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U.S. Foreign Assistance to Latin America and the Caribbean: Recent Trends and FY2016 Appropriations

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Summary

Geographic proximity has forged strong linkages between the United States and the nations of Latin America and the Caribbean, with critical U.S. interests encompassing economic, political, and security concerns. U.S. policymakers have emphasized different strategic interests in the region at different times, from combating Soviet influence during the Cold War to advancing democracy and open markets since the 1990s. Current U.S. policy is designed to promote economic and social opportunity, ensure the safety of the region's citizens, strengthen effective democratic institutions, and secure a clean energy future. As part of broader efforts to advance these priorities, the United States provides Latin American and Caribbean nations with substantial amounts of foreign assistance.

Trends in Assistance

Since 1946, the United States has provided more than \$160 billion of assistance to the region in constant 2013 dollars (or nearly \$78 billion in historical, non-inflation-adjusted, dollars). Funding levels have fluctuated over time, however, according to regional trends and U.S. policy initiatives. U.S. assistance spiked during the 1960s under President Kennedy's Alliance for Progress, and then declined in the 1970s before spiking again during the Central American conflicts of the 1980s. After another decline during the 1990s, assistance remained on a generally upward trajectory through the first decade of this century, reaching its most recent peak in the aftermath of the 2010 earthquake in Haiti. Aid levels for Latin America and the Caribbean declined in each of the four fiscal years between FY2011 and FY2014 before increasing slightly in FY2015.

FY2016 Obama Administration Request

The Obama Administration's FY2016 foreign aid budget request would increase assistance to Latin America and the Caribbean for a second consecutive year. The Administration requested nearly \$2 billion to be provided through the State Department and the U.S. Agency for International Development (USAID), which would be a 26% increase over the estimated FY2015 level. The requested increase in assistance is almost entirely the result of the Administration's proposal to provide over \$1 billion in aid to Central America to promote prosperity, security, and good governance and to address the root causes of migration from the sub-region. Under the request, the balance of U.S. assistance would shift toward development aid and away from security aid, as three of the four major U.S. security initiatives in the region would see cuts. Aid levels for Colombia, Haiti, and Mexico would decline compared to FY2015, but those countries would continue to be among the top recipients in the region.

Congressional Action

In recent years, the annual Department of State, Foreign Operations, and Related Programs appropriations measure has been the primary legislative vehicle through which Congress reviews U.S. assistance and influences executive branch policy. Although the House and Senate Appropriations Committees reported out their respective bills (H.R. 2772 and S. 1725) in June and July 2015, no action was taken on those measures. After funding foreign aid programs through a series of continuing resolutions, Congress included foreign assistance appropriations in the Consolidated Appropriations Act, 2016 (P.L. 114-113), which the President signed into law on December 18, 2015. The legislation includes \$32.9 billion for bilateral economic assistance and international security assistance worldwide; this funding level is 2.8% higher than the Administration's FY2016 request and about 1% lower than the FY2015 estimated level.

It is currently unclear how much foreign assistance will be directed to Latin America and the Caribbean in FY2016, since, for the most part, appropriations levels for individual countries and programs are not specified in the legislation or the accompanying explanatory statement. The appropriations levels that are specified differ from the Administration's request in several respects. The legislation provides \$250 million less than was requested for Central America and \$50 million less than was requested for Haiti. It also appears to provide slightly more assistance than was requested for Colombia, Mexico, and the Caribbean Basin Security Initiative (CBSI). Given these funding levels it appears as though the region will receive less assistance than the Administration requested for FY2016 but more than it received in FY2015.

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Introduction

Foreign assistance is one of the tools the United States has employed to advance U.S. interests in Latin America and the Caribbean, with the focus and funding levels of aid programs changing along with broader U.S. policy goals.¹ Current aid programs reflect the diversity of the countries in the region. Some countries receive the full range of U.S. assistance as they continue to struggle with political, socioeconomic, and security challenges. Others, which have made major strides in democratic governance and economic and social development, no longer receive traditional U.S. development assistance but continue to receive some support for security challenges, such as combating transnational organized crime. Although U.S. relations with the nations of Latin America and the Caribbean have increasingly become less defined by the provision of assistance as a result of this progress, foreign aid continues to play an important role in advancing U.S. policy in the region.

Congress authorizes and appropriates foreign assistance to the region and conducts oversight of aid programs and the executive branch agencies charged with managing them. Efforts to reduce budget deficits in the aftermath of the recent global financial crisis and U.S. recession have triggered closer examination of competing budget priorities. Congress has identified foreign assistance as a potential area for spending cuts, placing greater scrutiny on the efficiency and effectiveness of U.S. aid programs.

