OVERSIGHT OF THE STATE DEPARTMENT AND AGENCY FOR INTERNATIONAL DEVELOPMENT FUNDING PRIORITIES FOR THE WESTERN HEMISPHERE

HEARING

BEFORE THE

SUBCOMMITTEE ON THE WESTERN HEMISPHERE

OF THE

COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES

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OVERSIGHT OF THE STATE DEPARTMENT AND AGENCY FOR INTERNATIONAL DEVELOPMENT FUNDING PRIORITIES FOR THE WESTERN HEMISPHERE

TUESDAY, MARCH 24, 2015

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 11 o'clock a.m., in room 2255 Rayburn House Office Building, Hon. Ileana Ros-Lehtinen (acting chairman of the subcommittee) presiding.

Ms. Ros-Lehtinen. The subcommittee will come to order. Chairman Duncan is attending to a family emergency and has asked me to chair today's meeting in his place. We wish him and his family well.

After recognizing myself and my good friend, Ranking Member Sires, for 5 minutes, each for our opening statements, I will then recognize other members who might seek recognition for 1 minute. We will then hear from our witnesses.

Thank you ladies for being here. Without objection, the witnesses' prepared statements will be made a part of the record. Members may have 5 days to insert statements and questions for the record subject to the length limitation in the rules. The chair now recognizes herself for 5 minutes.

As we scrutinize the Fiscal Year 2016 budget proposals for the Western Hemisphere, we must fully analyze how we are advancing U.S. interests in the region. While the administration may condemn human rights violations, attacks on the press, and biased judicial systems, it still continues to placate to rogue regimes in the Hemisphere who face zero consequences.

In Nicaragua, Daniel Ortega is running for a third term after pushing through constitutional changes to allow consecutive reelections in violation of the Nicaraguan constitution. Ortega is using the facade of the Canal Project to be able to fund money to his own pockets and possibly expropriate lands along the canal. In December, the Nicaraguan people who live along the canal protested the project and were met with repression and violence at the hands of the Ortega regime. Ecuador's Rafael Correa and Bolivia's Evo Morales are already in their third terms after manipulating the legislatures and rewriting the constitution and election laws in their countries for their own political agenda. At the same time,

Correa and Morales have kicked out USAID in their countries causing USAID to be timid in closed societies throughout the Heminaham and hunting its mission

sphere and hurting its mission.

Argentina's Cristina Kirchner is currently being investigated for her possible involvement in covering up Iran's role in the 1994 AMIA bombing even as more questions arise surrounding the murder of Alberto Nisman.

And in Venezuela, Nicolas Maduro has run the economy almost completely into the ground while quashing dissent, violating the human rights of the Venezuela people on a daily basis. Although Maduro and his thugs have finally been sanctioned by the administration, it only occurred because this committee and Congress strongly pushed for those punitive actions to be taken.

The common theme in all of these countries, other than the greed, corruption, and thirst for power, is the manner in which these leaders have stayed in control and suppressed civil society. It is a playbook learned from Cuba, the same Cuba with which the President has reversed decades of U.S. policy and has given away

almost all of our leverage in return for nothing.

Dictators in the region have learned from and studied the methods of the Castro brothers. They have learned how to control the media, silence the opposition, and they have learned how to impose their will by instilling fear in people. They have learned the elections, even corrupt and illegitimate elections, are often enough to appease the international community and for critics to look the other way, knowing that once they are in power they can just change the rules of the game without consequences.

They know that the Organization of American States despite its inter-American democratic charter will do nothing to hold them accountable. And they know that the Obama administration will continue trying to appease and engage, hoping that if they keep playing nice then maybe these tyrants will stop taking advantage of

them.

People in Latin America are crying out for the United States to finally stand up and say loudly and clearly that we know that leaders are manipulating the democratic process and are repressing fundamental human rights, and they want us to do everything in our power to hold those leaders accountable.

As we examine the budget, I am concerned that it does not reflect those priorities. Democracy and governance programs in Latin America are always on the chopping block when funds are needed

at State and USAID and this is unacceptable.

In Central America I question whether or not our Embassies and host countries are prepared to handle such a large increase in funding from one fiscal year to another. In Cuba, I am concerned that the \$20 million requested by the administration will be undermined by the misguided normalization talks, and the implementation of these democracy programs may be in jeopardy due to the demands from Havana.

In Venezuela that is desperately and increasingly in need of assistance, I am concerned that the administration has not requested more resources to help civil society. In Haiti with elections around the corner, I do not understand why we cut INCLE funds in half

when so much assistance is needed for the Haitian National Police as we gear up for the upcoming elections.

We must ensure that we are funding priorities and addressing the root causes of problems throughout the Hemisphere on the governance and security fronts. Drug trafficking is a key piece of terrorist financing and we must have reliable partners with whom we can work to disrupt narcoterror networks and transnational criminal groups.

The administration must work harder to hold bad actors responsible, whether that is through increased pressure at international organizations, through bilateral relations or additional sanctions and blocking of assets. And we should be stepping up our democracy and governance programs in response to regional challenges rather than withdrawing when the going gets tough.

And with that, I am pleased to yield to my good friend from New

Jersey, the ranking member Mr. Sires.

