



February 11, 2016

United States Engagement in Central America

Subcommittee on State, Foreign Operations, and Related Programs,
Committee on Appropriations, United States House of Representatives,
One Hundred Fourteenth Congress, Second Session

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FOR IMMEDIATE RELEASE

February 11, 2016

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CONGRESSWOMAN KAY GRANGER OPENING STATEMENT: STATE AND FOREIGN OPERATIONS APPROPRIATIONS SUBCOMMITTEE HEARING ON UNITED STATES ENGAGEMENT IN CENTRAL AMERICA

The subcommittee on State, Foreign Operations, and Related Programs will come to order.

I want to welcome our witnesses. Thank you for appearing today for this oversight hearing on U.S. Engagement in Central America.

For many years, this Subcommittee has provided funding for our partners throughout Latin America. Without question, we know that what happens in these countries has an impact on the United States. Our economies, our security, and even our health, are closely linked.

The latest example of this is the outbreak of the Zika virus, which is spreading explosively in the Hemisphere, according to the World Health Organization. We want to hear from our witnesses about what the Administration is doing to address the Zika virus in the region.

Our countries are also connected because of migration. This spring will mark two years since the crisis at our southern border reached historic proportions.

Members of this Subcommittee - and a Task Force that I led for the Speaker - took notice. We worked together to address the unprecedented number of unaccompanied children arriving from Central America, but we know more needs to be done.

According to the Department of Homeland Security, more than 68,000 unaccompanied minors were apprehended in 2014. More than three quarters of them were from El Salvador, Guatemala, and Honduras. Another 40,000 were apprehended last year.

One reason these numbers decreased last year is because Mexico stepped up its efforts to apprehend minors from Central America before they reached the United States. In Fiscal Year 2015, more than 16,000 were detained by Mexico and 13,000 were returned.

Compare that to less than 2,000 removed by U.S. Immigration and Customs Enforcement over the same period.

Mexico's increased border security, which the United States has long supported through funds in our bill, is making a difference.

-more-

While the total number of unaccompanied children arriving at the Southwest border went down in Fiscal Year 2015, there has been a disturbing spike in the last few months.

Administration officials have pointed to recent enforcement actions that may help reverse this trend, yet the number of children apprehended in January was still significantly higher than the same month last year.

We must do more to address this problem where it starts. I have heard first-hand from leaders of Central American countries that they want their children back. We need to continue to work with these governments to return these children safely and to keep more from making the extremely dangerous journey to the United States.

The Central American countries have already taken a number of steps on their own.

Guatemala passed a law increasing penalties on human smuggling.

Honduras continues to crack down on drug-traffickers and extradite fugitives to the United States.

El Salvador, which is one of the most violent countries in the world, has started to implement a broad security plan in its most dangerous cities.

These are steps in the right direction, but they require follow-through.

The Fiscal Year 2016 State and Foreign Operations bill provided \$750 million for assistance to Central America, and there are tough conditions on this aid. The countries must show they are improving border security; addressing corruption; and countering gangs, drug traffickers, and organized crime.

The Fiscal Year 2017 budget request includes \$750 million in this Subcommittee's jurisdiction for Central America.

Before additional funds will be considered, the Administration must demonstrate how the funds already provided will address the violence and lack of opportunity contributing to the migration problem, and that these countries are meeting the conditions in our bill. Congress and the American people are expecting results.

While the United States has a critical role to play in Central America's success, we should not do this alone.

Other countries in the region have expertise, such as Colombia and Mexico. We should continue to encourage partnerships between these countries and El Salvador, Guatemala, and Honduras.

We also need to ensure that other countries in the region facing their own security challenges, such as Costa Rica, receive our help.

I look forward to hearing from our witnesses today on these important issues.

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Prepared Statement of:
Ambassador William R. Brownfield
Assistant Secretary of State for
International Narcotics and Law Enforcement Affairs

Hearing before the:
**House Appropriations Subcommittee on
State, Foreign Operations, and Related Programs**
“United States Engagement in Central America”

February 11, 2016

Chairwoman Granger, Ranking Member Lowey, distinguished Members of the Subcommittee: thank you for the opportunity to appear before you today to discuss United States engagement in Central America and the progress we are making to address the critical security challenges in the region.