This report provides an overview of U.S. assistance to Latin America and the Caribbean. It analyzes historical and recent trends in aid to the region as well as the Obama Administration's FY2016 request for State Department and U.S. Agency for International Development (USAID)-administered assistance. It also examines legislative developments on foreign aid appropriations for Latin America and the Caribbean in FY2016, and raises questions Congress may examine as it considers future appropriations for the region.

Report Notes

In order to more accurately compare the Administration's FY2016 foreign assistance request to previous years' appropriations, aid figures in this report (except where otherwise indicated) refer only to bilateral assistance that is managed by the State Department or USAID and is requested for individual countries or regional programs. While this represents the majority of U.S. assistance to Latin America and the Caribbean, it is important to note that there are several other sources of U.S. aid to the region. Some countries in Latin America and the Caribbean receive U.S. assistance through State Department and USAID-managed foreign aid accounts, such as International Disaster Assistance (IDA), Migration and Refugee Assistance (MRA), and Transition Initiatives (TI). Likewise, some nations receive assistance from U.S. agencies such as the Department of Defense, the Inter-American Foundation, the Millennium Challenge Corporation, and the Peace Corps. Moreover, multilateral organizations that the United States supports financially, such as the Organization of American States (OAS), provide additional aid to some countries in the region. Since foreign assistance provided through these accounts and agencies is not requested for individual countries, and country-level figures are not publicly available until after the fiscal year has passed, these accounts and agencies are excluded from this analysis.

¹ For more information on U.S. policy in the region, see CRS Report R43882, *Latin America and the Caribbean: Key Issues for the 114th Congress*, coordinated by (name redacted) .

Trends in U.S. Assistance to Latin America and the Caribbean

The United States has long been a major contributor of foreign assistance to countries in Latin America and the Caribbean. Between 1946 and 2013, it provided the region over \$160 billion in constant 2013 dollars (or nearly \$78 billion in historical, non-inflation-adjusted, dollars).² U.S. assistance to the region spiked in the early 1960s following the introduction of President Kennedy's Alliance for Progress, an anti-poverty initiative that sought to counter Soviet and Cuban influence in the aftermath of Fidel Castro's 1959 seizure of power in Cuba. After a period of decline, U.S. assistance to the region increased again following the 1979 assumption of power by the leftist *Sandinistas* in Nicaragua. Throughout the 1980s, the United States provided considerable support to the *Contras*, who sought to overthrow the Sandinista government, and to Central American governments battling leftist insurgencies. U.S. aid flows declined in the mid-1990s following the dissolution of the Soviet Union and the end of the Central American conflicts (see **Figure 1**).

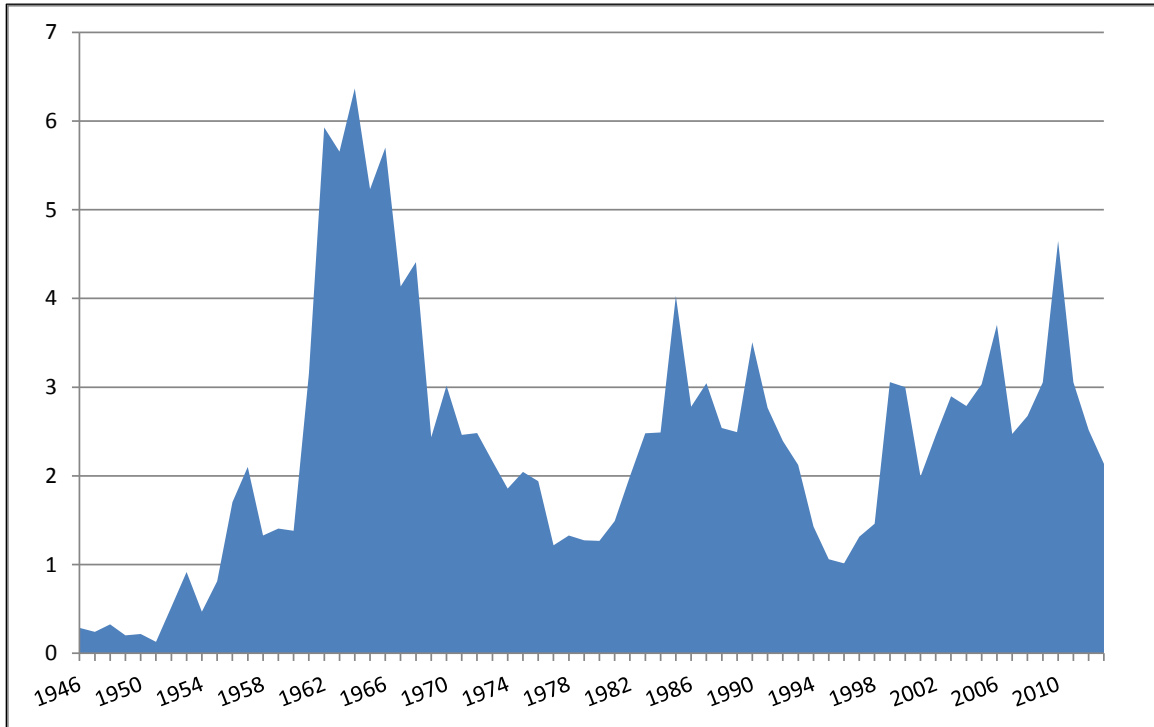
U.S. foreign assistance to Latin America and the Caribbean began to increase once again in the late 1990s and remained on a generally upward trajectory through the past decade. The higher levels of assistance were partially the result of increased spending on humanitarian and development assistance. In the aftermath of Hurricane Mitch in 1998, the United States provided extensive humanitarian and reconstruction aid to several countries in Central America. The establishment of the President's Emergency Plan for AIDS Relief (PEPFAR) in 2003 and the Millennium Challenge Corporation (MCC) in 2004 provided a number of countries in the region with new sources of U.S. assistance.³ More recently, the United States provided significant amounts of assistance to Haiti in the aftermath of a massive January 2010 earthquake.

