

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

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In FY2014, the number of unaccompanied minors and family groups from the "northern triangle" of Central America (El Salvador, Guatemala, and Honduras) attempting to enter the United States sharply increased. The resulting [spike in apprehensions](#) strained U.S. government resources and created a complex humanitarian situation. The Obama Administration's initial response to the migrant crisis included working with the governments of the northern triangle and Mexico on public diplomacy campaigns to discourage people from making the journey, and law enforcement operations to dismantle human smuggling networks (see CRS Report R43702, [Unaccompanied Children from Central America: Foreign Policy Considerations](#)). Although total U.S. apprehensions of unaccompanied minors and family units [declined by 42%](#) in FY2015, Mexico—with U.S. support—apprehended record numbers of Central Americans (see CRS Report IF10215, [Mexico's Recent Immigration Enforcement Efforts](#)). The mixed migration flows of children and families [appear to have increased](#) again in recent months, and [many analysts](#) argue that long-term reductions will require policymakers in the countries of origin and the international community to take steps to address the poor security and socioeconomic conditions causing Central Americans to abandon their homes.

FY2016 Aid Request

Asserting that the FY2014 influx of migrants was a reminder that "[the security and prosperity of Central America are inextricably linked to our own](#)," the Obama Administration has requested over \$1 billion in foreign assistance for the region in FY2016 to support a whole-of-government "[U.S. Strategy for Engagement in Central America](#)." The request includes:

- **\$438 million for promoting economic prosperity.** These funds would support efforts to facilitate trade, promote customs and border integration, improve business environments, and integrate regional electricity markets. They would also support programs to reduce poverty, improve early grade literacy, and provide vocational training and alternative education programs.
- **\$315 million for improving security.** These funds would support training for law enforcement personnel, border and maritime interdiction operations, and efforts to strengthen investigative and prosecutorial capacity. They would also support community policing, municipal crime prevention committees, and the expansion of outreach centers that provide opportunities for at-risk youth.

- **\$249 million for strengthening governance.** These funds would support efforts to implement civil service reforms, improve revenue collection and financial management, and strengthen rule-of-law institutions and government service delivery. They would also provide support to civil society groups designed to strengthen their capacities to hold governments accountable.

While the U.S. government already funds many of these types of activities in Central America, the [FY2016 request](#) would allow current programs to be scaled up significantly. Compared to FY2015 funding estimates, bilateral aid for El Salvador would increase from \$47 million to \$119 million, aid for Guatemala would increase from \$107 million to \$226 million, and aid for Honduras would increase from \$71 million to \$163 million. Funding for the Central America Regional Security Initiative (CARSI; see CRS Report R41731, [Central America Regional Security Initiative: Background and Policy Issues for Congress](#)), which has been the principal component of U.S. engagement with the region in recent years and has yielded [mixed results](#), would increase from \$270 million to \$286 million. The vast majority of the request would support programs, training, and technical assistance implemented by U.S. government personnel and nongovernmental partners. Only a small percentage of the aid would be used for direct government-to-government assistance.

Alliance for Prosperity

The objectives of the Administration's strategy are consistent with the priorities established in the "[Plan of the Alliance for Prosperity in the Northern Triangle](#)" that was proposed by the governments of El Salvador, Guatemala, and Honduras in September 2014. The five-year, \$22 billion plan seeks to (1) stimulate the productive sector, (2) develop human capital, (3) improve public safety, and (4) strengthen institutions. The three northern triangle governments intend to fund about 80% of the plan, but are seeking private sector and international donor support to finance the rest.

While many analysts are skeptical that leaders in the region are committed to structural changes, especially in light of [recent corruption scandals](#), the three governments have begun to implement some reforms. The Salvadoran government has enacted an investment stability law and announced a holistic anti-crime strategy; the Guatemalan government has extended the mandate of the International Commission against Impunity (CICIG); and the Honduran government has signed agreements with Transparency International and the Organization of American States (OAS) to combat corruption.

Legislative Developments

Congress has yet to adopt a full year appropriations bill for foreign aid programs in FY2016. A continuing resolution ([P.L. 114-53](#)) funds most aid programs at the FY2015 level, minus an across-the-board reduction of 0.2108%, until December 11, 2015. The House and Senate Appropriations Committees reported out their respective FY2016 Department of State, Foreign Operations, and Related Programs appropriations bills ([H.R. 2772](#) and [S. 1725](#)) in June and July 2015. Based on the appropriations levels and committee recommendations included in the bills and their accompanying reports ([H.Rept. 114-154](#) and [S.Rept. 114-79](#)), neither appears to fully fund the Administration's request for Central America (see [Table 1](#)).

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

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

Table 1. U.S. Assistance to Central America: FY2014-FY2016

In millions of current U.S. dollars

	FY2014 (Actual)	FY2015 (Estimate)	FY2016 (Request)	FY2016 House Bill (H.R. 2772)	FY2016 Senate Bill (S. 1725)
El Salvador	21.6	46.6	119.2	not specified	72.3
Guatemala	65.2	107.2	225.6	not specified	136.7
Honduras	41.8	71.2	163.0	not specified	97.8
Other Countries	14.4	19.1	24.6	not specified	24.6
CARSI	161.5	270.0	286.5	296.5	231.5
Other Regional Programs	33.5	49.2	203.6	not specified	112.5
Total	338.0	563.2	1,022.5	296.5	675.3

Source: U.S. Department of State, [H.Rept. 114-154](#), and [S.Rept. 114-79](#).

Notes: "Other Countries" includes Belize, Costa Rica, Nicaragua, and Panama.