Mr. SIRES. Thank you, Madam Chair, for holding this hearing, and thank you to our witnesses for being here to talk about the administration's Fiscal Year 2016 requests for Latin America and the Caribbean. Today's hearing occurs at a time of complex foreign policy challenges in a region that has evolved to become increasingly less reliant on the United States.

While I do not believe that the U.S. is implicitly attempting to disengage from the Western Hemisphere, years of focus elsewhere have come at the expense of our policy toward the Americas. However, recent turmoil throughout the region, including growing instability in the Northern Triangle and the Venezuelan Government's hostile and violent actions toward its own civilians, has prompted us to take a closer look at our own backyard. I am pleased that the administration's Fiscal Year 2016 request of nearly \$2 billion represents a 35-percent increase over the Fiscal Year 2014 level.

It is imperative that we strike a balance between citizen security initiatives and traditional development programs that can ensure peace and economic prosperity. Drug trafficking and organized crime that plagues the Northern Triangle of Central America is wreaking havoc in the region and poses security threats for the entire Hemisphere, especially the U.S.

Disparity is abundant with nearly 30 percent of the region's population living in poverty. Each year hundreds die along the southern border in their aspiration for a better life crossing into the U.S. while others remain threatened by cartel violence. With the exception of Cuba, democracy in the Hemisphere has progressed but is still threatened by organized crime and leaders that have abused

executive powers.

Every day in Venezuela, anti-government demonstrators continue to express their frustrations with the deteriorating economic, political, and security conditions in their country. Venezuela continues unabashedly to respond with a heavy hand, backtracking from any progress they had made as to strengthening its democratic institution. We must work together in a bipartisan fashion to ensure that increased budget requests are used efficiently with proper oversight and address root causes of violence and the dysfunction in this region. And I thank you.

Ms. Ros-Lehtinen. Thank you very much.

And so now we would like to welcome our witnesses. We are so proud of our witnesses today. We welcome back a good friend of all of us in the Foreign Affairs Committee and especially this subcommittee, Assistant Secretary of State for Western Hemisphere Affairs Roberta Jacobson. Assistant Secretary Jacobson previously served as Principal Deputy Assistant Secretary for Western Hemisphere Affairs, senior coordinator for the Citizen Security Initiatives in the Western Hemisphere, and Deputy Assistant Secretary for Canada, Mexico and NAFTA issues for the Bureau. Welcome, Roberta.

We also want to welcome another good friend, Acting Assistant Administrator Elizabeth Hogan with USAID's Latin America and Caribbean Bureau. Ms. Hogan is also serving as Senior Deputy Assistant Administrator for the region and has previously served as director of the Haiti Task Team. Welcome back.

So Ms. Jacobson, we will begin with you. Madam Ambassador.

STATEMENT OF THE HONORABLE ROBERTA S. JACOBSON, AS-SISTANT SECRETARY, BUREAU FOR WESTERN HEMISPHERE AFFAIRS, U.S. DEPARTMENT OF STATE

Ambassador Jacobson. Thank you, Madam Chair. Thank you very much for this opportunity to testify on the Fiscal Year 2016 request for U.S. assistance to the Western Hemisphere. Madam Chair, I know that you and members of this subcommittee are as pleased as I am that by almost every available metric the United States remains an influential actor and vital partner in the region because we all recognize the importance of this Hemisphere to our national interest.

The Obama administration's policy aims to forge equal partnerships with the countries of Latin America and the Caribbean that build on the promising destiny of this Hemisphere based first and foremost on shared values.

I would like to submit my written testimony for the record and not take up much of your time to get to your questions.

Ms. Ros-Lehtinen. Without objection.

Ambassador Jacobson. Our top priorities in the region, jobs and prosperity, education and innovation, energy cooperation, and promoting democratic values have a direct impact on the daily lives of Americans. We are focused on improving citizen security with more comprehensive policies that better the lives of our citizens with lessons learned at home and in Latin America and the Caribbean, whether it is in Silicon Valley on innovation or Colombia on citizen security. Thus, the administration's 2016 foreign assistance request for the Western Hemisphere is a 34.7-percent increase from 2014.

We realize that in areas of the Americas there were needed additional sustained attention if they were to achieve some of the remarkable growth and social progress we have seen elsewhere. Just over half the total request supports the U.S. strategy for engagement in Central America. Last summer's spike in migration was a clear signal that serious and longstanding challenges in Central America remain and may be worsening. To change this trend we must address the underlying factors driving migration or be pre-

pared for this tragedy to repeat itself ad infinitum with ultimately higher impact and cost to the United States.

Over the past years of implementing our Central America Regional Security Initiative, we have learned a great deal about what works and what doesn't work on security in Central America, and our \$1 billion assistance request for Central America builds on all of that knowledge. It represents a significant increase from previous years, but what we know for certain is that the cost of investing now in Central America's security and prosperity pales in comparison to the cost of addressing migration challenges here at

Beyond Central America it would be shortsighted even in tough budget times not to maintain investments in priority programs that are working. For Mexico, the request includes \$119 million to continue support for the Merida Initiative. Mexico was a critical partner last summer in the effort to stem the flow of migration to the United States and nearly every week it captures important drug traffickers, but serious security challenges have persisted and therefore our request advances Mexico's efforts to strengthen the rule of law, combat corruption and protect human rights.