Increased funding for counternarcotics and security programs also contributed to the rise in U.S. assistance through 2010. Beginning with President Clinton and the 106th Congress in FY2000, successive Administrations and Congresses have provided substantial amounts of foreign aid to Colombia and its Andean neighbors in support of "Plan Colombia"—a Colombian government initiative to combat drug trafficking, end its long-running internal armed conflict, and foster development. Spending on counternarcotics and security assistance received another boost in FY2008 when President George W. Bush joined with his Mexican counterpart to announce the Mérida Initiative, a package of U.S. counterdrug and anticrime assistance for Mexico and Central America. In FY2010, Congress and the Obama Administration split the Central America portion of the Mérida Initiative into a separate Central America Regional Security Initiative (CARSI) and created a similar program for the countries of the Caribbean known as the Caribbean Basin Security Initiative (CBSI).

² These figures include aid obligations from all U.S. government agencies. U.S. Agency for International Development (USAID), *Foreign Aid Explorer: The Official Record of U.S. Foreign Aid*, accessed in January 2016. Obligation data for FY2014 and FY2015 are not yet available.

³ For more information on PEPFAR and the MCC, see CRS Report R42776, *The President's Emergency Plan for AIDS Relief (PEPFAR): Funding Issues After a Decade of Implementation, FY2004-FY2013*, by (name redacted) ; and CRS Report RL32427, *Millennium Challenge Corporation*, by (name redacted)

Figure I. Total U.S. Assistance to Latin America and the Caribbean: FY1946-FY2013
 Obligations in billions of constant 2013 U.S. dollars



Source: USAID, *Foreign Aid Explorer: The Official Record of U.S. Foreign Aid*, accessed in January 2016.

Notes: Includes aid obligations from all U.S. government agencies. Obligation data for FY2014 and FY2015 are not yet available.

After more than a decade of generally increasing aid levels, U.S. assistance to Latin America and the Caribbean began to decline in FY2011. This was partially the result of reductions in the overall U.S. foreign assistance budget. The Obama Administration and Congress have sought to reduce budget deficits in the aftermath of the recent global financial crisis and U.S. recession and have identified foreign assistance as a potential area for spending cuts. U.S. assistance to Latin America and the Caribbean decreased each year between FY2010 and FY2014. While aid to the region increased slightly in FY2015, spending caps and across-the-board cuts that were included in the Budget Control Act of 2011 (P.L. 112-25), as amended, could place downward pressure on the aid budget for the foreseeable future.⁴

The recent decline in U.S. assistance to Latin America and the Caribbean also reflects changes in the region. As a result of stronger economic growth and the implementation of more effective social policies, the percentage of people living in poverty in Latin America fell from 44% in 2002 to 28% in 2013.⁵ Likewise, electoral democracy has been consolidated in the region; every country except Cuba now has a democratically elected government (although some elections have been controversial). These changes have allowed the U.S. government to concentrate its resources in fewer countries and sectors. For example, USAID closed its mission in Panama in 2012

⁴ For more information, see CRS Report R42506, *The Budget Control Act of 2011 as Amended: Budgetary Effects*, by (name redacted) and (name redacted).

