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# U.S. Foreign Assistance to Latin America and the Caribbean: FY2018 Appropriations

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## Summary

The United States provides foreign assistance to the nations of Latin America and the Caribbean to support development and other U.S. objectives. U.S. policymakers have emphasized different strategic interests in the region at different times, from combating Soviet influence during the Cold War to promoting democracy and open markets since the 1990s. Over the past year, the Trump Administration has sought to reduce foreign aid significantly and refocus U.S. assistance efforts in the region to address U.S. domestic concerns, such as irregular migration and transnational crime.

### **FY2018 Request**

For FY2018, the Trump Administration requested \$1.1 billion to be provided to Latin America and the Caribbean through foreign assistance accounts managed by the State Department and the U.S. Agency for International Development (USAID). That would have been \$617 million, or 36%, less than the \$1.7 billion of U.S. assistance the region received in FY2017. The proposal would have cut funding for nearly every type of assistance and would have reduced aid for every Latin American and Caribbean nation. The Trump Administration also proposed the elimination of the Inter-American Foundation, a small, independent U.S. foreign assistance agency that promotes grassroots development in the region.

The Administration's efforts to scale back U.S. assistance could have significant implications for U.S. policy in Latin America and the Caribbean. Faced with potential cuts, U.S. agencies could accelerate efforts to transition countries in the region away from traditional development assistance and toward other forms of bilateral engagement. Reductions in State Department-managed security assistance could lead to the Department of Defense taking on a larger role in U.S. security cooperation. Moreover, reductions in foreign aid, combined with other policy shifts, could contribute to a relative decline in U.S. influence in the region.

### **Legislative Developments**

On March 23, 2018, nearly six months after the start of FY2018, President Trump signed into law the Consolidated Appropriations Act, 2018 (P.L. 115-141). The act provided \$39.9 billion for foreign operations globally, a 4.2% cut compared to FY2017. The total amount of foreign assistance Congress appropriated for Latin America and the Caribbean is unclear since the legislation and the accompanying explanatory statement do not specify aid levels for every Latin American and Caribbean nation. Nevertheless, the amounts designated in the act for several significant initiatives indicate that total funding for the region will exceed the Administration's request and may approach FY2017 levels:

- The act provides \$615 million to continue implementation of the U.S. Strategy for Engagement in Central America, which is \$155 million more than the Administration requested but \$85 million less than was allocated to the initiative in FY2017.
- The act provides more than \$391 million to support the peace process and security and development efforts in Colombia, which is \$140 million more than requested and \$5 million more than Colombia received in FY2017.
- The act provides nearly \$153 million to support security and rule-of-law efforts in Mexico, which is \$65 million more than requested and \$14 million more than Mexico received in FY2017.

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## Introduction

Foreign assistance is one of the tools the United States employs to advance U.S. interests in Latin America and the Caribbean. The focus and funding levels of aid programs change along with broader U.S. policy goals.<sup>1</sup> Current aid programs reflect the diverse needs of the countries in the region (see **Figure 1** for a map of Latin America and the Caribbean). Some countries receive the full range of U.S. assistance as they struggle with political, socioeconomic, and security challenges. Others have made major strides in consolidating democratic governance and improving living conditions; these countries no longer receive traditional U.S. development assistance but typically receive some U.S. support to address security challenges, such as transnational crime.

Congress authorizes and appropriates foreign assistance to the region and conducts oversight of aid programs and the executive branch agencies charged with managing them. The Trump Administration has proposed significant reductions in foreign assistance expenditures to shift resources to other budget priorities. The Administration also is reassessing the objectives of U.S. foreign assistance efforts, including those in Latin America and the Caribbean. Any shifts in aid funding levels or priorities, however, would have to be approved by Congress.

This report provides an overview of U.S. assistance to Latin America and the Caribbean. It examines historical and recent trends in aid to the region; the Trump Administration's FY2018 budget request for aid administered by the State Department, the U.S. Agency for International Development (USAID), and the Inter-American Foundation; and FY2018 foreign aid appropriations legislation. It also analyzes how the Administration's efforts to scale back assistance could affect U.S. policy in Latin America and the Caribbean.

### Report Notes

To more accurately compare the Administration's FY2018 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 the U.S. Agency for International Development (USAID) and is requested for individual countries or regional programs. Nearly 70% of the assistance obligated by all U.S. agencies in Latin America and the Caribbean from FY2013-FY2016 was provided through the foreign assistance accounts that are examined in this report.

Nevertheless, there are several other sources of U.S. assistance to the region. Some countries in Latin America and the Caribbean receive U.S. assistance through State Department- and USAID-managed foreign assistance accounts, such as International Disaster Assistance, Migration and Refugee Assistance, and Transition Initiatives. Likewise, some nations receive assistance from U.S. agencies such as the Department of Defense, the Millennium Challenge Corporation, and the Peace Corps. Moreover, multilateral organizations that the United States supports financially, such as the Organization of American States, provide additional aid to some countries in the region. Those accounts and agencies are excluded from this analysis because they do not request assistance for individual countries and because country-level figures are not publicly available until after the fiscal year has passed.

**Source:** USAID, *Overseas Loans and Grants: Obligations and Loan Authorizations, July 1, 1945-September 30, 2016*, 2017, p. 88, [http://pdf.usaid.gov/pdf\\_docs/pbaah600.pdf](http://pdf.usaid.gov/pdf_docs/pbaah600.pdf).

<sup>1</sup> For more information on U.S. policy in the region, see CRS In Focus IF10460, *Latin America and the Caribbean: U.S. Policy Overview*, by (name redacted) .

Figure I. Map of Latin America and the Caribbean

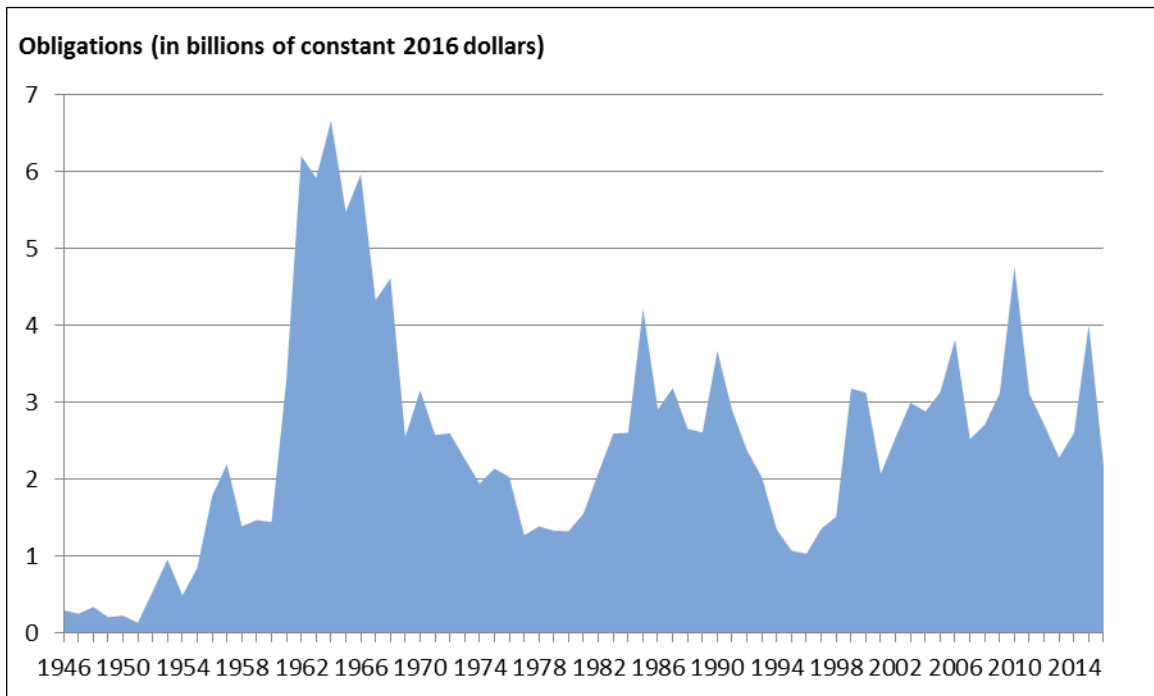


Source: Map Resources, edited by the Congressional Research Service (CRS).

## 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 2016, the United States provided the region with nearly \$86 billion (\$176 billion in constant 2016 dollars) of assistance.<sup>2</sup> U.S. assistance to the region spiked in the early 1960s following the introduction of President John F. Kennedy’s Alliance for Progress, an antipoverty 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 Central American governments battling leftist insurgencies to prevent potential Soviet allies from establishing political or military footholds in the region. 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 2).

