against humanity, including those involving enforced disappearance, murder, and torture.

DRL strengthens the capacity of local organizations to record and report threats and violence against human rights activists, including labor leaders. In Guatemala and Honduras, DRL programs have bolstered national networks of labor unions, rural worker organizations, and non-governmental organizations. This has generated coordinated mechanisms for identifying violent incidents and demanding government responses. A DRL-supported project in Guatemala is assisting a major coffee company in mapping its supply chain. After conducting over 300 interviews of internal migrant workers, the project implementer is providing the company with increased visibility into the coffee supply chain, its associated workforce, and recruitment abuses by tagging “red flags” that will be linked to specific labor brokers and suppliers.

We are also committed to supporting the people of Cuba as they seek the basic freedoms that their government denies. During his visit to Cuba in March, President Obama spoke openly to Cubans about the importance of freedoms of expression and peaceful assembly. He called for free and fair elections, and pledged U.S. support for these aims. He also met with many brave activists who are struggling to promote democracy and human rights on the island. He emphasized that Cuba’s future is for the Cuban people to design.

Consistent with this message, DRL programs in Cuba respond to the needs and wishes of the Cuban people, by promoting human rights, facilitating the flow of uncensored information, and strengthening independent civil society. Cuban government restrictions on civil and political rights increase the degree of difficulty of program implementation. But despite these challenges, DRL has been able to sustain consistent support to Cuban civil society for the past 10 years, and we will continue to do so with your support. As the President has made clear our new approach to Cuba is not based on the premise that the human rights situation there has improved; rather it is based on the belief that we will be better able to support the demands of the Cuban people if we keep the focus on the Cuban government’s policies rather than allowing the regime to blame American policies for its problems.

CONCLUSION

When taking stock of the challenges at hand, some fear democracy is in retreat. I would argue, however, that these challenges are a reaction to the rising demands of people from every culture and region for governments that answer to them.

Governments that protect human rights and fundamental freedoms are more stable, successful, and secure than those that do not. American workers are better off when their counterparts abroad can stand up for their basic rights. The United States finds its strongest partners in governments that act in the broad interests of their own people, rather than the narrow interests of the few.

We must continue supporting civil society and pressing governments to halt arbitrary detentions and uphold freedom of expression.

This is the work of decades, not days. But, we must also seize opportunities to make an immediate difference for democracies under threat or in countries in transition. As the 2015 National Security Strategy affirms, “America is uniquely situated—and routinely expected—to support peaceful democratic change.” Careful stewardship of the resources allocated to DRL enables us to advance U.S. foreign policy priorities in this regard, and we stand ready to do our part.

FY 2017 U.S. ASSISTANCE REQUEST FOR THE WESTERN HEMISPHERE

TESTIMONY OF
FRANCISCO L. PALMIERI
PRINCIPAL DEPUTY ASSISTANT SECRETARY OF STATE
BUREAU OF WESTERN HEMISPHERE AFFAIRS
U.S. DEPARTMENT OF STATE
BEFORE
SUBCOMMITTEE ON WESTERN HEMISPHERE TRANSNATIONAL
CRIME, CIVILIAN SECURITY, DEMOCRACY, HUMAN RIGHTS, AND
GLOBAL WOMEN'S ISSUES
SENATE FOREIGN RELATIONS COMMITTEE
APRIL 26, 2016

Chairman Rubio, Ranking Member Boxer, and Members of the Subcommittee:

Thank you for the opportunity to testify on the Fiscal Year 2017 foreign assistance request for the Western Hemisphere.

The Administration's approach to the region advances partnerships, seeks to strengthen democracy and human rights, improves security and strengthens the rule of law, and promotes prosperity and inclusive growth for all citizens. U.S. assistance is a critical tool that supports these goals.

In our requests for Central America and Mexico, we seek to address the underlying conditions driving migration from Central America through Mexico and toward the United States. The request includes increases to support Colombia's implementation of an expected peace agreement marking the end the hemisphere's longest running conflict. The request maintains support for key U.S. partnerships with Peru, Haiti, and the Caribbean. The request also supports essential democracy and human rights efforts in Cuba and Venezuela.