⁵ U.N. Economic Commission for Latin America and the Caribbean, *Social Panorama of Latin America*, December 2014.

following the country's graduation from foreign assistance, and the agency has largely transitioned out of providing support for family planning and elections administration as many governments throughout the region have demonstrated their ability to finance and carry out such activities on their own.⁶ Some Latin American nations, such as Brazil, Chile, Colombia, Mexico, and Uruguay, have begun providing foreign aid to other countries. The United States has partnered with these nations through so-called "trilateral cooperation" initiatives to jointly plan and fund development and security assistance efforts in third countries. Other countries, such as Bolivia and Ecuador, have demonstrated less interest in working with the United States, leading to significant reductions in U.S. assistance and the closure of USAID missions. As a result of these developments in the region and competing U.S. foreign policy priorities elsewhere in the world, U.S. assistance to Latin America and the Caribbean as a proportion of total U.S. foreign assistance dropped from 12% in FY2004 to 7% in FY2014.⁷

FY2016 Foreign Assistance Request for Latin America and the Caribbean⁸

The Obama Administration's FY2016 budget request would increase assistance to Latin America and the Caribbean for a second consecutive year and reverse the reductions in aid to the region that have occurred since FY2011. It included nearly \$2 billion for Latin America and the Caribbean, a 26% increase over the estimated FY2015 level (see **Table 1**). The requested increase in assistance was almost entirely the result of the Administration's intention to allocate over \$1 billion in aid to Central America to promote prosperity, security, and good governance and to address the root causes of migration from the region.

Foreign Aid Categories and Accounts⁹

The Administration's FY2016 foreign aid request for Latin America and the Caribbean would shift the emphasis of U.S. assistance efforts toward development and humanitarian assistance programs (see **Figure 2**). More than \$842 million (about 42%) of the request for the region would go toward such programs. Development assistance seeks to foster sustainable broad-based economic progress and social stability in developing nations. Such funding is often used for long-term projects in the areas of democracy promotion, economic reform, basic education, human health, and environmental protection. This assistance is provided primarily through the Development Assistance (DA) and Global Health Programs (GHP) accounts, which would receive \$615 million and \$214 million, respectively, under the Administration's FY2016 request. In terms of humanitarian assistance, the Administration requested \$13 million through the Food for Peace (P.L. 480) account to address immediate food security needs in the region. While funding provided through the GHP accounts would remain relatively stable, the FY2016 request included nearly \$401 million more DA funding than the United States provided to the region in

⁶ Mark Feierstein, "A New Approach for a Changing Hemisphere," *USAID Frontlines*, March/April 2012.

⁷ U.S. Department of State, *Congressional Budget Justifications for Foreign Operations, Fiscal Years FY2006 and FY2015*.

⁸ Unless otherwise noted, data and information in this section are drawn from U.S. Department of State, *Congressional Budget Justification, Foreign Operations, Appendix 3, Fiscal Year 2016*, February 27, 2015, <http://www.state.gov/documents/organization/238222.pdf>.

⁹ For more information on the various foreign aid accounts and the programs they fund, see CRS Report R40213, *Foreign Aid: An Introduction to U.S. Programs and Policy*, by (name redacted) and (name redacted)

FY2015. The vast majority of the additional DA funding would be used to support development efforts in Central America.

Table I. U.S. Assistance to Latin America and the Caribbean by Foreign Aid Account: FY2011-FY2016 Request

Appropriations in thousands of U.S. dollars

Account	FY2011	FY2012	FY2013	FY2014	FY2015 (Estimate)	FY2016 (Request)	% Change FY2015-FY2016
DA	361,463	333,785	305,945	214,399	214,113	615,041	+187.3%
GHP (USAID)	130,977	104,509	78,948	63,063	66,541	65,541	-1.5%
GHP (State)	203,323	182,236	173,496	157,368	148,244	148,444	+0.1%
P.L. 480	94,951	38,173	40,526	29,067	15,000	13,000	-13.3%
ESF	435,130	465,541	447,503	459,280	583,106	597,461	+2.5%
INCLE	506,220	593,270	550,942	467,131	483,195	464,000	-4.0%
NADR	25,200	20,530	14,992	14,485	12,563	9,070	-27.8%
IMET	14,458	14,597	12,892	13,503	14,065	12,905	-8.2%
FMF	84,477	70,885	59,226	59,315	49,100	64,665	+31.7%
Total	1,856,199	1,823,526	1,684,470	1,477,611	1,585,927	1,990,127	+25.5%

Source: U.S. Department of State.