**Figure 2. U.S. Assistance to Latin America and the Caribbean: FY1946-FY2016**



**Source:** CRS presentation of data from U.S. Agency for International Development (USAID), *Foreign Aid Explorer: The Official Record of U.S. Foreign Aid*, at <https://explorer.usaid.gov/aid-dashboard.html>.

**Notes:** Includes aid obligations from all U.S. government agencies. Obligation data for FY2017 are not yet available.

<sup>2</sup> 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*, at <https://explorer.usaid.gov/aid-dashboard.html>. Obligation data for FY2017 are not yet available.

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 in 2003 and the Millennium Challenge Corporation in 2004 provided a number of countries in the region with new sources of U.S. assistance.<sup>3</sup> The United States also provided significant assistance to Haiti in the aftermath of a massive earthquake in 2010.

Increased funding for counternarcotics and security programs also contributed to the rise in U.S. assistance through 2010. Beginning with President Bill Clinton and the 106<sup>th</sup> Congress in FY2000, successive Administrations and Congresses provided substantial amounts of foreign aid to Colombia and its Andean neighbors to combat drug trafficking in the region and end Colombia's long-running internal armed conflict. Spending 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 American 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).

After more than a decade of generally increasing aid levels, U.S. assistance to Latin America and the Caribbean began to decline in FY2011. Although the decline was partially the result of reductions in the overall U.S. foreign assistance budget, it also reflected 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 46% in 2002 to 31% in 2016.<sup>4</sup> Likewise, democracy has spread and taken hold throughout the region, despite some recent setbacks. Some nations, such as Argentina, Brazil, Chile, Colombia, Mexico, and Uruguay, are now in a position to provide technical assistance to other countries in the region. Other nations, such as Bolivia and Ecuador, have expelled U.S. personnel and opposed U.S. assistance projects, leading to the closure of USAID offices. Collectively, these changes have resulted in the U.S. government concentrating foreign assistance resources in fewer countries and sectors.<sup>5</sup>

## **Trump Administration's FY2018 Foreign Assistance Request<sup>6</sup>**

The Trump Administration requested \$1.1 billion to be provided to Latin America and the Caribbean through foreign assistance accounts managed by the State Department and USAID in

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<sup>3</sup> For more information on the President's Emergency Plan for AIDS Relief and the Millennium Challenge Corporation, see CRS In Focus IF10184, *The President's Emergency Plan for AIDS Relief (PEPFAR): Summary of Recent Developments*, by (name redacted), and CRS Report RL32427, *Millennium Challenge Corporation*, by (name redacted)

<sup>4</sup> U.N. Economic Commission for Latin America and the Caribbean, *2017 Social Panorama of Latin America*, December 2017, p. 80.

<sup>5</sup> Mark Feierstein, "A New Approach for a Changing Hemisphere," *USAID Frontlines* (March/April 2012), pp. 28-29.

<sup>6</sup> Unless otherwise noted, data and information in this section are drawn from U.S. Department of State, *Congressional Budget Justification, Department of State, Foreign Operations, and Related Programs, Fiscal Year 2018*, May 23, 2017, at <https://www.state.gov/documents/organization/271013.pdf>.



FY2018, which would have been \$617 million, or 36%, less than the \$1.7 billion of assistance provided to the region in FY2017 (see **Table 1**). The Administration also proposed the elimination of the Inter-American Foundation, a small, independent U.S. foreign assistance agency that promotes grassroots development in Latin America and the Caribbean. The proposed cuts in assistance to the region were slightly larger than those proposed for the global foreign operations budget, which would have declined by nearly 32% compared to FY2017.<sup>7</sup> If the Administration's budget proposal had been enacted, foreign assistance funding for Latin America and the Caribbean in FY2018 would have been lower (in nominal terms) than any year since FY2001.

## **Foreign Assistance Categories and Accounts<sup>8</sup>**

About \$516 million (47%) of the Administration's proposed FY2018 foreign aid budget for Latin America and the Caribbean was requested through a new Economic Support and Development Fund (ESDF). The ESDF foreign assistance account would have consolidated aid that currently is provided through the Development Assistance (DA) and Economic Support Fund (ESF) accounts to support democracy, the rule of law, economic reform, education, agriculture, and natural resource management. Whereas the DA account is often used for long-term projects to foster broad-based economic progress and social stability in developing countries, the ESDF account, like the ESF account, would focus more on countries and programs that are deemed critical to short-term U.S. security and strategic objectives. The FY2018 request included \$320 million (38%) less funding for the ESDF account than was provided to the region through the DA and ESF accounts combined in FY2017.

Another \$145 million (13%) of the Administration's FY2018 request for the region would have been provided through the two Global Health Programs (GHP) foreign assistance accounts. This included \$120 million requested through the State Department GHP account for HIV/AIDS programs and \$25 million requested through the USAID GHP account to support maternal and child health, nutrition, and malaria programs. Under the FY2018 request for the region, funding for the State Department GHP account would have increased by \$2 million (2%) and funding for the USAID GHP account would have declined by \$39 million (61%) compared to FY2017.

The remaining \$432.5 million (40%) of the Administration's FY2018 request for Latin America and the Caribbean would have supported security assistance programs. This included the following:

- \$398 million requested through the International Narcotics Control and Law Enforcement (INCLE) foreign assistance account for counternarcotics and civilian law enforcement efforts and projects intended to strengthen judicial institutions. INCLE funding for the region would have declined by \$135 million (25%) compared to FY2017.
- \$22.9 million requested through the Nonproliferation, Anti-terrorism, Demining, and Related Programs (NADR) account, which funds efforts to counter global threats, such as terrorism and proliferation of weapons of mass destruction, as

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<sup>7</sup> CRS Report R44890, *Department of State, Foreign Operations, and Related Programs: FY2018 Budget and Appropriations*, by (name redacted), (name redacted), and (name redacted)

<sup>8</sup> For more information on the various foreign assistance 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)

well as humanitarian demining programs. NADR funding would have declined by \$2.5 million (10%) compared to FY2017.

- \$11.6 million requested through the International Military Education and Training (IMET) account to train Latin American and Caribbean military personnel. IMET funding would have declined by nearly \$2 million (13%) compared to FY2017.

The FY2018 request also would have zeroed out Foreign Military Financing (FMF) assistance, which is used to purchase U.S.-made defense equipment, for Latin American and Caribbean nations.<sup>9</sup> FMF assistance for the region totaled \$83 million in FY2017.

**Table I. U.S. Foreign Assistance to Latin America and the Caribbean by Account: FY2013-FY2018**

(appropriations in millions of current U.S. dollars)

| Account      | 2013           | 2014           | 2015           | 2016           | 2017                       | 2018 (Request) | % Change 2017-2018 |
|--------------|----------------|----------------|----------------|----------------|----------------------------|----------------|--------------------|
| DA           | 305.9          | 214.4          | 214.1          | 484.4          | 484.4                      | 0.0            | — <sup>a</sup>     |
| ESF          | 447.5          | 459.3          | 583.1          | 402.9          | 352.0 <sup>b</sup>         | 0.0            | — <sup>a</sup>     |
| ESDF         | 0.0            | 0.0            | 0.0            | 0.0            | 0.0                        | 516.1          | -38% <sup>a</sup>  |
| GHP (USAID)  | 78.9           | 63.1           | 66.1           | 66.4           | 64.4                       | 25.0           | -61%               |
| GHP (State)  | 173.5          | 157.4          | 142.5          | 123.0          | 117.7                      | 120.0          | +2%                |
| P.L. 480     | 40.5           | 29.1           | 21.0           | 15.7           | 36.8                       | 0.0            | -100%              |
| INCLE        | 550.9          | 467.1          | 483.2          | 524.4          | 533.2                      | 398.0          | -25%               |
| NADR         | 15.0           | 14.5           | 12.6           | 8.6            | 25.4                       | 22.9           | -10%               |
| IMET         | 12.9           | 13.5           | 13.5           | 13.0           | 13.4                       | 11.6           | -13%               |
| FMF          | 59.2           | 59.3           | 48.8           | 69.4           | 82.7                       | 0.0            | -100%              |
| <b>Total</b> | <b>1,684.5</b> | <b>1,477.6</b> | <b>1,584.8</b> | <b>1,707.6</b> | <b>1,710.1<sup>b</sup></b> | <b>1,093.6</b> | <b>-36%</b>        |

**Sources:** U.S. Department of State, *Congressional Budget Justifications for Foreign Operations, FY2015-FY2019*, at <http://www.state.gov/ff/releases/iab/index.htm>.

**Notes:** DA = Development Assistance; ESF = Economic Support Fund; ESDF=Economic Support and Development Fund; GHP = Global Health Programs; P.L. 480 = Food for Peace/Food Aid; 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.