The Fiscal Year 2017 request of \$1.7 billion includes \$750 million for the U.S. Strategy for Engagement in Central America (the Strategy) and \$391 million for the Department and USAID for Colombia. Our request targets challenges and opportunities that impact U.S. interests. Flexibility in our assistance allows us to achieve the best return on investment for the United States. We urge the U.S. Congress to fully fund the request for the Western Hemisphere.

The Department and USAID's FY 2017 \$750 million request is part of the Administration's \$1 billion interagency request in support of the Strategy. Central America continues to have high levels of poverty, weak institutions, and heightened levels of insecurity, all of which have direct implications for the United States.

The FY 2017 foreign assistance request for the Strategy continues support for prosperity, governance, and security, particularly for Central America's Northern Triangle, in recognition of the acute challenges those countries face. El Salvador faces a skyrocketing homicide rate; Guatemala's new government is seeking to capitalize on the anti-corruption momentum that led to reform after historic elections; and Honduras is taking the first steps to implement its anti-impunity mechanism – the OAS-sponsored Mission Against Corruption and Impunity in Honduras. Addressing these challenges and achieving lasting change will require sustained commitment from the United States, the governments of Central America, and the international donor community. U.S. assistance through the Strategy complements the investments Northern Triangle governments are making through their own development plan, the Alliance for Prosperity. They plan to spend \$2.6 billion this year on the plan.

The Strategy request also includes \$305.3 million for the Central America Regional Security Initiative (CARSI) to fund models proven to improve security and prevent crime and violence. The balance of the Strategy request includes support to expand programming to improve economic prosperity and governance.

During the visit of President Santos, President Obama announced a new framework for bilateral cooperation in the event of a peace accord: Peace Colombia. Peace Colombia will focus U.S. assistance under three pillars: consolidating and expanding progress on security and counternarcotics while supporting disarmament, demobilization and reintegration; expanding state presence and institutions to strengthen the rule of law and rural economies, especially in former conflict areas; and promoting justice and other essential services for conflict victims. The \$391.3 million bilateral request will support Colombia's implementation of a peace agreement and counter-narcotics. While negotiations continue, including on the mechanism for final approval of a peace accord, Colombia has taken significant and important steps toward achieving a just and sustainable peace that ends its decades-long conflict with the FARC. The Government of Colombia has built capacity to provide security and services for its people, but continued U.S. support will be vital to Colombia's success as it seeks to implement a peace accord. In particular, rapid progress to extend civilian

security and prosperity into more municipalities during the critical early post-accord phase will be key.

U.S. assistance to the government and people of Colombia will help bring meaningful justice to victims; extend the rule of law and improve government services; promote economic development in former conflict areas; and maintain security gains. The request will continue expansion of technical assistance to additional municipalities, further strengthen justice and security institutions at the national level, significantly expand demining efforts, including civilian-military coordination and address the counternarcotics threat. Strengthening respect for the human rights of all citizens in Colombia is a goal both our countries share.

Our partnership with Mexico remains an important priority for the United States and includes a range of issues that benefit both countries, including trade and investment, energy and climate cooperation, and security. The Merida Initiative continues to provide the framework for our bilateral security cooperation at both federal and state levels. The \$117.1 million Merida request emphasizes technical assistance, capacity building, and expands support to additional Mexican states, consistent with Mexican government priorities, including its transition to an adversarial justice system and its southern border strategy. The United States and Mexico continue to jointly identify projects of mutual interest that further our shared security priorities.

The FY 2017 request also includes democracy assistance for Cuba and Venezuela, where the United States will continue to provide assistance to advance universal human rights and support vibrant civil society. The request for Cuba continues direct support for civil society. Promotion of democratic principles and human rights remains at the core of U.S. assistance to Cuba. Assistance for Venezuela supports human rights and a diverse civil society.

The \$218 million request for Haiti continues investments in infrastructure, agriculture, economic growth, basic education, health, expanded governance and democracy activities, and security. Haiti is suffering from a destabilized economy, rising food insecurity, drought, and public health threats, among other issues. A sustained U.S. commitment is essential to build on the past gains of U.S. efforts in Haiti and to build the Government of Haiti's capacity to respond to citizens' needs for services, promote economic opportunity, and advance the rule of law and security.