Notes: DA=Development Assistance; GHP=Global Health Programs; P.L. 480=Food For Peace; ESF=Economic Support Fund; INCLE=International Narcotics Control and Law Enforcement; NADR=Nonproliferation Anti-terrorism, Demining, and Related programs; IMET=International Military Education and Training; and FMF=Foreign Military Financing.

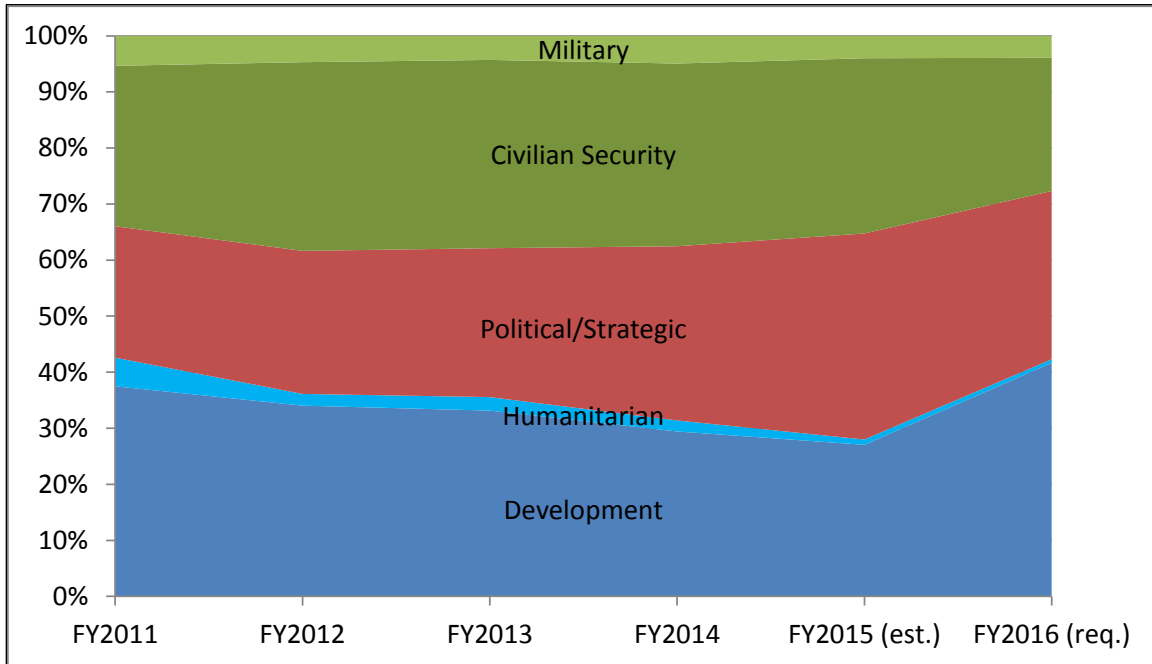
Another \$597 million (30%) of the Administration’s FY2016 request for the region would be provided through the Economic Support Fund (ESF) account, which has as its primary purpose the promotion of special U.S. political, economic, or security interests. In practice, the ESF account generally funds programs that are designed to promote political and economic stability and are often indistinguishable from those funded through the regular development and humanitarian assistance accounts. The Administration’s FY2016 request for the region included \$14 million more ESF assistance than was provided in FY2015.

The remaining \$551 million (28%) of the Administration’s FY2016 request for Latin America and the Caribbean would support security assistance programs. This includes \$464 million requested under the International Narcotics Control and Law Enforcement (INCLE) account, which supports counternarcotics and civilian law enforcement efforts as well as projects designed to strengthen judicial institutions. It also includes \$9 million requested under the Nonproliferation, Anti-terrorism, De-mining, and Related programs (NADR) account, which funds efforts to counter global threats, such as terrorism and proliferation of weapons of mass destruction. Additionally, \$78 million was requested under the Foreign Military Financing (FMF) and International Military Education and Training (IMET) accounts to provide equipment and personnel training to Latin American and Caribbean militaries. Total security funding for the region would decline by about \$8 million, with an increase in FMF aid more than offset by decreases in INCLE, NADR, and IMET assistance. While INCLE aid for Central America, provided through the Central America Regional Security Initiative (CARSI), would increase by

\$35 million, INCLE aid for Colombia and Mexico would be cut by \$18 million and \$30 million, respectively, compared to FY2015 estimates.

Figure 2. U.S. Assistance to Latin America and the Caribbean by Aid Category: FY2011-FY2016 Request

As a percentage of total U.S. assistance appropriated/requested for the region



Source: U.S. Department of State.