- The FY2018 request included a new ESDF foreign assistance account, which would have consolidated the DA and ESF accounts. This table compares the FY2018 ESDF request to the combined amount provided through the DA and ESF accounts in FY2017.
- Congress appropriated an additional \$9 million of ESF for the region in FY2017 that is not included here since it was provided as multilateral assistance through the Organization of American States (OAS).

<sup>9</sup> Though no Foreign Military Financing (FMF) allocations to the region were specified in the request, the request called for a global FMF fund that could be allocated flexibly during the fiscal year, potentially to countries in Latin America.

## Major Country and Regional Programs

The Trump Administration's FY2018 foreign assistance request would have reduced funding for every country and regional program in Latin America and the Caribbean (see **Table 2**). Some of the most notable reductions that the Administration proposed are discussed below.

The FY2018 request included \$460 million to continue the U.S. Strategy for Engagement in Central America, which would have been a \$240 million (34%) cut compared to FY2017.<sup>10</sup> The strategy is designed to address the underlying conditions driving irregular migration from the Central America by promoting good governance, economic prosperity, and improved security. The request included \$46.3 million for El Salvador (a 36% reduction), \$80.7 million for Guatemala (a 43% reduction), \$67.9 million for Honduras (a 29% reduction), and \$2 million combined for Belize, Costa Rica, Nicaragua, and Panama (a 90% reduction). It also included \$263.2 million for the Central America Regional Security Initiative (CARSI; a 20% reduction). The request would have shifted the balance of aid for Central America toward security efforts and away from governance and economic growth programs.

Colombia would have remained the single largest recipient of U.S. assistance in Latin America and the Caribbean under the Administration's FY2018 request; however, aid would have fallen to \$251.4 million—a \$135 million (35%) reduction compared to FY2017. Colombia has received significant amounts of U.S. assistance to support counternarcotics and counterterrorism efforts since FY2000. The FY2018 request included funds to support the implementation of Colombia's new counternarcotics strategy, including eradication and interdiction efforts. The request also included funds to support implementation of the Colombian government's peace accord with the Revolutionary Armed Forces of Colombia (FARC) by fostering reconciliation within Colombian society, expanding state presence to regions historically under FARC control, and supporting rural economic development in marginalized communities.<sup>11</sup>

Haiti, which has received high levels of aid for many years as a result of its significant development challenges, would have remained the second-largest recipient of U.S. assistance in the region in FY2018 under the Administration's request. U.S. assistance increased significantly after Haiti was struck by a massive earthquake in 2010 but has gradually declined from those elevated levels. The Administration's FY2018 request would have provided \$157.5 million to Haiti to improve food security, foster economic and educational opportunities, develop the rule of law, and address health challenges—particularly HIV/AIDS. This would have been a \$27 million (15%) cut compared to FY2017.<sup>12</sup>

Mexico would have received \$87.7 million of assistance under the FY2018 request, which would have been a \$51 million (37%) cut compared to FY2017. Mexico traditionally had not been a major U.S. aid recipient due to its middle-income status, but it began receiving larger amounts of assistance through the Mérida Initiative in FY2008. The Administration's FY2018 request for

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<sup>10</sup> Central America would receive an additional \$10 million in health assistance through USAID's Central America regional program; those funds are not considered part of the U.S. Strategy for Engagement in Central America. For more information on the strategy, see CRS Report R44812, *U.S. Strategy for Engagement in Central America: Policy Issues for Congress*, by (name redacted)

<sup>11</sup> For more information on U.S. policy toward Colombia, see CRS Report R43813, *Colombia: Background and U.S. Relations*, by (name redacted)

<sup>12</sup> For more information on U.S. policy toward Haiti, see CRS Report R45034, *Haiti's Political and Economic Conditions: In Brief*, by (name redacted)

Mexico included funds to strengthen the rule of law; secure borders and ports; and combat transnational organized crime, including opium poppy cultivation and heroin production.<sup>13</sup>

The FY2018 request would have provided \$36.2 million for the CBSI, which would have been a \$22 million (37%) cut compared to FY2017. The CBSI funds maritime and aerial security cooperation, law enforcement capacity building, border and port security, justice sector reform, and crime prevention programs in the Caribbean.<sup>14</sup>

The Administration's FY2018 budget proposal did not specifically request any democracy assistance to support civil society groups in Cuba or Venezuela. In FY2017, democracy assistance totaled \$20 million in Cuba and \$7 million in Venezuela.<sup>15</sup>

**Table 2. U.S. Foreign Assistance to Latin America and the Caribbean by Country or Regional Program: FY2013-FY2018**

(appropriations in thousands of current U.S. dollars)

|                    | 2013    | 2014    | 2015    | 2016    | 2017    | 2018<br>(Request) | % Change<br>FY2017-<br>FY2018 |
|--------------------|---------|---------|---------|---------|---------|-------------------|-------------------------------|
| Argentina          | 765     | 589     | 576     | 579     | 624     | 500               | -20%                          |
| Bahamas            | 164     | 172     | 200     | 207     | 173     | 100               | -42%                          |
| Belize             | 1,012   | 1,234   | 1,058   | 1,243   | 1,241   | 200               | -84%                          |
| Bolivia            | 5,171   | 0       | 0       | 0       | 0       | 0                 | —                             |
| Brazil             | 15,185  | 13,858  | 11,586  | 12,858  | 11,690  | 815               | -93%                          |
| Chile              | 1,038   | 1,082   | 1,032   | 670     | 689     | 500               | -27%                          |
| Colombia           | 359,754 | 330,601 | 307,776 | 299,434 | 386,269 | 251,400           | -35%                          |
| Costa Rica         | 1,624   | 1,731   | 1,673   | 1,819   | 5,718   | 400               | -93%                          |
| Cuba               | 19,283  | 20,000  | 20,000  | 20,000  | 20,000  | 0                 | -100%                         |
| Dominican Republic | 26,407  | 23,248  | 22,350  | 21,615  | 13,736  | 10,500            | -24%                          |
| Ecuador            | 18,846  | 2,000   | 0       | 2,000   | 1,789   | 0                 | -100%                         |
| El Salvador        | 27,566  | 21,631  | 46,549  | 67,900  | 72,759  | 46,300            | -36%                          |
| Guatemala          | 80,779  | 65,278  | 113,099 | 131,226 | 140,446 | 80,660            | -43%                          |
| Guyana             | 9,150   | 6,904   | 4,692   | 243     | 277     | 200               | -28%                          |
| Haiti              | 332,540 | 300,796 | 242,922 | 190,744 | 184,426 | 157,455           | -15%                          |
| Honduras           | 51,980  | 41,847  | 71,191  | 98,250  | 95,260  | 67,850            | -29%                          |
| Jamaica            | 7,061   | 6,670   | 5,573   | 5,065   | 10,597  | 500               | -95%                          |
| Mexico             | 265,064 | 206,768 | 165,168 | 160,156 | 138,566 | 87,660            | -37%                          |

<sup>13</sup> For more information on U.S. policy toward Mexico, see CRS Report R42917, *Mexico: Background and U.S. Relations*, by (name redacted).

<sup>14</sup> For more information on the CBSI, see CRS In Focus IF10789, *Caribbean Basin Security Initiative*, by (name redacted).

<sup>15</sup> For more information on U.S. democracy-promotion efforts in Cuba and Venezuela, see CRS Report R44822, *Cuba: U.S. Policy in the 115th Congress*, by (name redacted), and CRS Report R44841, *Venezuela: Background and U.S. Relations*, by (name redacted) and (name redacted).

|   | 2013             | 2014             | 2015             | 2016             | 2017             | 2018<br>(Request) | % Change<br>FY2017-<br>FY2018 |
|---|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------------------|
| Nicaragua   | 8,599            | 8,400            | 12,054           | 10,000           | 9,679            | 200               | -98%                          |
| Panama  | 3,449            | 2,986            | 4,077            | 3,346            | 3,271            | 1,200             | -63%                          |
| Paraguay  | 6,041            | 7,528            | 7,980            | 8,620            | 6,150            | 400               | -94%                          |
| Peru  | 98,634           | 82,649           | 84,079           | 74,898           | 64,473           | 49,691            | -23%                          |
| Suriname  | 213              | 212              | 199              | 215              | 269              | 200               | -26%                          |
| Trinidad and<br>Tobago                              | 167              | 179              | 308              | 325              | 343              | 160               | -53%                          |
| Uruguay   | 427              | 725              | 550              | 499              | 498              | 400               | -20%                          |
| Venezuela   | 5,786            | 4,298            | 4,256            | 6,500            | 7,000            | 0                 | -100%                         |
| Barbados and<br>Eastern<br>Caribbean                | 32,248           | 16,734           | 24,692           | 26,425           | 26,629           | 15,500            | -42%                          |
| USAID<br>Caribbean<br>Development                   | 0                | 0                | 4,000            | 4,000            | 3,000            | 0                 | -100%                         |
| USAID Central<br>America Regional                   | 33,065           | 33,492           | 50,762           | 39,761           | 38,316           | 10,000            | -74%                          |
| USAID South<br>America Regional                     | 13,072           | 16,500           | 12,000           | 12,000           | 14,000           | 0                 | -100%                         |
| USAID Latin<br>America and<br>Caribbean<br>Regional | 38,089           | 29,050           | 22,500           | 28,360           | 26,700           | 10,800            | -60%                          |
| State Western<br>Hemisphere<br>Regional             | 221,291          | 230,449          | 341,938          | 478,668          | 425,471          | 299,960           | -30%                          |
| [CARSI]   | [145,619]        | [161,500]        | [270,000]        | [348,500]        | [329,225]        | [263,200]         | -20%                          |
| [CBSI]  | [60,296]         | [63,500]         | [58,500]         | [57,721]         | [57,700]         | [36,200]          | -37%                          |
| <b>Total</b>  | <b>1,684,470</b> | <b>1,477,611</b> | <b>1,584,840</b> | <b>1,707,626</b> | <b>1,710,059</b> | <b>1,093,551</b>  | <b>-36%</b>                   |