In Colombia, all eyes are on whether the peace process can bring an end to Latin America's longest running conflict but we can't take our eye off the ball, and so our request includes \$288.7 million to support Colombia's efforts to secure the rule of law and support

sustainable development.

We must continue our efforts in the Caribbean or our third border. Our request includes \$241.6 million for Haiti and \$531/2 million for the Caribbean Basin Initiative to reduce rates of crime and violence which threaten both the U.S. and Caribbean security.

Peru is now the world's largest producer of cocaine, and the government will need our help to change that trajectory. Last year I visited coca fields being eradicated and alternative development projects where a decade ago when I served in Peru no American could venture due to the danger of leftist violence. And I know that we have an unusual opportunity of government political will, a model proven to work and local populations eager for our help.

This request maintains important support for freedom of the press, human rights and democracy in the Hemisphere, including in those states in which we have seen the greatest backsliding. U.S. assistance that supports our policy makes a direct difference in the lives of citizens throughout the Hemisphere and benefits the national interests of the United States. And I look forward to your questions, thank you.

[The prepared statement of Ambassador Jacobson follows:]

OVERSIGHT OF THE STATE DEPARTMENT AND AGENCY FOR INTERNATIONAL DEVELOPMENT FUNDING PRIORITIES FOR THE WESTERN HEMISPHERE

TESTIMONY OF
ROBERTA S. JACOBSON
ASSISTANT SECRETARY OF STATE
BUREAU OF WESTERN HEMISPHERE AFFAIRS
U.S. DEPARTMENT OF STATE
BEFORE

THE SUBCOMMITTEE ON THE WESTERN HEMISPHERE HOUSE COMMITTEE ON FOREIGN AFFAIRS UNITED STATES HOUSE OF REPRESENTATIVES MARCH 24, 2015

Mr. Chairman, Ranking Member Sires, and Members of the Subcommittee:

Thank you for the opportunity to testify on the FY 2016 request for U.S. assistance for the Western Hemisphere.

Mr. Chairman, the Western Hemisphere is a top priority for United States because important national interests are at stake. I am pleased to report that almost every available metric—including public opinion polls, levels of trade and investment, cultural and family ties, security cooperation, and shared democratic values— supports the view that the United States remains an influential actor and vital partner in the region. The Obama administration's policy aims to forge equal partnerships with the countries of Latin American and the Caribbean that build on the promising destiny of this hemisphere, based first and foremost on shared values, as well as on geographic proximity, demographic connections, and common interests. Those shared values and common interests, along with increasing capabilities, also means that we can do more together on challenges that go beyond the Americas, to global problems that require us to work together in new and significant ways.

As befits a region that includes our biggest economic partners and longstanding friendships, our top priorities are jobs and prosperity, education and innovation, energy cooperation, and promoting democratic values. We are also focused on improving citizen security with more comprehensive policies that advance prosperity and innovation, deepening the successful North America relationship, and supporting Colombia's peace process.

The high level of importance that this administration gives to the Western Hemisphere is reflected in our FY 2016 request. The request is \$1.99 billion, which is a 34.7 percent increase from FY 2014. Just over half the total request supports the U.S. Strategy for Engagement in Central America, a new, whole of government approach to enhance prosperity, governance, and security in Central America. Last summer's spike in migration of unaccompanied children was a clear signal that serious and long-standing challenges in Central America remain and, in some instances, are worsening. To change this trend, we must adequately address the underlying factors driving migration or be prepared for what is likely to be an ongoing cyclical phenomenon - with significant impact and cost to the United States.

Our \$1 billion assistance request for Central America includes new investments for prosperity and governance consistent with our strategy, while maintaining and strengthening our current focus on security, including the investments we have made through the Central America Regional Security Initiative (CARSI). These funds are necessary to adequately address the complex challenges Central America faces. While this level of support represents a significant increase from previous years, we believe the cost of investing now in Central America's security and prosperity pales in comparison to the cost of addressing migration challenges at home.

At the same time that we are requesting additional funding from the U.S. Congress so that Central American countries can address the region's fundamental challenges, our own government needs to move quickly to demonstrate results and hold ourselves accountable. That means rigorously evaluating our programs, and we look forward to working closely with Congress to craft the most effective assistance package.

Most significantly, we believe the essential condition for success is in sight: political will in the region. Vice President Biden traveled to Guatemala to meet with the presidents of El Salvador, Guatemala, and Honduras in early March. It was only the latest of his, the President's, and Secretary Kerry's engagement with these leaders. During months of intensive work with these three presidents of the Northern Triangle of Central America, it has been clear that the notion of "shared responsibility" would be much more than a bumper sticker. During the Vice President's most recent trip, the leaders agreed to a joint statement including public commitments – with timelines – for continued progress. Together we committed

to actions in Central America that will promote a better business environment for investors and small business owners, strengthen police and judicial systems, increase government transparency, improve revenue collection and make streets safer. And we did so publicly, inviting scrutiny and accountability.

Our prosperity agenda for Central America fosters the integration of a regional market of 43 million people and the reduction of legal impediments that only benefit established economic elites. Six million young people will seek to enter the labor force in the next decade. Encouraging an environment which enables investment and growth will enable talented people to stay at home, and create jobs and local businesses to participate in a bigger market.

