

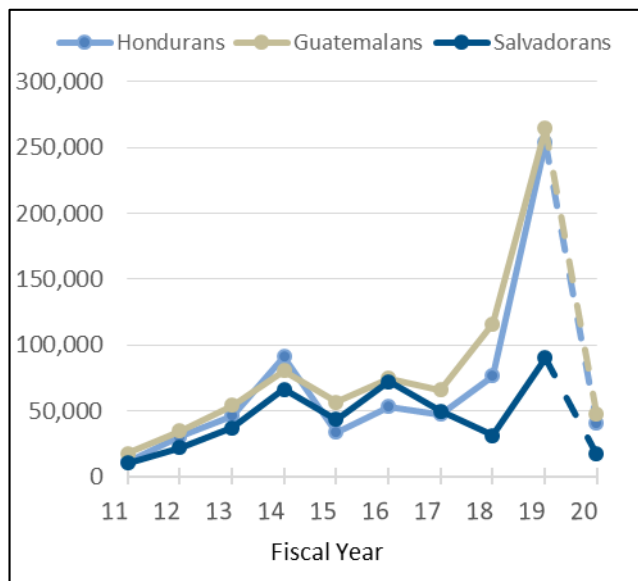
Updated February 16, 2021

U.S. Strategy for Engagement in Central America: An Overview

Introduction

Central America has received considerable attention from U.S. policymakers over the past decade, as it has become a major transit corridor for illicit narcotics and a top source of irregular migration to the United States. In FY2019, U.S. authorities at the southwest border apprehended nearly 608,000 unauthorized migrants from El Salvador, Guatemala, and Honduras (the Northern Triangle of Central America); 81% of those apprehended were families or unaccompanied minors, many of whom were seeking asylum (see **Figure 1**). Although the Coronavirus Disease 2019 (COVID-19) pandemic disrupted illicit trafficking and irregular migration flows in FY2020, many analysts expect a resurgence once governments throughout the Western Hemisphere begin lifting border restrictions.

Figure 1. U.S. Apprehensions of Northern Triangle Nationals at the Southwest Border: FY2011-FY2020



Sources: U.S. Customs and Border Protection, “U.S. Border Patrol Nationwide Apprehensions by Citizenship and Sector in FY2007-FY2019”; and “U.S. Border Patrol Southwest Border Apprehensions by Sector Fiscal Year 2020,” press release, November 19, 2020.

Note: FY2020 data include both apprehensions and public health expulsions for March 2020-September 2020.

These narcotics and migrant flows are the latest symptoms of deep-rooted challenges in the region, including widespread insecurity, fragile political and judicial systems, and high levels of poverty and unemployment. In 2014, the Obama Administration determined that it was in the national security interests of the United States to work with Central American governments to improve living conditions in the region. It approved a new U.S. Strategy

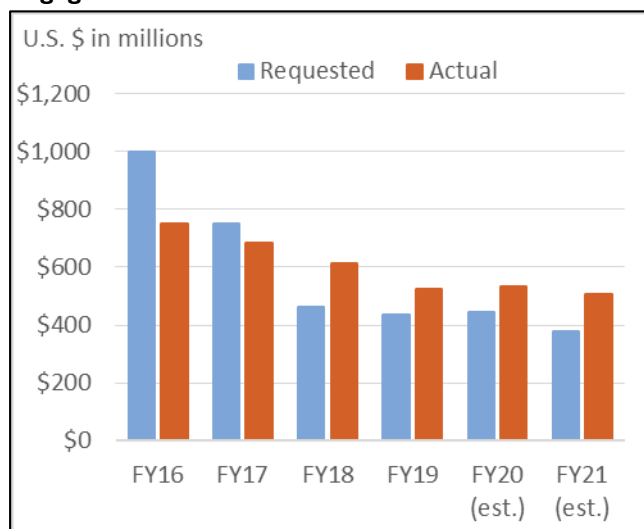
for Engagement in Central America and, with congressional support, more than doubled annual foreign aid to the region.

The Trump Administration repeatedly sought to scale back funding for the Central America strategy. It proposed significant year-on-year assistance cuts for the region in each of its annual budget requests and suspended most aid for the Northern Triangle in March 2019, two years into the strategy’s on-the-ground implementation. Congress chose not to adopt many of the proposed cuts, but annual funding for the Central America strategy declined from \$750 million in FY2017 to \$505.9 million in FY2021—a nearly 33% drop over four years (see **Figure 2**).

Both Congress and the Biden Administration have called for a reexamination of U.S. policy toward Central America in 2021.

Funding

From FY2016 to FY2021, Congress appropriated more than \$3.6 billion to implement the U.S. Strategy for Engagement in Central America. Congress has divided appropriations relatively evenly between bilateral assistance programs focused on good governance, economic growth, and social welfare and Central America Regional Security Initiative (CARSI) programs intended to prevent violence, reform justice-sector institutions, and combat gangs and organized crime. U.S. agencies have allocated the majority of funds to the Northern Triangle countries. Annual appropriations measures have required the State Department to withhold a portion that aid, however, until the Northern Triangle governments take steps to improve border security, combat corruption, protect human rights, and address other congressional concerns.