Improving security and development in the Caribbean directly benefits U.S. interests. The FY 2017 request includes \$48.4 million for the Caribbean Basin Security Initiative (CBSI) to complement Caribbean efforts to reduce crime and violence, strengthen the rule of law, and address the factors that put youth and marginalized communities at-risk of insecurity. The request focuses on training and professionalization within the police, security services, and rule of law institutions, and builds on prior year investments. CBSI emphasizes regional cooperation with our Caribbean partners, and seeks to increase the capacity of Caribbean countries to more effectively work together to define and meet current and emerging regional security challenges.

The \$81.1 million bilateral request for Peru supports continued counter-narcotics and alternative development cooperation in strong partnership with the Peruvian government. Peru remains one of the world's largest cocaine producers and the largest source of counterfeit U.S. currency. U.S. counter-narcotics assistance complements investments made by the government of Peru. The United States anticipates continuing this cooperation with the next president of Peru, whomever Peruvian voters choose.

We also continue to maintain and expand important cooperation with other countries of the hemisphere, such as Paraguay, Argentina, Chile, and Brazil. While bilateral assistance levels to these countries may be small, our partnership with these nations is an important tool to advancing our shared priorities in the hemisphere, of prosperity, democracy and human rights, and security for all.

I look forward to your questions.

Prepared Testimony of Elizabeth Hogan
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United States Agency for International Development (USAID)
Before the Senate Foreign Relations Committee
Subcommittee on the Western Hemisphere, Transnational Crime, Civilian
Security, Democracy, Human Rights, and Global Women's Issues
“Review of Resources, Priorities and Programs in the FY 2017 State Department
Budget Request”
Tuesday, April 26, 2016, 10:00 a.m.

Chairman Rubio, Ranking Member Boxer, and members of the Subcommittee, thank you for the invitation to testify today. I am grateful for the Committee's support for the United States Agency for International Development's work in Latin America and the Caribbean, and am pleased to have this opportunity to present our plans for Fiscal Year (FY) 2017.

Introduction

For more than fifty years, USAID has led our nation's efforts to advance dignity and prosperity around the world, both as an expression of core American values and to help build peaceful, open, and flourishing partners for the United States. This is particularly important in those countries closest to our shores: the nations of Latin America and the Caribbean. Peaceful, stable, democratic societies make for good trading partners and strong allies, helping us to be more prosperous and secure here at home. Further, when we help countries in our hemisphere reinforce basic rights and encourage civic participation, foster conditions that improve prosperity and citizen security, or protect precious natural resources, we are being good neighbors.

Development Context

Many Latin American and Caribbean nations have experienced monumental growth and change in the past several decades, and USAID has partnered with these countries to make important progress. Despite the global financial crisis, the region averaged a three percent annual increase in economic growth between 2000 and 2012. Health indicators have greatly improved in the region: infant mortality has declined from 43 to 16.2 deaths per 1,000 live births since 1990; maternal mortality fell from 140 to 81 deaths per 100,000 live births in the same time period; and the number of malaria cases decreased by 60 percent between 2000 and 2012.

Spurred by unprecedented engagement by ordinary citizens demanding transparency and respect for basic freedoms and rights, governments have begun significant reforms to improve the administration of justice, enhance transparency, and promote better access to justice for typically marginalized populations. And countries that once were only on the receiving end of assistance, such as Brazil, Chile, Colombia, and Mexico, are emerging as donors eager to share their expertise, resources, and experience with developing nations around the world.

While these are impressive gains, the region still faces significant challenges. Latin America and the Caribbean continue to have some of the highest rates of income inequality in the world and economies have slowed in the face of weaker commodity prices for key exports, reduced domestic demand and investment, and worsening fiscal balances. Severe, chronic drought threatens lives and livelihoods, particularly in Haiti and parts of rural Guatemala and Honduras. Regional progress in health masks inequalities between and within countries, with the health status in select populations matching that of countries in sub-Saharan Africa. Crime and violence have risen dramatically in parts of the region over the past decade; according to the United Nations' 2013 Global Study on Homicide, seven of the ten countries with the highest murder rates in the world are in Latin America and the Caribbean. And, despite democratic progress, some countries are witnessing troubling backsliding, including constraints on civil society, limits on media and freedom of the press, and increasing executive overreach.

