

HEARING BEFORE THE UNITED STATES SENATE

COMMITTEE ON APPROPRIATIONS

SUBCOMMITTEE ON STATE, FOREIGN OPERATIONS, AND RELATED PROGRAMS

“UNITED STATES ASSISTANCE FOR CENTRAL AMERICA”

MAY 23, 2016

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Chairman Graham, Ranking Member Leahy, and members: thank you very much for the invitation to testify this afternoon on US assistance to the Northern Triangle of Central America. This region – and the issues it faces – are very dear to me. I was US Ambassador to Honduras from 1981 to 1985. While in Honduras, my wife and I adopted two Honduran children. In later years we adopted another three Honduran infants into our household. So, this is not just an interesting subject study for me, my connection to the region runs deeper than that. As I analyze where the region stands today, I would be remiss not to reflect on how the situation unfolded when I was Ambassador. Back then, thirty-five years ago, the problems in the region involved Cold War tensions and ideological violence. People were fleeing to Honduras from El Salvador and Guatemala.

Today, the situation is different, but not any less concerning. The region has seen 50,000 murders over the past three years, high-profile corruption scandals have tested overburdened institutions and exacerbated discontent, and nearly 10 percent of the region’s thirty million residents have left in recent years. As you very well know, the combination of these issues in the Northern Triangle have direct implications for US national security. These issues end up at our doorstep and become *our* problem if we neglect to collaborate with the three countries to address root causes. We saw it in 2014 with the unaccompanied children and we will inevitably continue to see it happen if we do not change the status quo.

However, we are usually more focused on conflicts in the Middle East or tensions with North Korea instead of looking at our own hemisphere. Realistically speaking, the issues of Northern Triangle matter more to – and have a greater impact on – the American taxpayer than conflicts on the other side of the world. It is justifiable to spend US taxpayer money on helping the Northern Triangle deal with its problems. Simply put, what happens in San Salvador has direct implications for the citizens of Charleston and Burlington. Combatting drug trafficking and illicit flows – and working to curb unauthorized migration to the US – are naturally the most pressing issues from the prism of national security. Moreover, the Northern Triangle represents a key opportunity for the US economy and US businesses. There is an enormous need for employment generation in the Northern Triangle in order to achieve greater prosperity. US businesses

can help do exactly that, through investments in infrastructure, agriculture, and customs modernization, in a way that benefits the US economy as well as our national security.

Factors Driving Migration

For the past six months, I have been the US co-chair of the Atlantic Council's Northern Triangle Security and Economic Opportunity Task Force. As part of the Task Force, the Atlantic Council commissioned a tri-country poll that gauged citizen's perception of their situation and their leaders. Unsurprisingly, the results were a scathing indictment of the situation in the Northern Triangle.

Poll respondents expressed virtually no trust in their institutions. Whether it's judges, members of the police, tax authorities, more than 75 percent of respondents said they had little to no confidence in *any* of them. Even public trust in priests and pastors barely reached 50 percent in Guatemala and Honduras, failing to register 30 percent in El Salvador. The deep challenges faced by people in the region must be solved with a holistic solution that focuses on economic development, rule of law, and security.

Successes and Failures of US Assistance

History has shown that any concerted effort cannot neglect key development issues. For instance, the Central America Regional Security Initiative (CARSI), which achieved some significant successes, was nevertheless insufficient in improving economic development and strengthening the rule of law.

That, of course, improved with the Plan of the Alliance for Prosperity, which cut across three main interconnected themes: economic development, institution building, and security. The plan underscored that to reduce migration and remove stress from our Southwest border, it was imperative to tackle the root causes of violence and joblessness.

There has been one aspect that has been key to the success of this plan: the commitment and collaboration of the Northern Triangle governments. The fact is that 80 percent of Alliance for Prosperity funding comes from the three countries themselves. These countries have shown a real, tangible commitment to taking the necessary steps to bolster economic development and curb migration. The reforms that have been enacted and the admirable work of attorneys general in the region, while supported by the US, are homegrown efforts.