Let me share an example of how U.S. assistance in El Salvador is advancing the prosperity agenda. Luis Francisco Cruz has only a sixth-grade education and was twice turned back at the United States border while trying to enter illegally. With the help of a USAID-backed loan targeting micro, small, and medium-sized enterprises, he founded Comercial Josue, a small general goods store in San Miguel. Despite challenges including extortion and the gang murder of his father, Mr. Cruz was tenacious. He grew his business into a 12-store operation that employs 130 employees. Mr. Cruz is now providing economic opportunity and the dignity to work that give young people real options beyond gangs or emigration. It is important to note that USAID did not give Mr. Cruz this loan directly, but instead worked with a local bank to encourage micro-lending and this partnership led to Mr. Cruz's loan. The distinction is important, because it tells a story of sustainability. Local banks participating in micro-lending will provide opportunities for entrepreneurs like Mr. Cruz.

Our strategy's governance agenda recognizes that economic growth and security are only sustainable when the institutions of government are transparent, accountable, and actually deliver services to <u>all</u> citizens—and when independent civil society and the media can play their rightful roles. Citizens and investors will trust institutions once those institutions establish a pattern of transparency, accountability, and effectiveness. Thus, the prosperity and governance components of our Strategy are essential for the success of our security investments. Security remains a core priority. Our \$1 billion request for Central America includes \$286.5 million for CARSI to scale up proven community-based security models and advance police reform.

Our security programs make a difference in the lives of people like Cindy from Guatemala. Cindy is now a young woman of 17, and she is a survivor of

sexual and gender-based violence. From the age of 13, she was repeatedly raped, intimidated, and threatened by an older family member. Sadly, her story is not unique. Thousands of women are victims of sexual and gender-based violence in Guatemala alone. Thanks to the courage of local leaders and technical assistance, training, and equipment from USAID, Cindy's abuser was formally charged. Guatemala operationalized a 24-hour court for victims of sexual and gender-based violence. The court provides medical, social, and legal services all under one roof. With increased services for victims, and more efficient legal proceedings, women like Cindy can get the justice they deserve.

Beyond Central America, we must maintain investments in priority programs that are working. For Mexico, the request includes \$119 million to continue support for the Merida Initiative. This past summer, Mexico was a critical partner in the effort to stem the flow of migration to the United States. And nearly every week it captures important drug traffickers. But its serious security challenges have persisted, as we saw with the tragic disappearance of 43 students in Iguala. Therefore, our request emphasizes technical assistance, support to additional Mexican states in line with Mexico's priorities, and assists Mexico's southern border strategy. It advances Mexico's efforts to strengthen the rule of law, combat corruption, and protect human rights. President Pena Nieto continues to be a critical partner for the United States, and strong cooperation with Mexico is in the U.S. interest.

In Colombia, all eyes are on whether the peace process can bring an end to Latin America's longest-running conflict. But we can't take our eye off the ball, so our request includes \$288.7 million to support Colombia's efforts to secure the rule of law and support sustainable development, which will be crucial for a lasting and just peace. Our assistance to Colombia strengthens law enforcement, counternarcotics and rule of law, promotes human rights and humanitarian assistance, and expands support for economic development and social inclusion. The request also reflects Colombia's ability to provide for its own needs. However, our assistance will need to remain flexible as Colombia pursues negotiations to conclude its decades-long conflicts. We will continue to consult with Congress on U.S. support for Colombia.

In the Caribbean, our request includes \$241.6 million for Haiti and \$53.5 million for the Caribbean Basin Security Initiative (CBSI). U.S. assistance for Haiti continues to invest in infrastructure and energy; food and economic security, health, and other basic services; and governance, rule of law, and security. CBSI assistance seeks to stabilize and reduce rates of crime and violence, which threaten

both U.S. and Caribbean security. The request for CBSI emphasizes regional law enforcement information sharing and cooperation, justice sector reform, and initiatives that address the root causes of crime and insecurity in targeted communities, with a focus on youth.

Peru is now the world's largest producer of cocaine, and the government will need our help to change that trajectory. Our request for Peru is \$95.9 million, which includes support for traditional counternarcotics activities. Additionally, these funds would support alternative development programs. Our model of coordinated counternarcotics and alternative development has reduced coca cultivation in Peru's San Martin Region from over 20,000 hectares to less than 1,500 in the past decade, and poverty fell from 67 percent in 2001 to 30 percent in 2013. With USAID support, communities in San Martin now cultivate over 50,000 hectares of coffee, cacao, and other alternative crops for export markets in the United States and Europe. These proven models of success must go hand-in-hand with our law enforcement cooperation to help our committed Peruvian partners beat back the organized crime networks that grow, make, and ship illicit narcotics. This assistance will continue our strong cooperation with the Humala Administration, which has demonstrated a clear commitment to partnership with the United States.

The request maintains important support for freedom of the press, human rights, and democracy in the hemisphere, including in Cuba, Venezuela, Ecuador, and Nicaragua. The United States has a long history of supporting human rights and civil society. Our request continues this approach.

The United States remains firmly committed to engaging our regional partners on a positive agenda for the hemisphere. Our consistent vision is of a prosperous, democratic and stable region, which requires us to focus on areas such as Central America that are most vulnerable. The U.S. assistance that supports our policy makes a direct difference in the lives of citizens throughout the hemisphere and benefits the national interests of the United States.