USAID's FY 2017 request for Latin America and the Caribbean continues our long-term efforts to help the region overcome these challenges. USAID's assistance of approximately \$970 million in FY 2017 funds—a 15 percent increase over the FY 2015 enacted level of \$846 million—promotes the interests of the United States while also significantly improving the quality of life for those we help. We actively seek out local partners who understand the context on the ground, harness the expertise of the private sector and civil society to set the stage for efforts to continue after we are gone, and develop innovative and flexible approaches that bring new solutions to longstanding challenges. With sustained commitment, we are confident that the region will make strides that enable it to develop beyond the need for United States government assistance.

Central America

One of our greatest areas of focus is Central America, particularly the Northern Triangle countries of El Salvador, Guatemala, and Honduras. These countries are plagued by gang violence and transnational crime, deep-seated social and economic inequity, lack of economic opportunity, and high rates of unemployment. In addition, weak government capacity and corruption continues to undermine efforts to improve security and advance prosperity. We see the consequences of this insecurity and lack of opportunity at our own border when children and families complete the dangerous, irregular journey to the United States.

We are acutely aware that this problem requires a strategic and sustained endeavor to help Central American governments, private sector, and civil society create an environment in which all of their citizens thrive. We are grateful for Congress's support for the U.S. Strategy for Engagement in Central America. The Strategy outlines interdependent prosperity, governance, and security efforts designed to address the root causes of migration. The State Department and USAID's FY 2017 \$750 million request is part of the Administration's \$1 billion interagency request in support of the Strategy. And we have seen promising signs of the Northern Triangle governments' commitment to this same effort, outlined in their Alliance for Prosperity. The Alliance for Prosperity lays out the governments' shared pledge to grow their economies, create

employment, improve public safety and enhance access to the legal system, and improve social services for their citizens, particularly the poorest and most vulnerable. We are encouraged that the governments passed budgets totaling \$2.6 billion to support the Alliance for Prosperity in 2016.

To spur greater prosperity in the Northern Triangle, USAID plans to increase our support for successful broad-based economic growth programs designed to expand business, employment, and educational opportunities for the poor and those most likely to migrate. We plan to continue successful efforts and invest in new initiatives to promote good governance and transparency, including anti-corruption programs that address chronically low tax revenue collection, improve fiscal transparency, strengthen human rights protections for vulnerable groups, empower civil society to hold governments accountable, and expand justice sector reform throughout the region.

However, it will be difficult for our prosperity and governance efforts to take root in societies plagued by insecurity. The heart of our security work is youth-focused, as we invest in programs that reach those most at risk for gang recruitment, crime, and violence. To accomplish our goals to reduce and prevent crime and violence, USAID is partnering with communities, civil society, governments and the private sector to develop crime prevention plans, invest in municipal crime observatories, create safe community spaces, expand after-school activities, provide job and life skills training, and build trust between police and residents. In some of the most violent areas and neighborhoods of these countries, our efforts are amplified by close coordination with the Department of State's Bureau for International Narcotics and Law Enforcement Affairs (INL) through our shared Place-Based Strategy, which pairs community-based prevention work with interventions to improve the effectiveness of law enforcement.

We are seeing results in these three areas of strategic focus. For example, our agriculture-related prosperity programs in Honduras have been successful in reducing extreme poverty: with USAID's help, the incomes of small-scale farmers and families have increased by nearly 55 percent for more than 180,000 of the poorest individuals between 2011 and 2015. With USAID support, the Guatemalan judicial system, Office of the Attorney General, High Impact Court, and National Forensics Lab have made progress combatting impunity. And in El Salvador, analysis of our crime prevention activities points to a drop in homicides of more than 60 percent in the 76 communities where USAID targets its programming.

With sustained commitment on the part of the United States and host governments, we will build on and expand these successes into more communities and municipalities and help the Northern Triangle develop into a safer, more prosperous region for all those who live there, not just the privileged few.

Colombia

Sustained commitment on the part of the United States and host governments can be successful, as we have seen with the notable strides made under Plan Colombia. Begun in 2000, when

Colombia was plagued by an active civil conflict, corruption scandals, and widespread drug cultivation, Plan Colombia was a strategy developed by the United States and the Government of Colombia to help eradicate the drug trade and bring peace and prosperity to that country. Thanks to the gains made under this strategy, a result of years of strong bipartisan support from the U.S. Congress, committed work and strategic patience, the Government of Colombia and the Revolutionary Armed Forces of Colombia (FARC) are expected to sign historic peace accords in 2016.