**Sources:** U.S. Department of State, *Congressional Budget Justifications for Foreign Operations, FY2015-FY2019*, at <http://www.state.gov/ff/releases/iab/index.htm>.

**Notes:** CARSI = Central America Regional Security Initiative; CBSI = Caribbean Basin Security Initiative. USAID and State Department regional programs fund region-wide initiatives as well as activities that cross borders or take place in non-presence countries. CARSI and CBSI are funded through the State Western Hemisphere Regional program.

## Inter-American Foundation

In addition to the proposed reductions to State Department and USAID-managed assistance for the region, discussed above, the Trump Administration's FY2018 budget request called for the elimination of the Inter-American Foundation (IAF). The IAF is an independent U.S. foreign assistance agency established by Congress through the Foreign Assistance Act of 1969 (22 U.S.C. §290f) to channel development assistance directly to the people of Latin America. Congress created the agency after conducting a comprehensive review of previous assistance efforts and

determining that programs conducted at the government-to-government level had largely failed to promote social and civic change in the region despite fostering economic growth.<sup>16</sup>

With annual appropriations of \$22.5 million in recent years, the IAF provides grants and other targeted assistance directly to the organized poor to foster economic and social development and to encourage civic engagement in their communities. The IAF is active in 20 countries in the region—including eight countries in which USAID no longer has a presence—and has focused particularly on migrant-sending communities in Central America since 2014. The Trump Administration asserted that IAF programs are “not critical to U.S. foreign policy and are potentially duplicative of other efforts,” and requested \$4.6 million to conduct an orderly closeout of the agency in FY2018 (see **Table 3**).<sup>17</sup> Proponents note that Congress specifically created the IAF as an alternative to other U.S. agencies and argue that the IAF’s distinct approach, which is designed to help marginalized communities help themselves, is more efficient and effective than traditional aid programs.<sup>18</sup>

**Table 3. Inter-American Foundation Appropriations: FY2013-FY2018**

(appropriations in millions of current U.S. dollars)

| FY2013 | FY2014 | FY2015 | FY2016 | FY2017 | FY2018<br>(Request) | % Change<br>FY2017-<br>FY2018 |
|--------|--------|--------|--------|--------|---------------------|-------------------------------|
| 21.4   | 22.5   | 22.5   | 22.5   | 22.5   | 4.6                 | -80%                          |

**Sources:** U.S. Department of State, *Congressional Budget Justifications for Foreign Operations, FY2015-FY2019*, at <http://www.state.gov/ff/releases/iab/index.htm>.

**Note:** The Inter-American Foundation (IAF) receives additional funding through the Social Progress Trust Fund, which is administered by the Inter-American Development Bank and consists of repayments for U.S. government loans to Latin American countries under the Alliance for Progress. The trust fund is diminishing as the loans reach the end of their repayment periods. The IAF will receive an estimated \$1.4 million through the trust fund in FY2018, down from \$4.6 million in FY2016 and a historical average of \$8.7 million.

## Legislative Developments

On March 23, 2018, President Trump signed into law the Consolidated Appropriations Act, 2018 (P.L. 115-141). The act followed five short-term continuing resolutions (P.L. 115-56, P.L. 115-90, P.L. 115-96, P.L. 115-120, and P.L. 115-123), which funded most foreign aid programs at slightly below the FY2017 level through the first six months of the fiscal year. Stand-alone Department of State, Foreign Operations, and Related Programs appropriations measures for FY2018 were passed by the House (H.R. 3362, H.Rept. 115-253, which was included as Division G of House-passed H.R. 3354) and reported in the Senate (S. 1780, S.Rept. 115-152) in September 2017. Neither bill was enacted, however, as Congress ultimately merged foreign aid appropriations into the larger omnibus legislation.

The Consolidated Appropriations Act, 2018, provides \$39.9 billion for foreign operations globally, which is a 4.2% cut compared to FY2017. It is currently unclear how much assistance

<sup>16</sup> H.Rept. 91-611, p. 57.

<sup>17</sup> Office of Management and Budget, *Major Savings and Reforms, Budget of the U.S. Government, Fiscal Year 2018*, 2017, p. 97.

<sup>18</sup> Christopher Sabatini, “Trump Wants to Ax the Smartest U.S. Investment in Latin America,” *World Politics Review*, June 16, 2017.

will be provided to Latin America and the Caribbean, since the legislation and the accompanying explanatory statement do not specify aid levels for every country. Nevertheless, the amounts designated in the act for several significant initiatives indicate that total funding for the region will exceed the Administration’s request and may approach FY2017 levels (see **Table 4**).

**Table 4. U.S. Foreign Assistance for Selected Countries and Programs: FY2017 Appropriations and FY2018 Request and Congressional Action**

(appropriations in millions of current U.S. dollars)

|   | FY2017 | FY2018 (Request) | FY2018 (H.R. 3362) | FY2018 (S. 1780) | FY2018 (P.L. 115-141) |
|---|--------|------------------|--------------------|------------------|-----------------------|
| Caribbean Basin Security Initiative             | 57.7   | 36.2             | 57.7               | 55.2             | 57.7                  |
| Colombia  | 386.3  | 251.4            | 335.9              | 391.3            | 391.3                 |
| Cuba  | 20.0   | 0.0              | 30.0               | 15.0             | 20.0                  |
| Mexico  | 138.6  | 87.7             | 136.7              | 143.5            | 152.7                 |
| U.S. Strategy for Engagement in Central America | 699.7  | 460.0            | 615.0              | 600.0            | 615.0                 |
| Venezuela                                       | 7.0    | 0.0              | 8.0                | 15.0             | 15.0                  |

**Sources:** U.S. Department of State, *Congressional Budget Justification, Foreign Operations, Appendix 2, Fiscal Year 2019*, March 14, 2018; H.R. 3354; H.Rept. 115-253; S. 1780; S.Rept. 115-152; P.L. 115-141; and the accompanying explanatory statement available at <https://www.congress.gov/crec/2018/03/22/CREC-2018-03-22-bk3.pdf#page=145>.

**Central America.** The act appropriates “up to” \$615 million to continue implementation of the U.S. Strategy for Engagement in Central America, which is \$155 million more than the Administration requested but \$84.7 million less than was allocated to the initiative in FY2017. According to the accompanying explanatory statement, the total includes \$57.7 million for El Salvador, \$108.5 million for Guatemala, \$79.8 million for Honduras, \$319.2 million for CARSI, and \$50.3 million for other regional programs and bilateral aid to Belize, Costa Rica, Nicaragua, and Panama. As with previous appropriations measures, the act requires the State Department to withhold 75% of assistance for the central governments of El Salvador, Guatemala, and Honduras until it can certify that those governments are addressing a range of congressional concerns.

**Colombia.** The act appropriates “not less than” \$391.3 to support security and development efforts and the implementation of the peace accord in Colombia. This is \$139.9 million more than the Administration requested and \$5 million more than Colombia received in FY2017. The act requires 20% of FMF aid for Colombia to be withheld until the State Department certifies that the Colombian government is addressing several human rights issues.

**Mexico.** According to the explanatory statement, the act appropriates \$152.7 million for Mexico, which is \$65 million more than the Administration requested and \$14.1 million more than Mexico received in FY2017. The additional aid is intended to combat the production and trafficking of heroin, fentanyl, and other opioids into the United States. The act requires 25% of FMF aid for Mexico to be withheld until the State Department certifies that the Mexican government is addressing a series of human rights concerns.

**CBSI.** According to the explanatory statement, the act appropriates \$57.7 million to continue CBSI. This is \$21.5 million more than requested and the same amount that was allocated to the initiative in FY2017.