Last year I testified before this Subcommittee to discuss the Bureau of International Narcotics and Law Enforcement Affairs' (INL) important role in supporting two key objectives of the Administration's Strategy for Engagement in Central America: security and governance. Central America was at a critical juncture, with a combination of economic stagnation, weak governance, and political insecurity that created enormous challenges. The Strategy recognized that in the absence of decisive action, security would continue to deteriorate; institutions would be unable to provide basic services to their citizens; millions would be denied security and stability in their homes and communities; and those in poverty would be denied the opportunity for a better life. At the time, the governments of El Salvador, Guatemala, and Honduras had recently agreed to a joint regional plan, the Alliance for Prosperity, which signaled a growing political will to improve economic opportunity, governance, and public safety, and to also enhance regional collaboration.

Today, one year later, INL, together with our interagency partners across the U.S. government, in cooperation with Central American governments, including the Alliance for Prosperity, are taking steps to confront the region's most pressing security challenges. The conditions in Central America today remain incredibly challenging but the efforts we have undertaken to date are showing results: INL's efforts are contributing to reduced homicide levels in some of the most affected neighborhoods; creating more accountable, effective police forces that have the growing trust of their populations; building the institutional and legal frameworks for effective justice systems; and advancing the reach of operational units in combating transnational organized crime at all highest levels.

Thanks to the strong support of this Subcommittee, with increased appropriations we are implementing programs that build upon efforts that have already proven effective, while also introducing new programming guided by a three-part approach: 1) bottom-up community security efforts to expand our programmatic footprint and effective, accountable law enforcement in those communities and neighborhoods most affected by violent crime; 2) top-down institutional reforms to establish the legal and organizational frameworks necessary for sustainable, professional, and accountable security institutions; and 3) operational coordination with host country law enforcement vetted units and task

forces, enhancing their capacity to interdict and deter illegal trafficking through stronger borders and expansion of operations.

Bottom-Up Community Security Efforts

INL engages in bottom-up efforts to engage with citizens, organizations, and leadership at a local level so they can play an active role in improving security in their communities. Our programs aim to build resilience and cooperation with law enforcement to curb criminal activity and improve access to justice. For example, we are beginning to pilot our bottom-up community security efforts in partnership with the United States Agency for International Development (USAID) through what is called a Place Based Strategy (PBS). This strategy is designed to address specific violence prevention objectives and enhance law enforcement capabilities in the Northern Triangles' most dangerous neighborhoods. INL and USAID are piloting co-location of our PBS programming in these communities to maximize their impact.

Drawing from best practices in community violence reduction, INL and USAID are combining violence prevention and law enforcement interventions in specific communities most at risk of violent crime. We are analyzing how we can best integrate services under one overarching approach to reduce homicide rates and improve security. We seek to do this in a way tailored to each community and its unique challenges including areas of concern related to domestic violence, drug treatment and rehabilitation, gang prevention, youth outreach, law enforcement operations, and more. We will measure progress with vigorous data collection and analysis to adjust our programming to ensure success.

Since INL and USAID began joint PBS efforts in Honduras in early 2015, we have already seen a significant reduction in homicide rates. For example, in the Chamelecon neighborhood of San Pedro Sula there were 287 recorded homicides in 2014, eight times the national average. In 2015 there was a decrease every month in the number of homicides, leading to an overall drop of 40 percent. This is a promising indication that the combination of U.S. government efforts and Honduran commitments are having a positive effect.

Because of the promising evidence we have seen, we are expanding our PBS programming throughout the region. In December 2015, INL and USAID initiated pilot efforts in Mezquital, one of the most troubled communities of Villa Nueva, Guatemala, and in Ciudad Delgado, El Salvador – one of the country's most violent communities and a priority under the Salvadoran government's Plan Seguro.

As part of our community security efforts, we are also focusing on community policing through the expansion of the Model Police Precincts (MPPs) program within PBS communities and beyond. Our MPPs use intelligence-led policing strategies to combat crime at the local level, while simultaneously increasing engagement with civil society and communities served by the police to build trust, accountability, and effective response to local crime. MPPs in Guatemala and El Salvador have reported homicide reductions from 30 to 70 percent over the past two years. A newly established MPP in Honduras, after averaging eight homicides per month before the MPP, experienced 100 consecutive days without a homicide committed in its jurisdiction. In Honduras, the MPP program has reached over 50,000 community members nationwide through outreach events that bridge the trust gap and increase understanding between local police and the community.

In 2015, INL launched PBS-related activities in 25 communities in Central America and began MPPs in 35 more, with a goal of having 137 active MPPs in the Northern Triangle by the end of 2017. We are also implementing many of the best practices learned through our existing PBS and MPP locations, and continuously look to improve the program through monitoring and evaluation. With continued support of Congress, we hope to significantly expand these types of successful community level programs and institutionalize intelligence-based policing throughout the region.