A Renewed Call to Action

It is thus crucial, in my view, to push for a renewed call to action here in the US that builds on the laudable efforts of this honorable Congress and that of the three countries.

Earlier this month, I participated in the release of the report of the Atlantic Council Task Force that focuses precisely on the issue at hand today. Along with esteemed colleagues from El Salvador, Honduras, and Guatemala – and under the direction of the Atlantic Council – we devised what we consider to be a blueprint for building a brighter future for the Northern Triangle countries in Central America.

As we think about FY2018, we must build off the Plan of the Alliance but go beyond what we are currently doing. First, we should be thinking about a multi-year authorization rather than a yearly package, providing a plan that goes beyond short-term measures.

Second, a new strategy for US engagement in the Northern Triangle should not be simply about providing more funds or creating new projects. It is important to take stock of what is working and what is not. Thus,

any FY2018 strategy must have a large accountability component. Our report suggests working with the Inter-American Development Bank to track host country spending in areas that complement US support. That way, through open and transparent access to data, we will be able to ensure that a) the three countries continue to complement US funding with their own and b) US funding is spent effectively and efficiently.

Before getting into other actions the US should take, it is crucial to discuss conditionality. The support provided through the Alliance for Prosperity was heavily conditioned on enacting a series of measures to strengthen institutions and curb migration. The recent omnibus bill approved by Congress did the same.

While there is a discussion to be had about the swiftness of the certification process to disburse funds, conditionality has proven effective in spurring important reforms and will continue to be a key tool to ensure that recent anti-corruption efforts are sustained.

Specific Recommendations

In terms of concrete actions, our Northern Triangle Task Force report outlines recommendations directed at the administration as well as Congress for building sustainable economic development, strengthening the rule of law, and improving security.

On rule of law, we must continue supporting the work of CICIG, MACCIH, and El Salvador's anti-impunity unit, while also pushing heavily for more structural reforms to be enacted. This is the only way to ensure sustained institution building and reduce dependency on international commissions that depend on the sitting president for renewal. One such reform would be improving transparency of secondary public officials such as supreme court magistrates and attorneys general to depoliticize the process.

On security, we must move beyond mere iron fist strategies. Strengthening and promoting properly implemented community policing initiatives such as the model police precincts (MPPs) is crucial. Promoting an increase in the number of women in the police force could reduce rates of sexual assault, rape, and violence. We've done this in Afghanistan and Iraq and could replicate it in the Northern Triangle.

On sustainable economic development, the Inter-American Development Bank has been behind setting up an infrastructure fund in the region. US support of such efforts is essential in order to spur and provide reassurance to private investment, as well as incentivize American businesses to participate. We already have the capacity to expand in this area via OPIC and USTDA. Any new strategy must balance investment in migrant-sending communities with investment in intermediary cities that have the highest employment-generating potential. It is simple: if jobs are not created in the region, people will continue to migrate north.

Regarding human capital, I am reminded of the time when I was Ambassador to Honduras and the National Bipartisan Commission on Central America, chaired by Dr. Henry Kissinger, analyzed the problems of the region then. The Commission concluded that reforming the region's schools and funding scholarships for study in the U.S. were critical steps toward stability and prosperity. We should provide more funding for scholarships that bring Central American students to the United States, targeting low-income applicants and requiring them to return to their home countries after completing their education.

On immigration, we need to expand information sharing on deported gang members and criminals. Otherwise, we will continue to feed into this vicious cycle in which we deport criminals to ameliorate

violence in our own streets but simultaneously contribute to heightened insecurity in the Northern Triangle, which eventually boils over into our borders once again.

Multi-year Authorization

Before concluding, I would like to emphasize the following. We see this happen every time: the issues in the Northern Triangle boil over and it becomes news in the United States. Once they are back on our radar and that of the media, only then are we compelled to act. Once the frenzy dies down, we put the region on the backburner again and shift to focusing on other parts of the world. We must be more consistent in the attention we give to this critical region.

It is essential that assistance to the region is not only holistic, but most importantly, sustained. A multi-year authorization for the region would help build lasting change in Guatemala, El Salvador, and Honduras.

Thank you, once again. I look forward to answering your questions.

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