**Cuba:** According to the explanatory statement, the act appropriates \$20 million for democracy programs in Cuba. This is the same amount that was appropriated for such programs in FY2017. The Administration did not request any funding for democracy promotion in Cuba in FY2018.

**Venezuela.** The act appropriates \$15 million for programs to promote democracy and the rule of law in Venezuela. This is \$8 million more than was provided for such programs in FY2017. The Administration did not request any funding for democracy programs in Venezuela in FY2018.

**Inter-American Foundation.** The act appropriates \$22.5 million for the IAF, which is \$17.9 million more than the Administration requested and the same amount that was appropriated for the IAF in FY2017. The explanatory statement also indicates that \$10 million of DA will be transferred to the IAF to support the U.S. Strategy for Engagement in Central America.

## Implications for U.S. Policy

The Trump Administration's desire to scale back U.S. foreign assistance could have significant implications for U.S. policy in Latin America and the Caribbean in the coming years. In particular, it could accelerate U.S. efforts to transition countries in the region away from traditional development assistance and toward other forms of bilateral engagement. It also could result in the Department of Defense (DOD) taking on a larger role in U.S. security cooperation with the region. Moreover, the Administration's proposed foreign assistance cuts, combined with other policy shifts, could contribute to a relative decline in U.S. influence.

## Aid Transitions

Over the past three decades, many Latin American and Caribbean countries have made major strides in consolidating democratic governance and improving living conditions for their citizens. As nations have achieved more advanced levels of development, the U.S. government has reduced the amount of assistance it provides to them while attempting to sustain long-standing relationships through other forms of engagement. Budget cuts often have accelerated this process by forcing U.S. agencies to refocus their assistance efforts on fewer countries. In the mid-1990s, for example, budget constraints compelled USAID to close its field offices in Argentina, Belize, Chile, Costa Rica, and Uruguay. Similarly, budget cuts in the aftermath of the 2007-2009 U.S. recession contributed to USAID's decision to close its field offices in Guyana and Panama.

The Trump Administration's desire to reduce foreign assistance funding could contribute to a new round of aid transitions. The FY2018 budget request would have zeroed out traditional development assistance for Brazil, Jamaica, Nicaragua, and Paraguay and would have reduced it significantly for several other countries in the region. Although many of those assistance cuts were not enacted in the Consolidated Appropriations Act, 2018, it appears as though the Administration may push for further cuts in the coming years. The Administration's National Security Strategy, released in December 2017, asserts that the United States "will shift away from a reliance on assistance based on grants to approaches that attract private capital and catalyze private sector activity."<sup>19</sup> Likewise, the Administration's FY2019 budget request includes many of the same cuts that were proposed in FY2018.

Some development experts caution that such transitions should be done in a strategic manner to ensure that partner countries are able to sustain the progress that has been made with past U.S. investments and to prevent ruptures in bilateral relations that could be exploited by competing

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<sup>19</sup> White House, *National Security Strategy of the United States*, December 2017.



powers and/or compromise U.S. interests. These experts argue that successful transitions require careful planning and close coordination across the U.S. government, as well as with partner-country governments, local stakeholders, and other international donors. In their view, a timeline of three to five years, at a minimum, is necessary for the transition process.<sup>20</sup>

A decision to no longer appropriate new foreign aid funds for a given country would not necessarily lead to an abrupt end to ongoing U.S. assistance programs. In recent years, Congress has appropriated most aid for Latin America and the Caribbean through foreign assistance accounts that provide the State Department and USAID with up to two fiscal years to obligate the funds and an additional four years to expend them.<sup>21</sup> As a result, U.S. agencies often have a pipeline of previously appropriated funds available to be expended on assistance programs.

If aid transitions do occur, the United States could remain engaged with its partners in the region in several ways. As large-scale development programs are closed out, the U.S. government could use smaller, more nimble programs, such as those managed by the IAF, to maintain its presence in remote areas and continue to build relationships with local leaders. As grant assistance is withdrawn, the U.S. government could help partner countries mobilize private capital by entering into trade and investment agreements or by providing loan guarantees and technical assistance through agencies such as the Overseas Private Investment Corporation and the U.S. Trade and Development Agency.<sup>22</sup> As former aid recipients look to share their development expertise with other nations, the U.S. government could enter into trilateral cooperation initiatives to jointly fund and implement programs in third countries that remain priorities for U.S. assistance.

Congress has demonstrated an interest in influencing the pace and shape of aid transitions. The Consolidated Appropriations Act, 2018, directs the USAID Administrator to consult regularly with the House Foreign Affairs Committee, Senate Foreign Relations Committee, and both Appropriations Committees regarding “efforts to transition nations from assistance recipients to enduring diplomatic, economic, and security partners.” The act also directs the USAID Administrator to submit a report within 180 days of enactment describing the conditions and benchmarks under which aid transitions may occur, the actions required by USAID to facilitate such transitions, descriptions of the associated costs, and plans for ensuring post-transition development progress.<sup>23</sup>

## Changes in Security Cooperation

The Trump Administration’s approach toward Latin America and the Caribbean has focused heavily on U.S. security objectives. For example, in May 2017, then-Secretary of State Rex Tillerson described the FY2018 foreign assistance request for the region as a “comprehensive effort ... to shut down transnational criminal organizations and illicit pathways to U.S. borders, reducing the flow of illegal migration and illicit goods that threaten U.S. safety and security.”<sup>24</sup>

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<sup>20</sup> Sarah Rose, Erin Collinson, and Jared Kalow, *Working Itself Out of a Job: USAID and Smart Strategic Transitions*, Center for Global Development, December 2017.

<sup>21</sup> USAID defines *obligation* as an “action that creates a definite commitment, which creates a legal liability of the government for the payment of funds for specific goods or services.” USAID, *Glossary of ADS Terms*, April 30, 2014.

<sup>22</sup> For more on these agencies, see CRS In Focus IF10659, *Overseas Private Investment Corporation (OPIC)*, by (name redacted). For a proposal to consolidate the U.S. government’s various development finance tools into a single institution, see Benjamin Leo and Todd Moss, *Bringing US Development Finance into the 21<sup>st</sup> Century: Proposal for a Self-Sustaining Full-Service USDFC*, Center for Global Development, March 2015.

<sup>23</sup> See §7069 (b) in Division K of P.L. 115-141.

<sup>24</sup> Rex W. Tillerson, Secretary of State, “Secretary’s Letter,” U.S. Department of State, May 23, 2017, p. 2.

Nevertheless, the Administration's FY2018 budget proposal would have reduced State Department-managed security assistance to the region (INCLE, NADR, IMET, and FMF) by nearly 34% compared to FY2017.

The proposed reduction in security assistance was partially due to the Trump Administration's intention to discontinue FMF grants and instead offer loans to Latin American and Caribbean nations to purchase U.S.-made defense equipment. The Administration asserted that "loans provide an opportunity for the U.S. government to both promote U.S. industry and build key partners' defense capabilities while minimizing the burden on U.S. taxpayers."<sup>25</sup> Some analysts disagreed; they argued that converting FMF assistance from grants to loans would damage U.S. relations with foreign militaries and hinder partner countries' efforts to build and sustain the capabilities needed to contribute to U.S. and global security.<sup>26</sup> For example, some argued that the discontinuation of FMF grants to Colombia would affect the country's ability to maintain its helicopter fleet, which is used to combat organized crime in remote areas.<sup>27</sup> Congress opted to continue appropriating FMF grant assistance for Latin America and the Caribbean in the Consolidated Appropriations Act, 2018.

Some analysts have noted that any cuts to State Department-managed security assistance programs in Latin America and the Caribbean could be offset by increased support from DOD.<sup>28</sup> Congress has authorized DOD to provide a wide range of security assistance to foreign nations (referred to as *security cooperation* by DOD) including many activities that overlap with those traditionally managed by the State Department.<sup>29</sup> For example, 10 U.S.C. 333 authorizes DOD, with the concurrence of the State Department, to train and equip foreign security forces for counterterrorism operations, counter-weapons of mass destruction operations, counter-illicit drugs operations, counter-transnational organized crime operations, and maritime and border security operations, among other purposes.

Given the number of security challenges the United States faces around the globe, however, it is unclear whether DOD would devote increased funding to security cooperation in Latin America and the Caribbean. DOD currently does not publish information on the total amount of funding it has allocated, or intends to allocate, to security cooperation activities in the region. Looking only at counternarcotics support, DOD's preliminary estimates indicate that total assistance for the region will fall slightly from \$198.8 million in FY2017 to \$194.6 million in FY2018.<sup>30</sup>

As a result of a provision (10 U.S.C. 381) enacted as part of the National Defense Authorization Act for FY2017 (P.L. 114-328), DOD is required to submit formal, consolidated budget requests for security cooperation efforts beginning with the FY2019 budget. These budget requests could provide Congress with a better understanding of the scope of DOD security cooperation activities in Latin America and the Caribbean as well as the extent to which those activities overlap with

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<sup>25</sup> U.S. Department of State, *Report on the Impact of Transitioning FMF Assistance from Grants to Loans*, August 2017.