Top-Down Justice Sector Institution Reform

While our bottom-up efforts engage communities at the local level, our top-down approach focuses on building strong, accountable rule of law institutions worthy of the communities' newfound trust. Over the past year, INL's top-down justice sector institution reform programs have gained momentum throughout Central America. These programs improve the professionalism, transparency, and accountability of investigators, prosecutors, and judges through training programs and professional workshops with counterparts in Colombia, Mexico, and the United States. In Guatemala, these programs increase access to justice for women, children, and indigenous populations, while in Honduras, INL's support for the Criminal Investigative School position it as a training center of excellence for police and judicial officials in Honduras and from other regional countries. In El Salvador, prosecutors directly mentored with INL-support maintained a 93.4 percent conviction rate.

INL will continue to support the International Commission Against Impunity in Guatemala (CICIG) as it carries out independent investigations and prosecutions as part of the fight against corruption there. In 2015, CICIG investigations led to

arrests and the dismantling of long-standing, pervasive corruption rings within the Tax Authority, Penitentiary System, National Civil Police Logistics Division, the Social Security Health Institute, and elsewhere. Most notably, in September 2015, then-President of Guatemala, Otto Perez Molina, resigned after losing his immunity following a CICIG investigation which amassed 89,000 telephone taps, nearly 6,000 emails, and 17 raids. We have continued our commitment to CICIG, whose mandate is extended through 2017. In addition to supporting the commission's investigations, we provide technical assistance, and build the capacity of Guatemalan judicial institutions, while related top-down projects make those institutions more capable of adopting CICIG's best practices.

We actively work with interagency partners to tackle capacity development and reform in Central America in the areas of forensics, anti-money-laundering, and asset forfeiture. Examples of major INL engagements taken in partnership with the interagency in the past year include:

- Together with the U.S. Department of Justice (DOJ), INL is placing six Resident Legal Advisors (RLA) in the Northern Triangle. The RLAs support anti-extortion task forces in El Salvador, asset forfeiture/anti-money laundering reform in Guatemala and Panama, and transparency/anti-corruption efforts in Honduras;
- In coordination with DOJ's International Criminal Investigative Training Assistance Program (ICITAP), INL commenced a new program to embed a senior forensics advisor into INL's Central America Police Reform Initiative (CAPRI). With the addition of an ICITAP advisor, CAPRI will improve the capacity of Central American police forces to conduct forensic investigations and manage evidence to assist with prosecutions as the region transitions to an accusatory justice system;
- In El Salvador, INL worked with DOJ to provide training and mentoring to more than 300 anti-extortion police officers and prosecutors, including members of the Business Crime Task Force (BCTF). The BCTF, obtained 165 convictions during 2015, and achieved a 93.4 percent conviction rate. A particularly notable BCTF action included the October 2015 arrest of 59 members of the notorious MS-13 gang who coordinated extortions in one of El Salvador's most popular tourist destinations;
- INL is supporting the Department of the Treasury's Office of Technical Assistance in Guatemala, Panama, El Salvador, and Costa Rica.

- INL is supporting nine U.S. Customs and Border Protection (CBP) advisors deployed to six Central American countries – including all of the Northern Triangle. These advisors provide technical assistance, mentoring, and training to enhance capacity to protect their borders from illegal migration and smuggling and terrorism operations.

Through continued support for institutional development of border enforcement and control professionals across Central America, we are developing a core of professional agents able to investigate and disrupt transnational criminal activities, including human trafficking and youth migration. This also helps them become effective partners for U.S. government law enforcement, particularly when it comes to conducting joint investigations and operations.

Operational Coordination

Operational coordination through interagency support for specialized units in Central America provides critical assistance that reduces criminal activity in troubled areas, providing time and space for the bottom-up and top-down initiatives to take effect. INL supports vetted units through the Drug Enforcement Administration (DEA), the Federal Bureau of Investigation (FBI), U.S. Immigration and Customs Enforcement Homeland Security Investigations' Transnational Crimes Unit, and CBP. These units focus on gang, kidnapping, human trafficking, and drug interdiction investigations. They prioritize the crimes of highest concern in Central America and disrupt the leadership and operations of transnational criminal organizations.