I look forward to your questions.

Ms. Ros-Lehtinen. Thank you.

STATEMENT OF MS. ELIZABETH HOGAN, ACTING ASSISTANT ADMINISTRATOR, BUREAU FOR LATIN AMERICA AND THE CARIBBEAN, U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Ms. Hogan. Thank you very much, Madam Chairman, Ranking Member Sires, and Congresswoman Kelly. Thank you for the invitation to testify before you today and thank you for the committee's continuing support for USAID's work in Latin America and the Caribbean.

As Acting Administrator Lenhardt testified before you last week, USAID's mission across the globe is to partner to end extreme poverty and promote resilient democratic societies. USAID assistance has helped many countries of the region achieve these goals. However, despite major progress in some countries, social development and economic growth have been stymied by the dramatic rise in crime and violence in the Northern Triangle countries of El Salvador, Guatemala, and Honduras. This increase in violent crime is rooted in deep-seated social and economic inequality. It has been fueled by increases in gang violence and transnational crime.

In order to help Central American governments reverse these trends, the U.S. Government has developed an interagency strategy for the region that advances three interrelated objectives—prosperity, security and governance. The President's \$1 billion request reflects our shared belief that the United States and Central America need a deeper partnership to tackle insecurity, endemic poverty, and weak governance that impacts our own national security.

First, we must increase support for broad based economic growth. This support includes improving the enabling environment for businesses to invest and grow, advancing trade and regional integration, increasing financing for small and medium enterprises, and connecting small scale farmers to the markets. It also includes a focus on employment programs for disadvantaged youth. Last year I heard from youth in the region about how USAID programs are increasing their security, expanding employment opportunities, and giving them an alternative to gang life or illegal migration.

But beyond these anecdotal testimonies we know that our citizen security programs are working. An independent evaluation concluded that fewer robberies, murders, and extortions are reported in the neighborhoods where USAID is working compared to the control group of similar communities where we are not. We now need to help governments and the private sector take these programs to scale in order to achieve longstanding national impact and national ownership.

At the national level we will provide assistance to strengthen the effectiveness, transparency, and accountability of the institutions that are charged with growing the economy, generating revenue, creating jobs, delivering basic services, ensuring justice and public safety, and protecting human rights. While the challenges ahead are great, we believe the time is right as governments of the Northern Triangle commit themselves to specific time bound policy changes that are needed to justify this increased investment.

Democracy, human rights, and good governance continues to be a high priority for USAID particularly in those countries where basic civil rights are repressed. Our programs in these closed political spaces support and empower civil society and media organizations to build their networks, advocate for citizen-led reforms, and push for greater government transparency, accountability, and effectiveness.

Another continued priority is our work to help the Haitian people build a more prosperous and secure future. We can report that in spite of a very difficult political environment, meaningful progress in Haiti is indeed occurring especially in the areas of health, agriculture, and small business development. For example, 70,000 farmers have increased yields and incomes as a result of USAID assistance.

Finally, we will continue to prioritize, mitigating the economic and social challenges that derive from the harmful effects of climate change. Droughts in Central America and extreme weather events in the Caribbean are linked to rising levels of food insecurity and deeper levels of poverty due to the loss of crops, infrastructure, and income. By adapting and mitigating the negative impacts of climate change, communities will become more resilient and better able to protect their investment.

There is also a very positive trend in the region as the private sector is starting to see that development is good for business. In the past 2 years, USAID has leveraged over \$350 million in private sector resources to complement our investments in development. Partnerships with U.S. companies like Chevron, Hanes, Cisco, Intel, and Microsoft all play a vital role in our citizen security work providing education, training, and employment opportunities for atrisk youth.

Increased evidence of political will coupled with proven strategies for success make a compelling case for increased investment that will improve the security and prosperity of the region and at home. Thank you for your time and I look forward to your questions.

[The prepared statement of Ms. Hogan follows:]

Testimony of Elizabeth Hogan Senior Deputy Assistant Administrator for Latin America and the Caribbean U.S. Agency for International Development House Committee on Foreign Affairs March 24, 2015

"Oversight of the State Department and Agency for International Development Funding Priorities for the Western Hemisphere"

Mr. Chairman, Ranking Member Sires, and members of the Subcommittee:

Thank you for the invitation to testify today. I am grateful for the Committee's support—for the U.S. Agency for International Development's work in Latin America and the Caribbean, and I am pleased to have this opportunity to update you.

As Acting Administrator Alfonso Lenhardt testified before you last week, USAID's mission across the globe is to partner to end extreme poverty and promote resilient, democratic societies. In Latin America and the Caribbean, USAID assistance has helped expand financing for small businesses and supported macroeconomic policies to help reduce inequities and create opportunities through improved access to quality health and education services. Several countries in the region are now donors in their own right.

However, in recent years, social development and economic growth have been stymied by a dramatic rise in crime and violence—particularly in the Northern Triangle countries of El Salvador, Guatemala and Honduras. This increase in violent crime is rooted in deep-seated social and economic inequity and has been fueled by increases in gang violence and organized international crime. As these long-standing challenges in Central America worsened, we saw the consequences manifest at our border last year when more than fifty thousand unaccompanied children left their homes in Central America to make the dangerous journey to the United States.