<sup>26</sup> Tommy Ross, *Congressional Oversight on Security Assistance*, Center for Strategic & International Studies, September 26, 2017.

<sup>27</sup> Felicia Schwartz, "Trump Budget Would Convert Many Overseas Military Grants to Loans," *Wall Street Journal*, May 21, 2017.

<sup>28</sup> Adam Isacson, "Trump's 2018 Foreign Aid Budget Would Deal a Devastating Blow to Latin America," Washington Office on Latin America, May 24, 2017.

<sup>29</sup> The FY2017 National Defense Authorization Act (P.L. 114-328) consolidated many of the Department of Defense's core security cooperation authorities into a new chapter of Title 10 of the *U.S. Code* (Chapter 16).

<sup>30</sup> These figures are estimates and are subject to change. U.S. Department of Defense, "Counternarcotics (CN) Support to Foreign Countries by COCOM and Country," provided to CRS in 2017.

the State Department's security assistance programs. They also could provide Congress with greater control over the relative balance between security and non-security assistance to the region. In future years, Congress could place conditions on security cooperation funds that DOD requests for specific nations in the same way it currently places conditions on State Department-managed security assistance, potentially enhancing Congress's ability to incentivize policy changes in recipient countries.

## **Potential Decline in U.S. Influence**

Although the relative importance of foreign aid in U.S. relations with the nations of Latin America and the Caribbean has declined since the end of the Cold War, the U.S. government continues to use assistance to advance key policy initiatives in the region. In recent years, U.S. assistance has supported efforts to reduce illicit drug production and end the long-running internal conflict in Colombia, combat transnational organized crime in Mexico, and address the root causes that drive unauthorized migration to the United States from Central America. This assistance has enabled the U.S. government to influence the policies of partner countries, including the extent to which these countries dedicate resources to counternarcotics operations and other activities that they otherwise may not consider top priorities.

Some analysts contend that steep foreign assistance cuts, like those proposed in FY2018, would "handicap the growth and stability of some of the U.S.'s closest trading partners and allies and diminish U.S. influence in the region."<sup>31</sup> They argue that such cuts would threaten the success of Colombia's peace process and the fragile security and rule-of-law progress that has been made in Central America.<sup>32</sup> Other analysts note that most Latin American and Caribbean nations are no longer dependent on foreign aid. They maintain that significant cuts would be damaging to Haiti, which receives the equivalent of nearly 10% of its budget from U.S. assistance, but would have limited impact in countries such as Colombia, where U.S. assistance accounts for 0.4% of the budget. In Central America, budgetary dependence on U.S. aid tops out at 2.3% in Honduras.<sup>33</sup> Proponents of the Administration's efforts to scale back foreign aid argue that an overhaul of U.S. assistance to Latin America and the Caribbean is "long overdue" and that the region would benefit from cuts that improve the focus and efficiency of aid programs.<sup>34</sup>

In the view of some observers, the Administration's efforts to cut foreign aid are part of a broader trend of U.S. disengagement from Latin America and the Caribbean. Noting that the Administration has withdrawn from the Trans-Pacific Partnership (TPP) trade agreement and the Paris Agreement on climate change, threatened to withdraw from the North America Free Trade Agreement (NAFTA), and sought to sharply curtail immigration, they argue that the Administration "has only pursued a 'negative agenda' toward the region."<sup>35</sup> They contend that this has created a leadership vacuum in the region that other powers have begun to fill. China, which has become the top trading partner of several South American countries, reportedly has

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<sup>31</sup> Victoria Gaytan and William Naylor, *A Deep Dive into the Trump Cuts for Latin America*, Global Americans, June 22, 2017.

<sup>32</sup> Ibid. James Bargent and Charles Orta, "Trump Budget Plan Spells Trouble for LatAm Security Cooperation," *Insight Crime*, May 24, 2017.

<sup>33</sup> Economist Intelligence Unit, *Good Neighbor Gone Bad: Policy Risks for Mexico and Latin America Under Trump*, February 2017.

<sup>34</sup> James M. Roberts, "What Would U.S. Budget Cuts Mean for Latin America?" *Latin America Advisor*, June 7, 2017.

<sup>35</sup> Andres Oppenheimer, "China Is Gaining Influence in Latin America at the Expense of the U.S., and Trump Is Helping It," *Miami Herald*, December 21, 2017.

offered the region \$250 billion in investment over the next decade.<sup>36</sup> Some analysts warn that China has begun to leverage its significant commercial ties into other forms of power, which could come at the expense of the United States.<sup>37</sup> Others note that it may not be a zero-sum game and that the region's increased ties with China do not necessarily portend a loss of U.S. influence.<sup>38</sup>

Congress ultimately rejected many of the Trump Administration's proposed foreign assistance cuts in the Consolidated Appropriations Act, 2018, partially as a result of concerns that the Administration's budget request would weaken U.S. influence around the world. In H.Rept. 115-253, for example, the House Appropriations Committee asserted that "the magnitude of the reductions proposed for United States diplomatic and development operations and programs in the fiscal year 2018 request would be counterproductive to the economic and security interests of the nation and would undermine relationships with key partners and allies around the globe." Similarly, in S.Rept. 115-152, the Senate Appropriations Committee argued that the Administration's budget proposal had already "caused confusion and concern in foreign capitals ... and allowed America's competitors, notably the People's Republic of China and Russia, to hijack our national security narrative."

It remains unclear how FY2018 foreign assistance appropriations may affect perceptions of U.S. leadership, which have declined more in Latin America and the Caribbean than any other region of the world since 2016. In 2017, 16% of the region approved of President Trump's performance in office and 63% disapproved.<sup>39</sup> Consistently high disapproval ratings could constrain Latin American and Caribbean leaders' abilities to support Trump Administration initiatives and conclude agreements with the United States.

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<sup>36</sup> Fabian Cambero and Dave Sherwood, "China Invites Latin America to Take Part in One Belt, One Road," Reuters, January 22, 2018.

<sup>37</sup> Juan Pablo Cardenal, "China in Latin America: Understanding the Inventory of Influence," in *Sharp Power: Rising Authoritarian Influence* (National Endowment for Democracy, December 2017).

<sup>38</sup> Latin American Newsletters, *America First: An Opportunity for China?*, 2017.

<sup>39</sup> Elizabeth Keating, "Outlook Grim in Latin America for Relations Under Trump," *Gallup*, January 24, 2018.

## Appendix A. U.S. Foreign Assistance to Latin America and the Caribbean by Account and Country or Regional Program: FY2016

**Table A-1. U.S. Foreign Assistance to Latin America and the Caribbean: FY2016**  
(appropriations in millions of current U.S. dollars)