Notes: “Military” includes FMF & IMET; “Civilian Security” includes INCLE & NADR; “Political/Strategic” includes ESF; “Humanitarian” includes P.L. 480; and “Development” includes DA & GHP.

Major Country and Regional Programs¹⁰

Following a sharp increase in the number of unaccompanied children and other migrants and asylum seekers from Central America arriving at the U.S. border in FY2014, the Administration announced a whole-of-government “**U.S. Strategy for Engagement in Central America**” that is designed to promote prosperity, security, and good governance in the sub-region. More than \$1 billion (51%) of the Administration’s FY2016 aid request for Latin America and the Caribbean would be allocated to Central America, with the majority of those funds concentrated in the “northern triangle” countries of **El Salvador, Guatemala, and Honduras**. Compared to FY2015, bilateral aid for El Salvador would increase from \$47 million to \$119 million, bilateral aid for Guatemala would increase from \$114 million to \$226 million, and bilateral aid for Honduras would increase from \$71 million to \$163 million. As noted above, nearly all of the increased bilateral aid would be provided through the DA account.

¹⁰ For detailed information on the programs funded by U.S. assistance in each Latin American and Caribbean country, see U.S. Department of State, *Congressional Budget Justification, Foreign Operations, Appendix 3, Fiscal Year 2016*, February 27, 2015, <http://www.state.gov/documents/organization/238222.pdf>.

About half of the Administration's \$1 billion aid request for Central America would be provided through regional programs. Assistance provided through the **Central America Regional Security Initiative (CARSI)**, which has been the principal component of U.S. engagement with Central America in recent years and has yielded mixed results, would increase from \$270 million in FY2015 to \$287 million in FY2016. Assistance provided through USAID's Central America Regional program would increase from \$49 million to \$65 million. The request also included an additional \$137 million that would be provided through the State Department's Western Hemisphere Regional program in support of the new Central America strategy. Although it is unclear how much funding from the regional programs would go to each country, the majority likely would be allocated to El Salvador, Guatemala, and Honduras.¹¹

Colombia would continue to be the single largest recipient of U.S. assistance in Latin America under the Administration's FY2016 request, though aid for the country would fall from \$301 million in FY2015 to \$289 million in FY2016. Colombia has received significant amounts of U.S. assistance to support counternarcotics and counterterrorism efforts since FY2000, but funding levels have declined in recent years as the security situation in Colombia has improved, the Colombian government has taken ownership of programs, and the United States has shifted the emphasis of its aid away from costly military equipment toward economic and social development efforts. According to the FY2016 request, U.S. assistance would support the Colombian government's efforts to eradicate and interdict coca, expand its institutional presence in conflict zones, demobilize and reintegrate ex-combatants, carry out land restitution, implement justice sector reforms, and provide humanitarian aid to conflict victims and vulnerable populations. U.S. assistance would also support the implementation of a potential peace agreement to end Colombia's 50-year internal conflict.¹²

Haiti, which has received high levels of aid for many years as a result of its significant development challenges, would once again be the second-largest recipient of U.S. assistance in the region under the FY2016 request. U.S. assistance increased significantly after Haiti was struck by a massive earthquake in January 2010 but has gradually declined from those elevated levels. The Administration's FY2016 request would provide \$242 million to support the Post-Earthquake U.S. Government Strategy for Haiti, which includes four strategic pillars: infrastructure and energy, food and economic security, health and other basic services, and governance and rule of law. This would be a slight reduction compared to the estimated \$244 million provided in FY2015.¹³

U.S. assistance to **Mexico** would decline considerably under the Administration's FY2016 request. Mexico traditionally has not been a major recipient of U.S. assistance given its status as an upper middle income economy, but it began receiving large amounts of aid through the anticrime and counterdrug program known as the Mérida Initiative in FY2008. The Administration's FY2016 request would provide \$142 million for Mexico, a 14% reduction compared to FY2015. FY2016 aid would be used to support the Mexican government's efforts to combat transnational crime, reform rule of law institutions, protect human rights, strengthen

¹¹ For more information, see CRS Insight IN10237, *President Obama's \$1 Billion Foreign Aid Request for Central America*, by (name redacted) and (name redacted) ; CRS Report R43702, *Unaccompanied Children from Central America: Foreign Policy Considerations*, coordinated by (name redacted) and CRS Report R41731, *Central America Regional Security Initiative: Background and Policy Issues for Congress*, by (name redacted) and (name redacted) .