The migration spike of this past summer required an immediate response to an urgent situation. However, in order to help Central American governments create an environment in which their citizens choose to remain and have the economic opportunities to thrive, we must work together to address the underlying factors driving migration.

The U.S. Government has taken a hard look at both our approach and our investments in the Northern Triangle. While security is paramount, we have broadened our vision for how we achieve progress in the region. The Administration's U.S. Strategy for Engagement in Central America advances three interrelated objectives: prosperity, security, and governance. The strategy fully aligns with the plan announced last November by the presidents of Honduras, Guatemala and El Salvador—the "Alliance for Prosperity"—which lays out their plans for improving economic and social conditions and ultimately the livelihoods of their people.

The President's \$1 billion request reflects our shared belief that as long as demonstrated political will exists in the region, the U.S. Government will partner with Central American governments in their efforts to become the next great success story in the Western Hemisphere. The request acknowledges that the United States and Central America need a deeper partnership than currently exists to tackle endemic poverty, insecurity, and weak governance.

With this budget request, we would be in a position to deepen the impact and widen our reach through broad-based economic growth programs that increase business, employment and educational opportunities. This support includes improving the enabling environment for businesses to invest and grow; promoting clean energy development; advancing trade and regional integration; increasing access to financing for small and medium enterprises; and increasing incomes by connecting small-scale farmers to markets through the Feed the Future initiative.

It also includes a focus on employment programs and technical training and vocational education for youth, who represent over half the population and require long-term alternatives to migration or gang involvement. One successful example is USAID's "A Ganar" program, which works with the private sector to provide basic math and reading instruction, life skills, vocational training, and internships to at-risk youth in Guatemala and Honduras. Last year I heard from youth participating in the Guatemala City program about how the expanded educational, training and employment opportunities available through A Ganar helped them be able to stay in their country. The success of the program is evidenced by the fact that 75% of graduates obtain employment, return to school, or start a business within one year.

Increased assistance will also allow us to partner with the governments and private sectors of the Northern Triangle countries to expand, and make sustainable, proven crime prevention and law enforcement models.

We have been successful at reducing crime and violence at the community level through the Central America Regional Security Initiative. Last fall, the results of a three-year impact evaluation, conducted by Vanderbilt University, confirmed that these community-level prevention programs are working in El Salvador, Guatemala, Honduras, and Panama. At the three-year mark, there were significantly fewer reported robberies, murders, and extortion in neighborhoods with a USAID presence as compared to the control group of similar communities. Residents also reported feeling more secure walking alone at night and they took measurably more collective action to address crime in the treatment than in the control groups.

We now need to help the governments take these programs to scale, with supporting laws, policies and budget provisions, in order to achieve long-lasting, national impact. As we help

them scale up these successful programs, we will continue to focus on the most dangerous communities, targeting the youth most likely to become perpetrators of crime and violence.

As part of the scaling up, USAID and INL, in partnership with national governments and other key stakeholders, are joining the prevention, law enforcement, and justice support programs in the same high-crime communities from which youth are migrating, and focusing attention on the individuals most at risk for falling into lives of crime. The aim is that by working in concert in the same places we will more effectively reduce youth-related crime, violence and homicides.

Finally, we will ensure sustainability and country ownership by pushing for tough policy reforms, while providing assistance and expertise to strengthen the effectiveness, transparency and accountability of the institutions charged with: growing the economy, generating revenue, creating jobs, delivering basic services, ensuring justice, keeping the public safe, and protecting human and civil rights. In El Salvador, for example, we have had success helping the government improve tax administration and public expenditure management. With improved tax collection, governments are able to increase spending on their own citizen security-related and social programs. Simultaneously, we will deepen our support to civil society groups and the media to demand transparency and accountability.

The challenges are great, but we are confident that the timing is right for this increased investment. The Northern Triangle countries are demonstrating a deepening commitment to advancing their own development goals. This was demonstrated earlier this month in a Joint Statement by the Presidents of El Salvador, Guatemala, and Honduras, where each country committed to specific and concrete milestones.

We are fortunate to have strong democratic partners throughout the Hemisphere, but we are also deeply concerned by the backsliding on democracy and human rights that we have seen in many countries.

Therefore, we continue to prioritize democracy, human rights and governance assistance across the region and particularly in those countries that are repressing basic civil rights. Our programs in these countries support and empower civil society and media organizations to build their networks, advocate for citizen-led reforms and push for greater government transparency, accountability and effectiveness.

As I testified last year, our best partners are democratic societies—governments that support active civil societies and dynamic private sectors and have the commitment and capacity to grow their own economies and invest in their people.

Colombia may provide the best model of how country leadership can forge a successful partnership that promotes stability and prosperity. As the Government of Colombia seeks a durable peace agreement, US assistance supports its efforts to secure rule of law and advance sustainable development. We are building the capacity of Colombian institutions, especially

those critical to the country's transition to peace, to effectively manage public resources and deliver services to its citizenry, rather than providing those services directly. Together, we are increasing investment in conflictive areas; improving access to justice for all; supporting victims and vulnerable populations; and promoting use of clean and renewable energy.

Another continued priority is our work to help the Haitian people build a more prosperous and secure future. Five years after the 2010 earthquake that devastated Haiti, USAID has focused long-term development efforts in select geographic areas to advance specific goals around economic growth, infrastructure and energy, health and education, and democracy and governance.