|                                | DA    | ESF   | GHP-<br>USAID | GHP-<br>State | P.L.<br>480 | INCLE | NADR | IMET | FMF  | Total |
|--------------------------------|-------|-------|---------------|---------------|-------------|-------|------|------|------|-------|
| Argentina                      | —     | —     | —             | —             | —           | —     | 0.2  | 0.4  | —    | 0.6   |
| Bahamas                        | —     | —     | —             | —             | —           | —     | —    | 0.2  | —    | 0.2   |
| Belize                         | —     | —     | —             | —             | —           | —     | —    | 0.2  | 1.0  | 1.2   |
| Bolivia                        | —     | —     | —             | —             | —           | —     | —    | —    | —    | —     |
| Brazil                         | 11.5  | —     | —             | 0.5           | —           | —     | 0.2  | 0.6  | —    | 12.9  |
| Chile                          | —     | —     | —             | —             | —           | —     | 0.2  | 0.5  | —    | 0.7   |
| Colombia                       | —     | 126.0 | —             | —             | 6.4         | 135.2 | 3.5  | 1.4  | 27.0 | 299.4 |
| Costa Rica                     | —     | —     | —             | —             | —           | —     | —    | 0.4  | 1.4  | 1.8   |
| Cuba                           | —     | 20.0  | —             | —             | —           | —     | —    | —    | —    | 20.0  |
| Dominican Republic             | 6.5   | —     | 5.4           | 9.1           | —           | —     | —    | 0.6  | —    | 21.6  |
| Ecuador                        | 2.0   | —     | —             | —             | —           | —     | —    | —    | —    | 2.0   |
| El Salvador                    | 65.0  | —     | —             | —             | —           | —     | —    | 1.0  | 1.9  | 67.9  |
| Guatemala                      | 112.0 | —     | 13.0          | —             | 3.7         | —     | —    | 0.8  | 1.7  | 131.2 |
| Guyana                         | —     | —     | —             | —             | —           | —     | —    | 0.2  | —    | 0.2   |
| Haiti                          | 65.2  | —     | 25.2          | 87.2          | 5.7         | 6.0   | —    | 0.2  | 1.2  | 190.7 |
| Honduras                       | 93.0  | —     | —             | —             | —           | —     | —    | 0.8  | 4.5  | 98.3  |
| Jamaica                        | 4.5   | —     | —             | —             | —           | —     | —    | 0.6  | —    | 5.1   |
| Mexico                         | 10.5  | 39.0  | —             | —             | —           | 100.0 | 2.2  | 1.5  | 7.0  | 160.2 |
| Nicaragua                      | 10.0  | —     | —             | —             | —           | —     | —    | —    | —    | 10.0  |
| Panama                         | —     | —     | —             | —             | —           | —     | 0.5  | 0.7  | 2.1  | 3.3   |
| Paraguay                       | 8.2   | —     | —             | —             | —           | —     | —    | 0.5  | —    | 8.6   |
| Peru                           | 35.1  | 2.2   | —             | —             | —           | 36.0  | —    | 0.6  | 1.0  | 74.9  |
| Suriname                       | —     | —     | —             | —             | —           | —     | —    | 0.2  | —    | 0.2   |
| Trinidad and Tobago            | —     | —     | —             | —             | —           | —     | —    | 0.3  | —    | 0.3   |
| Uruguay                        | —     | —     | —             | —             | —           | —     | —    | 0.5  | —    | 0.5   |
| Venezuela                      | —     | 6.5   | —             | —             | —           | —     | —    | -    | —    | 6.5   |
| Barbados and Eastern Caribbean | 4.9   | —     | 6.5           | 14.3          | —           | —     | —    | 0.7  | —    | 26.4  |

|   | DA           | ESF          | GHP-<br>USAID | GHP-<br>State | P.L.<br>480 | INCLE        | NADR       | IMET        | FMF         | Total          |
|---|--------------|--------------|---------------|---------------|-------------|--------------|------------|-------------|-------------|----------------|
| USAID Caribbean Development <sup>a</sup>                | 4.0          | —            | —             | —             | —           | —            | —          | —           | —           | 4.0            |
| USAID Central America Regional <sup>a</sup>             | 19.4         | —            | 8.4           | 12.0          | —           | —            | —          | —           | —           | 39.8           |
| USAID South America Regional <sup>a</sup>               | 12.0         | —            | —             | —             | —           | —            | —          | —           | —           | 12.0           |
| USAID Latin America and Caribbean Regional <sup>a</sup> | 20.6         | —            | 7.8           | —             | —           | —            | —          | —           | —           | 28.4           |
| State Western Hemisphere Regional <sup>a</sup>          | —            | 209.2        | —             | —             | —           | 247.2        | 1.8        | -           | 20.5        | 478.7          |
| [CARSI] <sup>b</sup>                                    | —            | 126.5        | —             | —             | —           | 222.0        | —          | —           | —           | 348.5          |
| [CBSI] <sup>b</sup>                                     | —            | 25.0         | —             | —             | —           | 25.2         | —          | —           | 7.5         | 57.7           |
| <b>Total</b>  | <b>484.4</b> | <b>402.9</b> | <b>66.4</b>   | <b>123.0</b>  | <b>15.7</b> | <b>524.4</b> | <b>8.6</b> | <b>13.0</b> | <b>69.4</b> | <b>1,707.6</b> |

**Source:** U.S. Department of State, *Congressional Budget Justification, Department of State, Foreign Operations, and Related Programs, Fiscal Year 2018*, May 23, 2017.

**Notes:** Figures may not sum to totals due to rounding. DA = Development Assistance; ESF = Economic Support Fund; GHP = Global Health Programs; P.L. 480 = Food for Peace/Food Aid; INCLE = International Narcotics Control and Law Enforcement; NADR = Nonproliferation, Anti-terrorism, Demining, and Related Programs; IMET = International Military Education and Training; FMF = Foreign Military Financing; USAID = U.S. Agency for International Development; CARSI = Central America Regional Security Initiative; and CBSI = Caribbean Basin Security Initiative.

- a. USAID and State Department regional programs fund region-wide initiatives as well as activities that cross borders or take place in non-presence countries.
- b. CARSI and CBSI are funded through the State Western Hemisphere Regional program.

## Appendix B. U.S. Foreign Assistance to Latin America and the Caribbean by Account and Country or Regional Program: FY2017

**Table B-1. U.S. Foreign Assistance to Latin America and the Caribbean: FY2017**  
(appropriations in millions of current U.S. dollars)

|                                | DA    | ESF <sup>a</sup> | GHP-<br>USAID | GHP-<br>State | P.L.<br>480 | INCLE | NADR | IMET | FMF  | Total |
|--------------------------------|-------|------------------|---------------|---------------|-------------|-------|------|------|------|-------|
| Argentina                      | —     | —                | —             | —             | —           | —     | 0.2  | 0.4  | —    | 0.6   |
| Bahamas                        | —     | —                | —             | —             | —           | —     | —    | 0.2  | —    | 0.2   |
| Belize                         | —     | —                | —             | —             | —           | —     | —    | 0.2  | 1.0  | 1.2   |
| Bolivia                        | —     | —                | —             | —             | —           | —     | —    | —    | —    | 0.0   |
| Brazil                         | 10.5  | —                | —             | 0.3           | —           | —     | 0.2  | 0.7  | —    | 11.7  |
| Chile                          | —     | —                | —             | —             | —           | —     | 0.2  | 0.5  | —    | 0.7   |
| Colombia                       | —     | 180.3            | —             | —             | 2.0         | 143.0 | 21.0 | 1.4  | 38.5 | 386.3 |
| Costa Rica                     | —     | —                | —             | —             | —           | —     | —    | 0.7  | 5.0  | 5.7   |
| Cuba                           | —     | 20.0             | —             | —             | —           | —     | —    | —    | —    | 20.0  |
| Dominican Republic             | 5.8   | —                | 3.1           | 4.3           | —           | —     | —    | 0.6  | —    | 13.8  |
| Ecuador                        | 1.8   | —                | —             | —             | —           | —     | —    | -    | —    | 1.8   |
| El Salvador                    | 70.0  | —                | —             | —             | —           | —     | —    | 0.9  | 1.9  | 72.8  |
| Guatemala                      | 110.0 | —                | 13.0          | —             | 15.0        | —     | —    | 0.8  | 1.7  | 140.4 |
| Guyana                         | —     | —                | —             | —             | —           | —     | —    | 0.3  | —    | 0.3   |
| Haiti                          | 36.5  | 8.5              | 25.2          | 84.9          | 19.9        | 8.0   | —    | 0.2  | 1.2  | 184.4 |
| Honduras                       | 90.0  | —                | —             | —             | —           | —     | —    | 0.8  | 4.5  | 95.3  |
| Jamaica                        | 10.0  | —                | —             | —             | —           | —     | —    | 0.6  | —    | 10.6  |
| Mexico                         | 40.9  | —                | —             | —             | —           | 90.0  | 1.2  | 1.5  | 5.0  | 138.6 |
| Nicaragua                      | 9.5   | —                | —             | —             | —           | —     | -    | 1.0  | —    | 9.7   |
| Panama                         | —     | —                | —             | —             | —           | —     | 0.5  | 0.8  | 2.1  | 3.3   |
| Paraguay                       | 5.8   | —                | —             | —             | —           | —     | —    | 0.4  | —    | 6.2   |
| Peru                           | 30.1  | —                | —             | —             | —           | 32.0  | —    | 0.6  | 1.8  | 64.5  |
| Suriname                       | —     | —                | —             | —             | —           | —     | —    | 0.3  | —    | 0.3   |
| Trinidad and Tobago            | —     | —                | —             | —             | —           | —     | —    | 0.3  | —    | 0.3   |
| Uruguay                        | —     | —                | —             | —             | —           | —     | —    | 0.5  | —    | 0.5   |
| Venezuela                      | 7.0   | —                | —             | —             | —           | —     | —    | —    | —    | 7.0   |
| Barbados and Eastern Caribbean | 3.0   | —                | 7.0           | 15.9          | -           | —     | —    | 0.7  | —    | 26.6  |