In El Salvador, the INL-supported FBI-advised Transnational Anti-Gang Unit (TAG) leads international efforts to target criminal gangs, including MS-13 and the 18th Street gang. TAG's work in El Salvador resulted in identification of the entire leadership structure of the local MS-13 and 18th Street gangs. In Honduras, the tactical operations group (GOET), working with the TIGRES and the Violent Crimes Task force – all INL-supported – successfully executed an operation against the Banegas Band, arresting 18 suspects, including its leader in October 2015. The Banegas Band is responsible for at least nine murders and multiple attempts at extortion throughout Honduras.

INL's Panama-based aviation assets supported drug interdiction operations last year that led in one operation to the seizure of 1740 kilograms of cocaine. These aviation assets also assisted Panama's border protection services in accessing remote areas of Panama in support of their policing efforts, and participated in a nation-wide border security protection operation. INL is currently working with

Joint Interagency Task Force South to develop a concept of operations that maximizes the use of intelligence to deploy the aircraft against traffickers in the region.

Monitoring and Evaluation

As we implement the full spectrum of our programs, INL is improving the metrics and evaluation protocols to ensure we are regularly tracking progress and making necessary adjustments. We continually seek to increase the efficiency and long-term effectiveness of INL Central America Regional Security Initiative programs by using evidence-based decision-making, and by designing programs relevant to local needs, while being cognizant of U.S. foreign policy goals and objectives. This includes aligning our programs with good practices related to gender and human rights; enhancing training efficiency and effectiveness; improving the provision of equipment, and advisory assistance; coordinating effectively with other stakeholders including other U.S. government agencies, donors, and local civil society; and ensuring financial and functional sustainability.

Conclusion

Chairwoman Granger, Ranking Member Lowey, and Members of the Subcommittee: we remain committed to working with our neighbors in Central America to bring about significant positive change. We are already seeing some of that positive change, but the challenges facing the region are complex and require an approach that harnesses the entire breadth and depth of law enforcement, criminal justice, and community violence prevention tools at our disposal. The approach we have put forward does just that. With your continued support, we are confident that we can continue to make systemic, positive change in Central America's security environment so this region, our hemisphere, and the United States are safer and more secure.

Thank you for the opportunity to discuss INL's work in Central America and the progress we are making to address these critical security challenges. I look forward to your questions.

**Prepared Testimony of Elizabeth Hogan,
Acting Assistant Administrator for Latin America and the Caribbean,
United States Agency for International Development (USAID)
Before the House Appropriations Committee,
Subcommittee on State, Foreign Operations, and Related Programs
Thursday, February 11, 2016, 10:00am**

Madam Chairwoman, Ranking Member Lowey, and distinguished members of the Subcommittee: Thank you for the invitation to testify today. I am grateful for the Committee's interest in the United States Agency for International Development's work in Latin America and the Caribbean, and am pleased to have this opportunity to update you on our efforts in Central America.

Development Context

As you know, social development and economic growth in Central America have been stymied by a dramatic rise in crime and violence — particularly in the Northern Triangle countries of El Salvador, Guatemala and Honduras. While the homicide rate has declined in Honduras, it is still unacceptably high. In El Salvador, the statistics from 2015 are truly alarming — over 100 murders per 100,000 people. This surpasses the murder rate at the peak of El Salvador's civil war in the 1980s.

The recent wave of insecurity is rooted in increased gang violence and international crime, as well as deep-seated issues of social and economic inequity, and lack of economic opportunity for vast segments of society. Economic productivity in Central America has grown slowly over the last decade, and underemployment hovers between 30 and 40 percent in the Northern Triangle.

These problems are exacerbated by systemic challenges across local and national governments in the region. Institutions are plagued by lack of capacity, antiquated management systems, and corruption challenges that continue to undermine efforts to improve security and advance prosperity. According to Transparency International (2015), Central America suffers from chronically high levels of corruption and contains three of the five most corrupt nations in Latin America and the Caribbean.

These challenges are longstanding, and we continue to see the consequences manifest at our border when children and families complete the dangerous journey to the United States.

This migration is deeply concerning to us and our interagency partners, and USAID is determined to help migrant returnees, while simultaneously addressing the underlying causes that drive people away from their homelands. In the immediate term, USAID supports the work of the International Organization for Migration (IOM) to upgrade reception centers across the Northern Triangle, and improve intake and referral services for returned migrants. This support enables IOM to also provide technical assistance to governments to improve their own child protective services and migration data analysis.