To provide post-accord support, in February 2016, President Obama announced Paz Colombia (Peace Colombia), a collection of programs already in progress or planned to begin when the peace accords are signed. In FY 2017, USAID will manage \$187 million—a 41 percent increase over the FY 2015 enacted level of \$133 million—to expand upon current programming to help Colombian government institutions to establish a stronger presence in former conflict zones, seek post-conflict reconciliation and justice, promote inclusive rural economic growth, and sustainably manage the country’s vast natural resources.

These programs will build upon several successes achieved to date. For example, thanks to USAID-funded work to implement rule of law and human rights policies, there has been a 61 percent increase in the number of cases decided by land restitution judges, and mobile justice houses have been deployed to 95 remote communities in conflict zones. To help improve prospects for traditionally marginalized groups, USAID provided workforce training to more than 9,150 urban Afro-Colombian and indigenous persons; more than 8,150 have now graduated and begun a six-month formal employment phase. USAID programs are also improving livelihoods while reducing deforestation, including by introducing more sustainable approaches to cattle ranching, agroforestry systems, and ecotourism; our efforts have helped to improve natural resource management and protect nearly 37,000 hectares of important biodiversity and ecosystems.

We are hopeful that our programs will reach a wider group when the peace accords are signed and the Colombian people vote to approve the accords. USAID is in negotiations with the Government of Colombia to take advantage of this key opportunity and expand our presence into twenty new municipalities.

Haiti

Along with Central America and Colombia, Haiti remains a high priority for USAID. The country, which is ranked 163 out of 188 on the United Nations’ 2015 Human Development Index, suffers from high unemployment, political instability, and growing food insecurity due to prolonged drought. In addition, more than half of Haitians live below the World Bank’s international extreme poverty line of \$1.90 per day. These challenges are severe, but we continue to be optimistic that if we find sufficient political will in Haiti, we will be able to help the country lift itself out of extreme poverty.

Funds requested for FY 2017 will continue our efforts to help Haiti grow into a stable and economically viable country. Our assistance strategy targets key development issues and specific areas of the country where we can be the most successful. We remain focused on the long-term reconstruction that has helped the country begin to turn the corner after the 2010 earthquake by promoting economic growth, job creation, and agricultural advances; providing basic health care and education services; and improve the transparency of government institutions and their responsiveness to their citizens.

We have seen encouraging signs that our assistance is improving lives. To help build the economy from the ground up, USAID facilitates access to finance, which is one of the major constraints to economic development in Haiti. Thanks to USAID's work with local micro-, small-, and medium-sized enterprises, we have helped to create close to 10,000 jobs due in large part to equity financing in the form of matching grants or training in topics such as product quality control and business development services. In addition, many of these companies and others now have access to bank credit due to loan guarantees that we have provided under our \$57 million Development Credit Authority. Moreover, we have recently awarded more than \$11 million for capacity development services and small grants to local Haitian organizations.

Our progress extends into other areas, as well. The 10-megawatt power plant USAID helped build near the Caracol Industrial Park in the North connects more than 8,000 households, businesses, and government institutions to reliable power; this is the first time in history many of those affected have ever had dependable electricity, and small businesses are flourishing there. USAID is helping the Government of Haiti make this electric utility financially sustainable, which will lead to a public-private partnership for its ongoing operation and maintenance. In agriculture, we worked with small-scale farmers and helped to double the income of 60,000 farmers through an increase in productivity, better yields, and the introduction of new technology. And we are identifying where we can successfully work with Haitian Government ministries so that they can better serve their citizens. For example, we work closely with the Ministry of Health to help them provide quality health care. One area of collaboration is the rehabilitation of critical health infrastructure. As part of this effort, USAID is helping to construct a new maternity and pediatrics ward at Justinien Hospital in Cap-Haïtien and reconstruct the National Campus of Health Sciences in Port au Prince.

Haiti's political environment continues to be challenging; for progress to continue we need demonstrated political will, stability, and good governance. We are eager to see the presidential elections completed as soon as possible. We will maintain our engagement with Haiti through various efforts, including by working with the Haitian diaspora who bring unique skills and knowledge to projects and technical sectors. The course of Haiti's future ultimately depends on Haitians themselves. While much more remains to be done, we are committed to supporting the Haitian people as they build the more prosperous and secure future they deserve.