We can report that in spite of a difficult working environment, meaningful progress in Haiti is indeed occurring. For example, our agricultural program has introduced improved seeds, fertilizer, and new technologies to more than 70,000 farmers. These activities have increased yields by over 300 percent. A recent health survey shows significant improvements over the past five years with reductions in malnutrition and maternal deaths, as well as increasing vaccination rates.

USAID is also working to address the economic and social challenges posed by climate change in a sustainable and financially beneficial manner. In our Andean partner countries of Peru and Colombia, for example, USAID is working with water management authorities in four key river basins to strengthen their ability to manage increasingly unpredictable water supplies due to glacial melt.

Perhaps no other region is as vulnerable to extreme weather as the small island nations of the Caribbean. As part of efforts for climate change adaptation, USAID partnered with the Organization of Eastern Caribbean States (OECS) to develop a model water policy for the Eastern Caribbean region. This policy is the first of its kind that will specifically integrate climate change adaptation considerations into water management efforts in order to build long-term resilience of freshwater supplies.

High energy costs constitute a critical roadblock to economic growth and competitiveness for the Caribbean. For this reason, USAID is supporting a multi-year regional Caribbean program to promote energy efficiency and expand sources of clean energy by integrating renewables into the islands' energy grids.

In addition to promoting a clean energy economy, we continue to partner to reduce rates of crime and violence. These partnerships expand opportunities for at risk youth, improve community policing, and promote judicial and law enforcement reforms. In Mexico, USAID continues to

support the Merida Initiative though justice sector assistance, human rights programming, and efforts to build communities resilient to crime and violence.

Emerging global leaders and a growing private sector in Latin America make the region well-placed to take advantage of a new approach to development—one that marshals the resources, expertise, innovation, and technology of the private sector to accelerate the region's development. The region's private sector is starting to see that development is good for business. In the past two years, USAID leveraged over \$350 million in private sector resources to complement our own investments in development. Our partnerships with international and local food and beverage companies, such as Walmart, Super Selectos, and la Colonia help to alleviate poverty and improve food security in rural parts of Central and South America, as well as the Caribbean. Partnerships with more than 40 small and large companies in Honduras are helping us connect small-scale farmers to valuable markets. And more than 100 private entities, including US companies like Chevron, Hanes Brands, Cisco, Intel, and Microsoft, all play a vital role in our citizen security and workforce development work, especially in providing educational, training, and employment opportunities for at-risk youth.

We have never been better positioned for success in the hemisphere. At this point in time, countries throughout the hemisphere are demonstrating a deepening commitment to advancing their own development goals. This political will, in combination with improved local capacity, leveraged resources, and new partnerships will allow us to promote inclusive economic growth; strengthen democratic institutions; combat the effects of climate change; and help create a peaceful, prosperous, and integrated Central America. Achieving these goals advances USAID's core mission and improves the security and prosperity of our own people.

Thank you for your time. I look forward to your questions.

Ms. Ros-Lehtinen. Thank you very much. Thank you to both of our witnesses for being here and for your testimony and your written remarks.

Before I begin my question, on behalf of Chairman Duncan I would like to state that the State Department and U.S. Agency for International Development, USAID, did not provide this committee, for the Fiscal Year 2015, country and regional funding estimates for Western Hemisphere countries nor updates on allocated funds or disbursed funds, even though the committee staff requested multiple times that your agencies provide this information. If you could please make a note of that.

The subcommittee is also requesting the remaining funds in the pipeline for major programs such as the Mexico Merida Initiative, the Central America Regional Security Initiative, and the Caribbean Basin Security Initiative. We would like to reiterate publicly those requests for this information, if you could get it to the sub-

committee promptly.

I would also like to add that at last week's full committee hearing I asked USAID to provide the committee with a breakdown of how much foreign aid in the Western Hemisphere is going directly, specifically, toward democracy and governance program. So thank

you, both of you ladies, for heeding those requests.

I have some questions on Cuba, on Venezuela, and closed societies. Assistant Secretary Jacobson, as you know, one of the three laws with which the Secretary of State designates a state sponsor of terrorism is the Export Administration Act. It defines a state sponsor of terrorism as one which has "repeatedly provided support for acts of international terrorism" to include "the recurring use of any part of the territory of the country as a sanctuary for terrorists or terrorist organizations.

So I ask you, does the Cuban regime provide a sanctuary for the FARC and ETA?

Ambassador Jacobson. Thank you, Madam Chair. We certainly have said that they have in the past, and we are undertaking the review now as to whether that has continued.

Ms. Ros-Lehtinen. What would lead you to believe that it has not continued?

Ambassador Jacobson. Well, I think one of the things that we would be looking at is what the situation is right now, and certainly we would be consulting as well as looking at our own information with the governments from which those groups come, the Governments of Colombia and of Spain from which those organizations come, and as well as looking at our own information. But we have to look at all of the information that we can gather on whether or not sanctuary is provided to terrorist organizations.

Ms. Ros-Lehtinen. Do we consider FARC to be a terrorist orga-

Ambassador Jacobson. I believe they remain on the terrorist list, but as you know they are also involved in peace talks with the Colombian Government.