We are acutely aware that this problem requires a strategic and sustained effort to help Central American governments create the environment in which all of their citizens survive and thrive. As Vice President Biden recently stated, our support of a more peaceful and prosperous Northern Triangle is contingent on seeing “these countries make their own commitments to depart from business as usual and embark on a serious new effort to deliver opportunity and security to their long-suffering people.”

Regional Response from Central America

We have already seen promising signs of the Central American governments’ commitment to “depart from business as usual.” These governments have outlined a serious, regional plan, the “Alliance for Prosperity (the Plan),” which aligns closely with much of our U.S. Strategy for Engagement in Central America. This Plan lays out the Northern Triangle governments’ shared commitment to grow their economies, create employment, and improve the life prospects of their citizens, particularly the poorest and most vulnerable. We are encouraged that all three governments have passed 2016 budgets totaling \$2.6 billion to support the Alliance for Prosperity.

Policy reforms in the past several years have translated into tangible results on the ground. In Guatemala — for the first time — the most powerful are no longer beyond the reach of the rule of law. The arrest of the former President, Vice

President and members of the Cabinet on corruption charges came as a result of peaceful protests led by civil society. This represents an historic turning point not just for the International Commission Against Impunity in Guatemala (CICIG); it is also a sign of progress for the Guatemalan judicial system, the Attorney General, the High Impact Court, the 24-hour courts, and national forensic lab, which all received critical support from USAID over a number of years. Newly elected President Morales has committed to extending the mandate for CICIG beyond his own term in office. With sustained effort, the age of impunity in Guatemala may be drawing to a close.

Honduras initiated top-to-bottom reforms of its National Police and has embraced violence prevention as policy. Neighboring El Salvador has developed the most comprehensive national security plan in the Northern Triangle — Plan Seguro. El Salvador has started Plan Seguro implementation in 10 of the country's most violent communities, and USAID and the Department of State's Bureau of International Narcotics and Law Enforcement Affairs (INL) have concrete plans to support their efforts. Plan Seguro is financed by newly imposed taxes on telecommunications companies and Salvadorans who earn more than \$500,000.

These particular actions and local ownership of the Alliance for Prosperity demonstrate political will from the Northern Triangle countries. Nevertheless, a strong partnership with the United States is necessary to achieve and sustain our shared objectives of prosperity, improved governance, and security, which underpin both the Alliance for Prosperity and the U.S. Strategy for Engagement in Central America. This is also very much in line with USAID's overall mission to partner to end extreme poverty and promote resilient, democratic societies while advancing our security and prosperity.

Prosperity

One of our key priorities is to spur greater prosperity in the Northern Triangle by supporting broad-based economic growth programs designed to expand business, employment, and educational opportunities to the poor, and those most likely to migrate. We know that opening doors to employment and education for citizens

— especially youth at risk of gang recruitment, crime, and violence — will bolster our efforts in security and lead to safer, more prosperous societies.

USAID will continue to support El Salvador in its own efforts to grow the economy at the municipal and national levels. At the local level, our work includes projects that help local communities promote economic development and business opportunities. At the national level, we are assisting the government to create a more welcoming business environment, encourage private investment, and improve the ability of small and medium enterprises to take advantage of market opportunities.

USAID's investments have helped enable the achievement of domestic sales and exports by 9,000 Salvadoran companies that have exceeded \$100 million and led to the creation of over 15,000 jobs. More recently, USAID's partnership with the El Salvadoran small business development agency has expanded services in two of Plan Seguro's most violent municipalities, bringing together small business owners, municipal authorities, and police to create viable business development zones.

In Guatemala, our prosperity programs are geographically focused in the rural Western Highlands, where poverty levels are the highest. Chronic malnutrition rates remain around 50 percent countrywide and average 66 percent in indigenous communities in the Western Highlands. As a result of USAID's Integrated Program, targeted communities have seen a reduction in the prevalence of poverty, improved nutritional status for children, increased income and employment, greater agricultural productivity, improved access to water, and better health and educational services. For instance, in the 2,500 communities where we work, the prevalence of poverty was reduced from 85.9 percent in 2012 to 72.9 percent in 2014, based on an independent evaluation. According to preliminary data from the latest mid-term evaluation, chronic malnutrition was reduced from 67.4 percent in 2013 to 64.9 percent in 2015 for children under five in the same target communities.

We plan to significantly expand the Integrated Program to help address the causes of migration by youth from the region. This includes exploring new economic

opportunities in sectors beyond agriculture, as well as ramping up workforce readiness and vocational education opportunities. With additional resources, especially from the FY 2016 funding, we can expand the reach of our Integrated Program to all of the targeted municipalities in the Western Highlands with the greatest levels of migration.