Encouraging Democracy and Human Rights

Our programs will only be sustainable under conditions where democratic values and institutions flourish, citizens can depend on basic social services, impunity is reduced, and civil society and the media can play their rightful roles. Increasing violence and citizen insecurity in Latin America and the Caribbean have eroded citizens' confidence in democratic institutions and practices. Weak judicial institutions, often plagued by corruption, have historically contributed to impunity and public frustration. The region is host to several "closed spaces"—countries where governments generally are duly elected and populist, but ultimately prove to be anti-democratic. And illicit actors like transnational criminal organizations and gangs also limit fundamental freedoms, primarily with threats and violence against journalists, human rights defenders, and other civil society actors.

USAID's democracy and human rights programs address issues that are fundamental to democratic societies, including anti-corruption efforts, promotion of press freedoms and the rule of law, and support for civil society. To address corruption, USAID is working at national and local levels to ensure that government institutions are open and accountable, use public funds responsibly and effectively, and deliver critical services to citizens. Our assistance includes security and justice reforms, passage and enforcement of key anti-corruption and transparency legislation, and financial management strengthening. For example, in Paraguay, USAID assisted the National Procurement Agency to develop an Open Data Portal, which allows citizens to view the status of all competitive procurements, including how much ministries are spending on contracts and vendor details, thus enabling citizens to hold the government accountable. We are committed to supporting human rights everywhere we work, including in Cuba and other closing spaces where citizens are arbitrarily detained, threatened, harassed, and beaten for peacefully exercising their fundamental rights. In a region where journalists face violence and intimidation from government authorities and criminal elements, USAID runs regional press freedom programs and supports freedom of information activities across the region. To shore up the rule of law, we work with police organizations to improve effectiveness and professionalism, foster a culture of respect for human rights, and instill a community-oriented approach. Underpinning all of these efforts is support and protection for a strong and vibrant civil society that can hold governments accountable.

Despite challenges, there are notable accomplishments attributable to our work. Throughout the region, our programs have assisted journalists' efforts to expose mismanagement of Latin American government projects; nearly half of these investigative journalism reports have resulted in a government policy response. For example, in Ecuador in 2014, an investigative report on child trafficking led to a National Assembly vote to fund an awareness campaign to "Say No to Risky Migration." Thanks to our efforts to improve effectiveness and professionalism of the police in Jamaica, where USAID has worked with the Jamaica Constabulary Force for more than 15 years, reports of police soliciting bribes declined by almost 40 percent from 2006 to 2012. And to ensure that civil society remains able to operate freely, we supported the Government of Mexico's National Protection Mechanism for Human Rights

Defenders and Journalists, providing assistance to approximately 400 activists and journalists seeking protection from threats of violence and harassment.

Addressing Environmental Threats to Livelihoods

In nations throughout Latin America and the Caribbean, USAID is also working to mitigate the effects of changing climate patterns and build the resiliency of the people with whom we work by helping them implement risk-reducing practices and use climate information in their decision making. The region is home to countries that are significant greenhouse gas emitters, as well as nations with glaciers and coastal regions that are at significant risk from extreme weather events and natural disasters, and tropical forests, including the Amazon Basin, that act as valuable natural resources.

USAID programs reduce the devastation to life, property, and economic activity caused by environmental threats by helping vulnerable groups withstand and cope with catastrophic weather events, droughts, and other climate impacts. Prevention programs are also an efficient use of development resources. Indeed, evidence suggests that every dollar spent on disaster preparedness prevents an average of seven dollars in economic losses due to disasters¹.

We work to reduce deforestation and greenhouse gas emissions by investing in forest conservation, efforts to combat illegal logging, and promotion of sustainable land use. This kind of programming can be a helping hand that lifts people out of poverty. For example, USAID assistance in Guatemala helped small- and medium-sized enterprises and community-based organizations in the Maya Biosphere Reserve achieve environmental certification on more than 270,000 hectares, and maintain certification for nearly 500,000 hectares of forest products. At the same time, we helped these organizations foster relationships with United States and European businesses that put a premium on sustainably sourced products. These efforts reduced deforestation and resulted in nearly \$26 million in total sales of certified forest products, creating almost 4,000 jobs.