¹² For more information on Colombia and the peace process, see CRS Report R42982, *Peace Talks in Colombia*, by (name redacted)

¹³ For more information on U.S. policy in Haiti, see CRS Report R42559, *Haiti Under President Martelly: Current Conditions and Congressional Concerns*, by (name redacted) .

border security, provide educational and vocational opportunities for at-risk youth, and carry out conservation and clean energy initiatives.¹⁴

U.S. assistance provided through the **Caribbean Basin Security Initiative (CBSI)** would also decline under the Administration’s FY2016 request. CBSI funding supports efforts to increase citizen security and address the root causes of crime and violence in the Caribbean. The FY2016 request would provide \$53.5 million to implement community-based policing programs, support police and justice sector reforms, provide equipment and training to partner nation security forces, and offer vocational training and other opportunities to at-risk youth. Compared to the FY2015 funding level, assistance provided through the CBSI would decline by about 10% in FY2016.

Table 2. U.S. Assistance to Latin America and the Caribbean by Country or Regional Program: FY2011-FY2016 Request
(In thousands of U.S. dollars)

	FY2011	FY2012	FY2013	FY2014	FY2015 (Estimate)	FY2016 (Request)	% Change FY2015- FY2016
Argentina	897	1,038	765	589	590	550	-6.8%
Bahamas	201	190	164	172	200	200	—
Belize	410	687	1,012	1,234	1,050	1,250	+19.0%
Bolivia	41,915	28,827	5,171	0	0	0	—
Brazil	23,321	18,038	15,185	13,858	11,665	1,365	-88.3%
Chile	1,321	1,155	1,038	1,082	1,050	700	-33%.3
Colombia	453,218	384,288	359,754	330,601	300,945	288,726	-4.1%
Costa Rica	743	1,112	1,624	1,731	1,625	1,825	+12.3%
Cuba	20,000	20,000	19,283	20,000	20,000	20,000	—
Dominican Republic	36,996	23,129	26,407	23,248	22,878	24,409	+6.7%
Ecuador	24,254	22,869	18,846	2,000	0	2,000	—
El Salvador	29,778	29,183	27,566	21,631	46,600	119,222	+155.8%
Guatemala	110,161	84,474	80,779	65,278	114,157	225,600	+97.6%
Guyana	16,911	10,864	9,150	6,904	6,936	6,886	-0.7%
Haiti	380,261	351,829	332,540	300,796	244,313	241,668	-1.1%
Honduras	56,017	57,040	51,980	41,847	71,176	162,950	+128.9%
Jamaica	7,589	6,700	7,061	6,670	5,600	5,600	—
Mexico	178,145	329,680	265,064	206,768	165,510	142,160	-14.1%
Nicaragua	24,065	12,301	8,599	8,400	12,400	18,150	+46.4%
Panama	2,984	3,252	3,449	2,986	4,015	3,325	-17.2%
Paraguay	6,806	3,773	6,041	7,528	7,980	9,460	+18.5%

¹⁴ For more information on U.S. policy in Mexico, see CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by (name redacted) and (name redacted)

	FY2011	FY2012	FY2013	FY2014	FY2015 (Estimate)	FY2016 (Request)	% Change FY2015- FY2016
Peru	96,581	79,129	98,634	82,649	84,055	95,985	+14.2%
Suriname	251	239	213	212	200	215	+7.5%
Trinidad and Tobago	253	175	167	179	325	325	—
Uruguay	989	539	427	725	550	500	-9.1%
Venezuela	5,000	6,000	5,786	4,298	3,256	5,500	+68.9%
Barbados and Eastern Caribbean	32,337	33,176	32,248	16,734	28,221	29,047	+2.9%
USAID Central America Regional	28,562	32,089	33,065	33,492	49,192	64,492	+31.1%
USAID South America Regional	9,819	16,000	13,072	16,500	12,000	4,777	-60.2%
USAID Latin America and Caribbean Regional	52,835	44,900	38,089	29,050	22,500	32,420	+44.1%
State Western Hemisphere Regional	213,579	220,850	221,291	230,449	342,938	480,820	+40.2%
[CARSJ]	[101,508]	[135,000]	[145,619]	[161,500]	[270,000]	[286,500]	+6.1%
[CBSI]	[77,367]	[64,000]	[60,296]	[63,500]	[59,500]	[53,500]	-10.1%
Total	1,856,199	1,823,526	1,684,470	1,477,611	1,585,927	1,990,127	+25.5%

Source: U.S. Department of State.

Notes: CARSJ and CBSI are funded through the State Western Hemisphere Regional program.