In Honduras, USAID will use additional resources to build on our successful Feed the Future (FTF) programming, which has shown significant results in reducing extreme poverty. While monitoring FTF investments, we have tracked program progress and found that between 2011 and 2015, incomes increased by nearly 55 percent for more than 180,000 of the poorest individuals. Within the last fiscal year alone, the number of FTF beneficiary families whose incomes rose beyond the extreme poverty line increased by 30 percent (8,719 in FY 2015 as compared to 6,626 in FY 2014).

Across all three countries, we will invest in clean energy programs and trade facilitation that promote regional electricity integration, in support of President Obama's Energy Security Task Force for Central America, and prepare the poor to actively participate in the 21st century workforce. Our investments will promote clean energy, and improve the poor quality of electricity in the region. Cheaper, more reliable energy will improve the competitiveness of the business sector while enhancing energy security.

Governance

Economic growth and security are only sustainable in an environment 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. Ultimately, the success of our efforts depends upon strong and effective governance by the Northern Triangle countries.

We plan to invest the recent increase in funding from FY 2015 and FY 2016 in new initiatives to promote good governance and accountability in the Northern Triangle. In Guatemala, USAID will complement a Millennium Challenge Corporation-supported tax administration program to assist private sector and civil society groups in monitoring the effectiveness of the tax and customs services. In

an effort to address rampant corruption and build on the wave of public sentiment and support for reform, we are considering support for the Government of Honduras and the Organization of American States' new anti-corruption initiative, known by its Spanish acronym MACCIH.

With FY 2016 resources, we will continue to support programs that address chronically low tax revenue collection, improve fiscal transparency, and expand justice sector reform throughout the region. USAID provides technical training to judges, lawyers and court personnel as well as technical assistance to the juvenile justice system on important rehabilitation and reintegration reforms.

In El Salvador, we support civil society to advocate for passage of civil service laws and transparent policies for hiring and promotion, and assist the government to develop a national integrity plan that improves transparency in public resource use. We will continue to support self-service kiosks, which allow Salvadoran taxpayers to perform transactions themselves, reducing administrative burden and improving transparency. Results thus far have been impressive. Between 2011 and 2013, revenue collections increased 30 percent overall.

Security

None of our efforts in prosperity and governance will take root in societies that are 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. We have supported a range of tested, community-level approaches to reduce and prevent crime and violence in high-crime communities across the Northern Triangle. These approaches include 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.

Already we are seeing tangible results of our crime prevention activities in El Salvador, where our initial analysis points to a 66 percent drop in homicides in the 76 communities where USAID targets its programming. This statistic is a stark contrast to other communities where homicide rates have climbed sharply over the

past year. Additionally, our 200 youth outreach centers are now annually servicing around 85,000 at-risk youth who are susceptible to gang recruitment and potential migration.

We will use additional resources to help the Northern Triangle governments scale up what is working, particularly in the communities from which youth are migrating. We are working with INL to marry the U.S. Government's prevention, law enforcement, and justice interventions, focusing on the youth most at risk of falling into lives of crime. We are also heartened that the Government of Honduras has supported this model and directed its own resources to support this program; it is likewise gratifying that so many elements of our model are reflected in El Salvador's Plan Seguro.

Partnering with the Private Sector

To accelerate progress in all three objective areas, we will continue to tap into the resources, value chains, expertise, and reach of the private sector. We currently boast a team of 60 private sector partners in the Northern Triangle, from whom we leveraged \$150 million in FY 2014 resources to jointly support our vocational training, education, and employment work for at-risk youth, and increase food security and incomes for vulnerable communities.

Regional Approach

Through our Central America regional platform, USAID recently released a new regional strategy to address cross-boundary concerns, including human rights, labor, energy and environment issues, and trade facilitation. We are developing a new regional trade facilitation program that aims to reduce the time and costs to move goods across the border, making it easier for businesses to capitalize on market opportunities. Part of this program will expand a successful regional trade and market alliance with the Inter-American Development Bank, which supports 25,000 small producers in new producer-buyer alliances across several agricultural value chains. We also plan to extend our regional agreement with the U.S. Department of Agriculture to promote food safety, market access, and local capacity in the Northern Triangle to export safe, high value agricultural products to

the United States. In addition, we are planning new regional programs to promote human rights and labor rights.