We are speeding the development and deployment of advanced clean energy technologies and helping to create favorable legal and regulatory environments. In this way, we help to attract private investors from the United States and elsewhere to maximize the use of renewable energy resources. By cutting down on imported fossil fuels, these actions will lower greenhouse gas emissions and move the region toward greater energy independence. Economic growth that is more energy efficient will be cleaner, reduce dependency on scarce foreign resources, and contribute to increased prosperity.

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[http://www.undp.org/content/dam/undp/library/crisis%20prevention/disaster/asia_pacific/1206_undp_en_out%20\(%20in%20English\).pdf](http://www.undp.org/content/dam/undp/library/crisis%20prevention/disaster/asia_pacific/1206_undp_en_out%20(%20in%20English).pdf)

Doing Business Differently

We have one goal in mind with everything that we do: to empower countries to assume responsibility for their own development and grow beyond the need for international assistance. To this end, we are using science, technology, innovation, and private sector and trilateral partnerships to find new solutions to longstanding problems and scale up existing solutions in a more sustainable and efficient way. Our partnerships with the private sector help us to marshal the resources, innovation, technology, markets, and expertise of the business community to accelerate development. In FY 2014 alone, USAID's partnerships in Latin America and the Caribbean leveraged an estimated \$189 million in private sector resources for development; for every dollar we spent in the region in 2014, we mobilized five times that amount in private sector resources. These partnerships help to connect small-scale farmers and businesses to valuable markets; provide training, education, and employment to at-risk youth; and help to increase incomes, move communities out of poverty, and improve food security for the most vulnerable.

We are increasingly employing the latest science and technology to improve health practices; introduce low-cost, high-impact seed varieties and irrigation techniques; and improve public safety. For example, in partnership with Microsoft, Cisco, Universal Service Fund, and the Jamaican Ministry of Science, Technology, Energy and Mining, we are experimenting with "TV White Space," a new technology that taps unused television broadcast frequencies. This will extend high-speed, wireless internet access to remote parts of the country, improving connectivity for public service provision and training in rural areas of Jamaica.

Finally, we use innovative financing models to unlock private capital for non-traditional partners, many of which drive the region's economy. Through our Development Credit Authority (DCA), we help share risks and incentivize lending from financial institutions to micro-, small- and medium-sized enterprises in Colombia and Central America, for example. During FY 2015 alone, seven new DCA guarantees mobilized nearly \$140 million in private capital to support these efforts in Latin America and the Caribbean. As part of these efforts, guarantee agreements with three Colombian banks will mobilize up to \$120 million in lending to borrowers in targeted rural regions of the country.

Oversight

USAID takes its responsibility to the United States taxpayer seriously, and we are committed to accountability, transparency, and oversight of our programs. To do so, we use a full range of monitoring and evaluation tools, including survey data, performance indicators, analyses, studies, and external evaluations. Our Missions are guided by five-year strategic plans and their individual Monitoring, Evaluation, and Learning Plans. These tools enable us to establish baselines and track the pace and status of implementation, ensure that programs are meeting goals and delivering high-impact results, and provide the flexibility needed to accommodate new needs and realities. Monitoring and evaluation tools also feed valuable data on new and effective approaches, which later inform new program designs. For example, our post-earthquake strategy in Haiti calls for port services in the North to help build viable economic centers outside of Port-

au-Prince. Our initial plan was to construct a new port, but after extensive due diligence revealed economic and environmental challenges with this approach, we shifted to our current effort to rehabilitating the existing Cap Haïtien port. The project is underway, with a projected completion date of 2020.

We are also helping partner governments to develop monitoring mechanisms and ensure the same oversight for assistance they receive from us. For example, our Mission in Colombia developed, and turned over to the Government of Colombia, a Consolidation Index — a combination of 41 indicators that track institutional presence, good governance and citizen participation, and regional integration — to track whether USAID and the Government of Colombia are achieving goals in increasing state presence and capacity to deliver services in critical regions. This Index provides USAID with important information related to its program performance and also provides similar relevant information directly to the Government of Colombia.

Conclusion

With sustained commitment from countries in the region to advance their own development goals, and our government's support, we are well placed for success. Political will, in combination with improved local capacity, leveraged resources and new partnerships, will allow us to help regional governments become more peaceful and prosperous. We would like to thank this Committee for its interest in and support for our work, and look forward to collaborating with you to address long-standing challenges and new opportunities for reform.

Thank you for your time; I look forward to your questions.