

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

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In FY2014, the number of unaccompanied minors and family groups from the "northern triangle" of Central America (El Salvador, Guatemala, and Honduras) attempting to enter the United States sharply increased. The resulting [spike in apprehensions](#) strained U.S. government resources and created a complex humanitarian situation. The Obama Administration's initial response to the migrant crisis included working with the governments of the northern triangle and Mexico on public diplomacy campaigns to discourage people from making the journey, and law enforcement operations to dismantle human smuggling networks (see CRS Report R43702, [Unaccompanied Children from Central America: Foreign Policy Considerations](#)).

Although total U.S. apprehensions of unaccompanied minors and family units [declined by 42%](#) in FY2015, Mexico—with U.S. support—apprehended record numbers of Central Americans (see CRS Report IF10215, [Mexico's Recent Immigration Enforcement Efforts](#)). The mixed migration flows of children and families [appear to have increased](#) again in [recent months](#), and [many analysts](#) argue that long-term reductions will require policymakers in the countries of origin and the international community to take steps to address the poor security and socioeconomic conditions causing Central Americans to abandon their homes.

## FY2016 Aid Request

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

- **\$438 million for promoting economic prosperity.** These funds would support efforts to facilitate trade, promote customs and border integration, improve business environments, and integrate regional electricity markets. They would also support programs to reduce poverty, improve early grade literacy, and provide vocational training and alternative education programs.
- **\$315 million for improving security.** These funds would support training for law enforcement personnel, border and maritime interdiction operations, and efforts to strengthen investigative and prosecutorial capacity. They

would also support community policing, municipal crime prevention committees, and the expansion of outreach centers that provide opportunities for at-risk youth.

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

While the U.S. government already funds many of these types of activities in Central America, the [FY2016 request](#) would allow current programs to be scaled up significantly. Compared to FY2015 funding estimates, bilateral aid for El Salvador would increase from \$47 million to \$119 million, aid for Guatemala would increase from \$114 million to \$226 million, and aid for Honduras would increase from \$71 million to \$163 million. Funding for the Central America Regional Security Initiative (CARSI; see CRS Report R41731, [Central America Regional Security Initiative: Background and Policy Issues for Congress](#)), which has been the principal component of U.S. engagement with the region in recent years and has yielded [mixed results](#), would increase from \$270 million to \$286 million. The vast majority of the request would support programs, training, and technical assistance implemented by U.S. government personnel and nongovernmental partners. Only a small percentage of the aid would be used for direct government-to-government assistance.

### Alliance for Prosperity

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

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

### Legislative Developments

On December 18, 2015, Congress passed and President Obama signed into law the Consolidated Appropriations Act, 2016 ([P.L. 114-113](#)). The act provides "up to" \$750 million to implement the new U.S. Strategy for Engagement in Central America in support of the Alliance for Prosperity. This includes up to \$68 million for El Salvador, \$128 million for Guatemala, \$98 million for Honduras, and \$349 million for CARSI (see [Table 1](#)).

The act places numerous conditions on the aid for Central America. Prior to obligation of the funds, the Secretary of State is required to provide the Appropriations Committees a multi-year spending plan that specifies the proposed purposes, objectives, indicators to measure progress, and implementation timeline of the assistance. The act also requires 25% of the funds for the "central governments of El Salvador, Guatemala, and Honduras" to be withheld until the Secretary of State can certify that the governments are "taking effective steps" to deter emigration, combat human smuggling and trafficking, improve border security, and receive and reintegrate citizens repatriated from the United States. Another 50% of the funds for the "central governments of El Salvador, Guatemala, and Honduras" must be withheld until the Secretary of State can certify the governments are "taking effective steps" to address 12 other concerns, including combating corruption, protecting human rights, increasing government revenues, and resolving commercial disputes with U.S. entities. In addition, the act requires the Secretary of State to periodically review and report on the progress that the Salvadoran, Guatemalan, and Honduran governments are making in meeting those requirements and directs the Secretary to suspend assistance if progress is insufficient.

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

In millions of current U.S. dollars

	FY2014 (Actual)	FY2015 (Estimate)	FY2016 (Request)	Consolidated Appropriations Act, 2016 ( <a href="#">P.L. 114-113</a> )
El Salvador	21.6	46.6	119.2	67.9
Guatemala	65.2	114.2	225.6	127.5
Honduras	41.8	71.2	163.0	98.3
Other Countries	14.4	19.1	24.6	16.4
CARSI	161.5	270.0	286.5	348.5
Other Regional Programs	33.5	49.2	203.6	91.4
Total	338.0	570.2	1,022.5	750.0

**Source:** U.S. Department of State; explanatory statement accompanying [P.L. 114-113](#).

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