Oversight

Operationally, we have made several changes to better equip our teams to expand successful programs, and design and implement new ones. A year ago, we instituted a Regional Governing Board comprised of USAID leadership in Washington and the field, which meets quarterly to identify and share implementation challenges, unblock bottlenecks, and streamline approaches. In addition, it offers an opportunity for our field staff to come to Washington to brief Congress and our partner agencies, and to consult with relevant civil society organizations.

We have realigned our staffing pattern to accommodate 16 new field positions that support the implementation of the U.S. Strategy. We are also unifying all of our procurement planning as a region, so that staff can be mobilized to work on the highest priority procurements. These changes give us the management capacity needed to better respond to the increase in funds for Central America.

Lastly, USAID is committed to accountability, transparency, and oversight of the programs through which we are implementing the U.S. Strategy. We use a full range of monitoring and evaluation tools, including survey data collection, performance indicator monitoring, analysis, studies, and external evaluations. Our Missions in the Northern Triangle are also guided by five-year strategic plans, and their individual Monitoring, Evaluation, and Learning Plans. These tools and plans not only allow us to establish baselines and track the status of our programming; they also enable us to learn what is working, what is not, and how to adapt our programs and allocate resources accordingly.

For example, last year we expanded our community-based crime and violence prevention programs in Central America after an independent and rigorous impact evaluation statistically demonstrated that crime victimization is dramatically lower and public perception of security higher, in USAID's treatment communities.

In addition, we recently created a “Central America Learning Agenda” to build regional evidence and data collection for each of the three pillars of the U.S. Strategy. This “Learning Agenda” allows our team to compile evidence from ongoing regional assessments and evaluations, and to plan and carry out performance and impact evaluations for new or expanded programs.

Conclusion

With renewed commitment from Northern Triangle countries 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 Central American governments create a more peaceful, prosperous, and integrated region. We would like to thank Chairwoman Granger and this Committee for your support and leadership on U.S. engagement in the Northern Triangle. We look forward to collaborating with you to address long-standing challenges and new opportunities for reform in the region. Thank you for your time; I look forward to your questions.

ASSISTANCE TO CENTRAL AMERICA

TESTIMONY OF
FRANCISCO PALMIERI
PRINCIPAL DEPUTY ASSISTANT SECRETARY OF STATE
BUREAU OF WESTERN HEMISPHERE AFFAIRS
U.S. DEPARTMENT OF STATE
BEFORE
THE SUBCOMMITTEE ON STATE, FOREIGN OPERATIONS, AND
RELATED PROGRAMS
HOUSE COMMITTEE ON APPROPRIATIONS
FEBRUARY 11, 2016

Madam Chairman, Ranking Member Lowey, and Members of the Committee:

Thank you for the opportunity to testify on Central America.

The United States is playing a transformative role in the region through the U.S. Strategy for Engagement in Central America. Our efforts build on the continued political will and commitment demonstrated by our partner governments in the region, as described in the Alliance for Prosperity, the development plan of the Northern Triangle governments of El Salvador, Guatemala, and Honduras. But these efforts are just a start because a real and lasting transformation will require sustained diplomatic engagement and financial investments for all stakeholders in the region.

Recent developments in Central America underscore the importance of the U.S. Strategy for Engagement in the region, which will advance prosperity, governance, and security objectives to address the underlying conditions that continue to motivate migrants to take the dangerous journey to come to the United States. This integrated approach under the Strategy comes at a critical moment and offers the best opportunity to improve the lives of Central American citizens, enabling them to hold their governments accountable while also advancing U.S. interests.

The conditions in Central America remain challenging, particularly in the Northern Triangle, but developments over the last few months underscore the need for continued U.S. support.

The UN's International Commission Against Impunity in Guatemala, also known as CICIG, and the Guatemalan Office of the Attorney General have forged a strong cooperative alliance leading to numerous successful investigative efforts. Together, they uncovered a corruption scandal that led to the resignation and arrest of the former President and Vice President on charges of bribery and fraud. This and other corruption cases mobilized public outrage, expressed in 19 straight weekends of peaceful anti-corruption, pro-reform protests, including the largest national demonstration in Guatemalan history. Amidst the corruption scandals, Guatemala completed a peaceful constitutional transfer of power and held free, fair, and generally peaceful elections.