Legislative Action

Since Congress has not enacted a comprehensive foreign assistance authorization measure since FY1985, annual Department of State, Foreign Operations, and Related Programs appropriations bills tend to serve as the primary legislative vehicles through which Congress reviews U.S. assistance and influences executive branch foreign policy. The House Committee on Appropriations reported its bill (H.R. 2772) on June 15, 2015, and the Senate Committee on Appropriations reported its bill (S. 1725) on July 9, 2015. Neither measure received floor consideration.¹⁵

¹⁵ For more information, see CRS Report R43901, *State, Foreign Operations, and Related Programs: FY2016 Budget and Appropriations*, by (name redacted), (name redacted), and (name redacted).

Instead, after several continuing resolutions, Congress chose to include foreign aid funding in the Consolidated Appropriations Act, 2016 (P.L. 114-113), which President Obama signed into law on December 18, 2015. The legislation includes \$32.9 billion for bilateral economic assistance and international security assistance worldwide. This global funding level is 2.8% higher than the Administration's FY2016 request and about 1% lower than the FY2015 estimated level. It is unclear how much foreign assistance will be directed to Latin America and the Caribbean, since, for the most part, appropriations levels for individual countries and programs are not specified in the legislation or the accompanying explanatory statement.¹⁶

The appropriations levels that are specified in the legislation and explanatory statement differ from the Administration's request in several respects. Perhaps the most noteworthy difference involves funding for Central America. The legislation provides up to \$750 million to implement the new **U.S. Strategy for Engagement in Central America**, which is \$250 million less than requested. This includes about \$68 million for **El Salvador** (\$51 million less than requested), \$128 million for **Guatemala** (\$98 million less than requested), and \$98 million for **Honduras** (\$65 million less than requested). It also includes \$349 million for **CARSI**, which is \$62 million more than was requested for the initiative. The legislation places a number of conditions on the funds, requiring the State Department to withhold 75% of the assistance for the "central governments of El Salvador, Guatemala, and Honduras" until the Secretary of State certifies that those governments are "taking effective steps" to improve border security, combat corruption, increase revenues, and address human rights concerns, among other actions.¹⁷

There are several other instances where appropriations levels differ from those in the Administration's request. The measure appears to provide \$12 million more than was requested for **Colombia**, \$8 million more than was requested for **Mexico**, and \$4 million more than was requested for the **CBSI**. In all three cases, it shifts the emphasis of aid toward security concerns by providing less assistance than was requested through the ESF account and providing more than was requested through the INCLE account. The act also stipulates that "not more than" \$191 million may be provided to **Haiti**, which is \$50 million less than was requested. It requires the State Department to withhold all assistance for the "central Government of Haiti" until the Secretary of State certifies that the Haitian government is "taking effective steps" to hold free and fair elections, strengthen the rule of law, combat corruption, and increase government revenues. While the request did not include any funding to support environmental programs in **Brazil**, the omnibus provides \$10.5 million for such programs. It also provides \$6.5 million for democracy programs in **Venezuela**, which is \$1 million above the request.

Looking Ahead

In the coming months, Congress will continue to oversee the implementation of foreign aid programs in Latin America and the Caribbean and begin to consider the Obama Administration's FY2017 foreign assistance request for the region. As Members engage in oversight and contemplate future appropriations, they might consider questions such as:

- How effective are U.S. assistance programs in the region?

¹⁶ The explanatory statement is available at <http://docs.house.gov/meetings/RU/RU00/20151216/104298/HMTG-114-RU00-20151216-SD012.pdf>.

¹⁷ For more information, see CRS Insight IN10237, *President Obama's \$1 Billion Foreign Aid Request for Central America*, by (name redacted) and (name redacted).

- To what extent are aid recipients implementing the structural reforms necessary to fully benefit from assistance and sustain programs started with U.S. funding?
- How do conditions on U.S. assistance influence the policies and actions of recipient governments?
- To what extent do socioeconomic and security conditions in Latin America and the Caribbean affect the United States?
- How many years and what levels of U.S. assistance will be necessary to achieve U.S. objectives in the region?
- How do U.S. policy priorities in the Western Hemisphere compare to U.S. priorities elsewhere in the world?
- How did the 20% decline in annual U.S. assistance appropriations for Latin American and the Caribbean between FY2011 and FY2014 affect U.S. influence in the region?
- To what extent have countries in the region taken financial and administrative responsibility for programs that the U.S. government has stopped funding?
- How successful have recent trilateral cooperation initiatives been and should they be expanded in the future?
- What other forms of engagement could the U.S. government use to advance its policy priorities in Latin America and the Caribbean as U.S. relations with the region become less defined by the provision of foreign assistance?

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