|  | DA           | ESF <sup>a</sup> | GHP-<br>USAID | GHP-<br>State | P.L.<br>480 | INCLE        | NADR        | IMET        | FMF         | Total          |
|--|--------------|------------------|---------------|---------------|-------------|--------------|-------------|-------------|-------------|----------------|
| USAID<br>Caribbean<br>Development <sup>b</sup>                   | 3.0          | —                | —             | —             | —           | —            | —           | —           | —           | 3.0            |
| USAID<br>Central<br>America<br>Regional <sup>b</sup>             | 17.6         | —                | 8.4           | 12.3          | —           | —            | —           | —           | —           | 38.3           |
| USAID South<br>America<br>Regional <sup>b</sup>                  | 14.0         | —                | —             | —             | —           | —            | —           | —           | —           | 14.0           |
| USAID Latin<br>America and<br>Caribbean<br>Regional <sup>b</sup> | 18.9         | —                | 7.8           | —             | —           | —            | —           | —           | —           | 26.7           |
| State<br>Western<br>Hemisphere<br>Regional <sup>b</sup>          | —            | 143.2            | —             | —             | —           | 260.2        | 2.1         | —           | 20.0        | 425.5          |
| [CARSI] <sup>c</sup>   | —            | 104.2            | —             | —             | —           | 225.0        | —           | —           | —           | 329.2          |
| [CBSI] <sup>c</sup>  | —            | 25.0             | —             | —             | —           | 25.2         | —           | —           | 7.5         | 57.7           |
| <b>Total</b>   | <b>484.4</b> | <b>352.0</b>     | <b>64.4</b>   | <b>117.7</b>  | <b>36.8</b> | <b>533.2</b> | <b>25.4</b> | <b>13.4</b> | <b>82.7</b> | <b>1,710.1</b> |

**Source:** U.S. Department of State, *Congressional Budget Justification, Foreign Operations, Appendix 2, Fiscal Year 2019*, March 14, 2018.

**Notes:** Figures may not sum to totals due to rounding. DA = Development Assistance; ESF = Economic Support Fund; GHP = Global Health Programs; P.L. 480 = Food for Peace/Food Aid; INCLE = International Narcotics Control and Law Enforcement; NADR = Nonproliferation, Anti-terrorism, Demining, and Related Programs; IMET = International Military Education and Training; FMF = Foreign Military Financing; USAID = U.S. Agency for International Development; CARSI = Central America Regional Security Initiative; and CBSI = Caribbean Basin Security Initiative.

- a. Congress appropriated an additional \$9 million of ESF for the region in FY2017 that is not included here since it was provided as multilateral assistance through the Organization of American States.
- b. USAID and State Department regional programs fund region-wide initiatives as well as activities that cross borders or take place in non-presence countries.
- c. CARSI and CBSI are funded through the State Western Hemisphere Regional program.



## Appendix C. U.S. Foreign Assistance to Latin America and the Caribbean by Account and Country or Regional Program: FY2018 Request

**Table C-1. U.S. Foreign Assistance to Latin America and the Caribbean: FY2018 Request**

(appropriations in millions of current U.S. dollars)

|                     | ESDF <sup>a</sup> | GHP-<br>USAID | GHP-<br>State | P.L.<br>480 | INCLE | NADR | IMET | FMF | Total |
|---------------------|-------------------|---------------|---------------|-------------|-------|------|------|-----|-------|
| Argentina           | —                 | —             | —             | —           | —     | 0.2  | 0.3  | —   | 0.5   |
| Bahamas             | —                 | —             | —             | —           | —     | —    | 0.1  | —   | 0.1   |
| Belize              | —                 | —             | —             | —           | —     | —    | 0.2  | —   | 0.2   |
| Bolivia             | —                 | —             | —             | —           | —     | —    | —    | —   | 0.0   |
| Brazil              | —                 | —             | —             | —           | —     | 0.2  | 0.6  | —   | 0.8   |
| Chile               | —                 | —             | —             | —           | —     | 0.2  | 0.3  | —   | 0.5   |
| Colombia            | 105.0             | —             | —             | —           | 125.0 | 20.0 | 1.4  | —   | 251.4 |
| Costa Rica          | —                 | —             | —             | —           | —     | —    | 0.4  | —   | 0.4   |
| Cuba                | —                 | —             | —             | —           | —     | —    | -    | —   | 0.0   |
| Dominican Republic  | —                 | —             | 10.0          | -           | —     | —    | 0.5  | —   | 10.5  |
| Ecuador             | —                 | —             | —             | —           | —     | —    | -    | —   | 0.0   |
| El Salvador         | 45.5              | —             | —             | —           | —     | —    | 0.8  | —   | 46.3  |
| Guatemala           | 76.9              | 3.0           | —             | —           | —     | —    | 0.8  | —   | 80.7  |
| Guyana              | -                 | -             | —             | —           | —     | —    | 0.2  | —   | 0.2   |
| Haiti               | 48.0              | 16.2          | 85.0          | —           | 8.0   | —    | 0.3  | —   | 157.5 |
| Honduras            | 67.1              | —             | —             | —           | —     | —    | 0.8  | —   | 67.9  |
| Jamaica             | —                 | —             | —             | —           | —     | —    | 0.5  | —   | 0.5   |
| Mexico              | 25.0              | —             | —             | —           | 60.0  | 1.2  | 1.5  | —   | 87.7  |
| Nicaragua           | —                 | —             | —             | —           | —     | —    | 0.2  | —   | 0.2   |
| Panama              | —                 | —             | —             | —           | —     | 0.5  | 0.7  | —   | 1.2   |
| Paraguay            | —                 | —             | —             | —           | —     | —    | 0.4  | —   | 0.4   |
| Peru                | 22.2              | —             | —             | —           | 27.0  | —    | 0.5  | —   | 49.7  |
| Suriname            | —                 | —             | —             | —           | —     | —    | 0.2  | —   | 0.2   |
| Trinidad and Tobago | —                 | —             | —             | —           | —     | —    | 0.2  | —   | 0.2   |
| Uruguay             | —                 | —             | —             | —           | —     | —    | 0.4  | —   | 0.4   |
| Venezuela           | —                 | —             | —             | —           | —     | —    | —    | —   | 0.0   |

|   | <b>ESDF<sup>a</sup></b> | <b>GHP-<br/>USAID</b> | <b>GHP-<br/>State</b> | <b>P.L.<br/>480</b> | <b>INCLE</b> | <b>NADR</b> | <b>IMET</b> | <b>FMF</b> | <b>Total</b>   |
|---|-------------------------|-----------------------|-----------------------|---------------------|--------------|-------------|-------------|------------|----------------|
| Barbados and Eastern Caribbean                          | —                       | —                     | 15.0                  | —                   | —            | —           | 0.5         | —          | 15.5           |
| USAID Caribbean Development <sup>b</sup>                | —                       | —                     | -                     | —                   | —            | —           | —           | —          | 0.0            |
| USAID Central America Regional <sup>b</sup>             | —                       | —                     | 10.0                  | —                   | —            | —           | —           | —          | 10.0           |
| USAID South America Regional <sup>b</sup>               | —                       | —                     | —                     | —                   | —            | —           | —           | —          | 0.0            |
| USAID Latin America and Caribbean Regional <sup>b</sup> | 5.0                     | 5.8                   | —                     | —                   | —            | —           | —           | —          | 10.8           |
| State Western Hemisphere Regional <sup>b</sup>          | 121.4                   | —                     | —                     | —                   | 178.0        | —           | —           | —          | 300.0          |
| [CARSI] <sup>c</sup>                                    | 101.4                   | —                     | —                     | —                   | 161.8        | —           | —           | —          | 263.2          |
| [CBSI] <sup>c</sup>                                     | 20.0                    | —                     | —                     | —                   | 16.2         | —           | —           | —          | 36.2           |
| <b>Total</b>  | <b>516.1</b>            | <b>25.0</b>           | <b>120.0</b>          | <b>0.0</b>          | <b>398.0</b> | <b>22.9</b> | <b>11.6</b> | <b>0.0</b> | <b>1,093.6</b> |

**Source:** U.S. Department of State, *Congressional Budget Justification, Department of State, Foreign Operations, and Related Programs, Fiscal Year 2018*, May 23, 2017.

**Notes:** Figures may not sum to totals due to rounding. ESDF=Economic Support and Development Fund; GHP = Global Health Programs; P.L. 480 = Food for Peace/Food Aid; INCLE = International Narcotics Control and Law Enforcement; NADR = Nonproliferation, Anti-terrorism, Demining, and Related Programs; IMET = International Military Education and Training; FMF = Foreign Military Financing; USAID = U.S. Agency for International Development; CARSI = Central America Regional Security Initiative; and CBSI = Caribbean Basin Security Initiative.

- a. The FY2018 request includes a new ESDF account, which would consolidate the DA and ESF accounts.
- b. USAID and State Department regional programs fund region-wide initiatives as well as activities that cross borders or take place in non-presence countries.
- c. CARSI and CBSI are funded through the State Western Hemisphere Regional program.

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