It is important to understand that U.S. assistance to CICIG's efforts began in 2008, and CICIG's recent work to root out corruption at all levels of government proves that sustained and targeted U.S. assistance can be transformative within the region. Last month, a new government took office in Guatemala, pledging to extend CICIG's mandate, strengthen the Office of the Attorney General's resources, and sustain the anti-corruption momentum. One of its first acts was to strip immunity of military leaders implicated in another high profile human rights case.

The Honduran people have also demanded vigorous and meaningful action against corruption, to include criminal investigations and prosecutions of those who offer or receive illegal inducements. To that end, on January 19, the Honduran government signed an agreement with the Organization of American States (OAS) to establish the Mission Against Corruption and Impunity in Honduras, known by its Spanish acronym of MACCIH. The establishment of MACCIH is a wholly innovative response, as supported by our hemisphere's premier political forum. The agreement with the OAS represents an important step forward in domestic, as well as regional, efforts to combat corruption and improve transparency. For our part, we continue to urge the Honduran government, in collaboration with its partners and other OAS member and observer states, to ensure MACCIH has the resources and independence necessary to achieve its mission. We look forward to seeing effective implementation of MACCIH.

In El Salvador, it is the sharp increase in the murder rate that is deeply troubling, and eliciting demands from the Salvadoran public for its government to respond. El Salvador's homicide rate increased by more than 64 percent from 2014 to 2015. It now has the highest homicide rate in the Western Hemisphere, at 104 homicides per 100,000 inhabitants. This development underscores the need to help the government enhance its capacity to provide security for its own citizens, a

key pillar of the U.S. Strategy. In response to these developments, the government of El Salvador is not standing idle. In 2015, the government launched Plan El Salvador Seguro, a national approach to reducing crime and violence. We are directing our own assistance to align with this plan. Our partners in the Bureau of International Narcotics and Law Enforcement Affairs and the U.S. Agency for International Development have seen significant declines in crime and violence in areas where we have targeted our assistance.

These regional developments underscore why we designed our Strategy to be flexible and adaptable, allowing us to respond to changing situations in the region. After the peak levels of migration in summer 2014, the levels of unaccompanied alien children (UACs) and family units arriving at the U.S. southwest border decreased in late 2014 and for much of 2015. In FY 2015, UAC and family arrivals to the United States dropped by 42 percent compared to FY 2014. However, we are concerned about recent migration trends. During the first four months of FY 2016, DHS apprehended more than half the number of UACs and families from El Salvador, Guatemala, and Honduras it apprehended in all of FY 2015. DHS data shows that this upward trend did not continue in January 2016. Based on our experience, after a temporary drop in migration around the holidays, migration flows usually increase again in the spring. With this in mind, we are redoubling efforts to curb migration flows from the region and to provide migrants at risk of harm with safe and legal alternatives to making the dangerous journey north.

There is no panacea that will significantly curtail undocumented migration from the region. Accordingly, our Strategy is designed for long-term success, and recognizes that we must assist these governments as they make the systemic reforms required to address the underlying conditions driving the undocumented migration. We are pressing the Northern Triangle governments to improve their border controls, combat human smuggling and trafficking, inform their citizens of the dangers of the journey, and to receive and assist their repatriated citizens. Their level of cooperation with U.S. partners in these areas is significant and noteworthy. We also continue to provide robust assistance to the Government of Mexico to enhance its ability to secure its southern border, deepen efforts related to transparency and accountability, and screen vulnerable migrants for humanitarian protection.

The Department continues to believe the essential condition for success has not changed. That essential condition is the political will of these regional governments to take the politically difficult actions that can lead to systemic

change. The Northern Triangle governments have answered our call to invest their own resources and advance reforms to produce better outcomes in Central America. The Northern Triangle governments have committed \$2.6 billion in 2016 in support of projects to tackle the challenges in their own countries and to address the underlying conditions driving migration. We continue to work together. Complemented by the assistance included by Congress in the FY 2016 appropriation, we are working in partnership to leverage all of our efforts and seize this transformational moment to effect lasting change in the region.

Undertaking the reforms necessary to achieve an economically integrated Central America that provides economic opportunities to all its people; enjoys more accountable, transparent, and effective public institutions; and ensures a safe environment for its citizens will take time, but we must build on the progress we have made thus far and sustain the momentum we have built. If we do not seize this opportunity for change in Central America, millions will remain mired in violence, poverty, and insecurity, a situation with direct implications for U.S. national interests. There is no longer time for the status quo, but fortunately, the tools for success are present. That is why, despite the challenges, I remain optimistic that Central America, with U.S. support, can and will be the next success story in the Western Hemisphere.

I look forward to your questions.