Figure 2. Funding for the U.S. Strategy for Engagement in Central America: FY2016-FY2021

Sources: U.S. Department of State, Congressional Budget Justifications for Foreign Operations, FY2018-FY2021; FY2020 estimate data provided to CRS, June 15, 2020; and P.L. 116-260.

Suspension of U.S. Assistance

The Trump Administration suspended most foreign aid to the Northern Triangle countries in March 2019 due to the continued northward flow of migrants and asylum-seekers from the region. Although some Department of Homeland Security and Department of Justice programs continued, the aid suspension forced other U.S. agencies to begin closing down projects and canceling planned activities. In Honduras, for example, the total number of beneficiaries of U.S. Agency for International Development (USAID) activities fell from 1.5 million in March 2019 to 700,000 in March 2020.

The Trump Administration reprogrammed approximately \$396 million that Congress had appropriated for Central America in FY2018, reallocating the funds to other foreign policy priorities. The Administration withheld much of the remaining assistance for the Northern Triangle countries for more than a year as it negotiated a series of migration agreements with the Northern Triangle governments. Under an Asylum Cooperative Agreement (also known as a Safe Third Country Agreement), for example, the United States sent nearly 1,000 Hondurans and Salvadorans to Guatemala between November 2019 and March 2020, requiring them to apply for protection there rather than in the United States. Guatemala suspended that agreement in March 2020 due to the COVID-19 pandemic. (Similar arrangements with El Salvador and Honduras were never implemented prior to the Biden Administration's suspension of all three Asylum Cooperative Agreements in February 2021.)

In October 2019, the Trump Administration announced it would begin restoring targeted aid to the Northern Triangle. By June 2020, U.S. agencies reportedly had programmed all of the previously suspended assistance. According to the Trump Administration, the released funds aimed to deter migration, advance U.S. national security interests, implement the Asylum Cooperative Agreements, respond to

the COVID-19 pandemic, and address other health and humanitarian needs in the region.

FY2021 Appropriations

Congress appropriated \$505.9 million of foreign assistance for Central America in the Consolidated Appropriations Act, 2021 (P.L. 116-260). That amount is \$129 million more than the Trump Administration requested but \$27 million less than Congress allocated to the region in FY2020. Similarly to prior years, the FY2021 act requires the State Department to withhold 50% of CARS and military aid for the Northern Triangle governments until it certifies those governments are addressing certain congressional concerns.

Results and Regional Developments

According to a September 2019 U.S. Government Accountability Office (GAO) report, "limited information is available about how U.S. assistance [has] improved prosperity, governance, and security in the Northern Triangle." GAO notes that U.S. agencies lack a comprehensive monitoring and evaluation plan, and that project-level assessments have found mixed results. For example, an October 2020 State Department and USAID progress report found that U.S.-backed prosecutors in the Northern Triangle tripled their convictions from FY2017 to FY2019, but U.S.-backed law enforcement units seized fewer assets and illicit narcotics in FY2019 than in FY2017.

Although country-level indicators measure factors outside the control of the U.S. government, U.S. assistance can contribute to improvements over the longer term.

- Real per capita gross domestic product increased by an average of nearly 9% in the Northern Triangle from 2014 to 2019. The International Monetary Fund estimates most of those gains were wiped out in 2020, however, by the COVID-19 pandemic and two hurricanes. Several million people in the region have lost their livelihoods and are facing crisis levels of food insecurity.
- Homicide rates in the Northern Triangle have fallen significantly since 2014, but they remain high by global standards. According to preliminary data compiled by journalists at *InSight Crime*, homicide rates continued to decline in 2020, falling to 37.6 per 100,000 residents in Honduras, 19.7 per 100,000 in El Salvador, and 15.3 per 100,000 in Guatemala.
- After making tentative progress holding high-level officials accountable, the Guatemalan and Honduran governments expelled international anti-corruption commissions in 2019 and 2020, respectively. According to Transparency International, perceptions of corruption deteriorated in all three Northern Triangle countries between 2014 and 2020. The Northern Triangle also experienced democratic backsliding during that period, with Freedom House reporting erosions in political rights and civil liberties.

Outlook

U.S. policy in Central America is at a crossroads. The United States-Northern Triangle Enhanced Engagement Act (P.L. 116-260, Division FF, Subtitle F), signed into law in December 2020, directs the State Department, in coordination with other U.S. agencies, to develop a new five-year strategy to advance inclusive economic growth, combat corruption, strengthen democratic institutions, and improve security conditions in the region. During his campaign, President Biden pledged to develop a comprehensive, four-year \$4 billion regional strategy to address the root causes of migration. The 117th Congress could influence the formulation and execution of the new

strategy as it carries out its oversight responsibilities and considers appropriations and other legislation to guide U.S. policy in the region.

Additional Analysis

For additional analysis, see CRS Report R44812, *U.S. Strategy for Engagement in Central America: Policy Issues for Congress*.

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