Ms. Ros-Lehtinen. And do we consider ETA to be a terrorism organization?

Ambassador Jacobson. I honestly haven't checked whether they are still on the terrorist list. They may well be. They also have given up military operations and there have been some dialogues with the Cuban Government by the Spanish Government.

Ms. Ros-Lehtinen. And has Spain requested some of those individuals who have been involved in activities against their government to be sent back to Spain to stand trial?

Ambassador Jacobson. It is my understanding that there have been some requests for extradition.

Ms. Ros-Lehtinen. And probably that request is because Spain considers them to be terrorists.

Ambassador Jacobson. There are judicial actions against some members of that—

Ms. Ros-Lehtinen. Right. I would say that the Cuban regime provides sanctuary for FARC and ETA, and I don't know how else that could be classified. But we look forward to getting that review from you.

Is the Cuban regime providing safe haven and granting political asylum to U.S. fugitives like JoAnne Chesimard who is on the Most Wanted Terrorist list of the United States?

Ambassador Jacobson. Well, it is my understanding that Jo-Anne Chesimard has been in Cuba for many years, and they certainly have provided her—she has been living there for a long time. I don't know exactly what her status is there but—

Ms. Ros-Lehtinen. But the U.S. does consider her, she is placed on the Most Wanted Terrorist list.

Ambassador Jacobson. She is on the FBI's Most Wanted list. I am sorry, but you will have to ask the FBI or the Justice Department whether that is per classification there. She is wanted for homicide, I know, certainly. I am certainly familiar with the case and we have raised it with the Cubans every time we see them. We will continue to—

Ms. Ros-Lehtinen. And was the Cuban regime caught red-handed sending weapons to North Korea in a North Korea frigate in violation of U.N. international sanctions?

Ambassador Jacobson. Certainly with that incident we certainly have, that incident did occur with a North Korean freighter that was carrying weapons. It was carrying weapons from, and arms and defense materials from Cuba.

Ms. Ros-Lehtinen. In violation of international, U.N. international—

Ambassador JACOBSON. U.N. Sanctions Committee did say that that was a violation of the sanctions regime and sanctioned the company and the ship.

Ms. Ros-Lehtinen. So it is hard to not conclude, because the definition in our law as a state sponsor of terrorism, one which has repeatedly provided support for acts of international terrorism to include the recurring use of any part of the territory of the country as a sanctuary for terrorists or terrorist organizations, and it seems like those are very good examples of how Cuba does fall into that category. Where are you in your analysis of Cuba's inclusion on the state sponsor of terrorism list?

Ambassador Jacobson. Well, I think at this time all I can say is that we are continuing that review. We expect to complete that in the next couple of months. The President, as you know, asked the Secretary to do that review and complete it within 6 months

of when the President made his announcement in December, and so we are undertaking that with very due diligence and thoroughness. As you know and you have cited, the law is fairly specific.

And so we are in the middle of that review.

Ms. Ros-Lehtinen. So because the law is very specific, I would think that the administration plans to sidestep these key parts of the law in order to lift Cuba from the list. In other words, we are going to say FARC is not a terrorist organization; JoAnne Chesimard, Most Wanted Terrorist list, that is the list she is on; Cuba violated international sanctions, so we are going to re-look at those and classify them in a different way in order to justify—

Ambassador JACOBSON. We certainly plan to complete the review, and whatever decision is made it will fully comply with the

law.

Ms. Ros-Lehtinen. Not the law as it is written, just as the way that we are now looking at those very groups that before were terrorists and now are part of a peace deal, so no longer terrorists,

for example, in the case of the FARC.

Ambassador Jacobson. Well, I don't know that I would qualify them as terrorists or not terrorists. They are still on the foreign terrorist organization list, but they are also engaged in a peace process. So I think that that has to be taken into consideration in a consultation, obviously with the Colombian Government. But as I say, the review is undertaken and will be completed, and any report that is done pro or con in terms of the list will be done in compliance with the law.

Ms. Ros-Lehtinen. Thank you so much. I have other questions, but I want to turn to Mr. Sires and then we will do a second round.

Mr. Sires is recognized.

Mr. SIRES. Thank you, Madam Chair. Since I have been in Congress I have been an advocate for the Western Hemisphere. I have felt that we have kind of ignored this Hemisphere over the years. And as I sit here and I hear how we are developing democratic principles in these countries and the progress we are making, and all these things that I hear that are great coming from both of you, I look, in my perspective I look at Venezuela. I mean you can't call that a democracy anymore.

Ms. Hogan. No.

Mr. SIRES. I look what is happening in Ecuador. He wants to run. I look at what is happening in Nicaragua. It is a mess. Ortega was a big defender of the farmers and now he is beating the farmers up because he wants to take their land away from them. I look

at what is going on in Brazil, demonstrations everywhere.

So I guess my question to you is where is all the positive stuff that you are talking about? I mean all these leaders, they just want to perpetuate themselves and they take over the courts; they put their own people in. I mean it is like a textbook effort, you go from one country to the other. And the one I have to give credit to is Uribe. I mean he ran his two terms, he did his job well, and then he did not insist on running a third term. He turned it over democratically. So I give Colombia a great deal of credit. I mean they are an example for the rest of the countries in South America, Central America. But the rest, it is a mess.

Ambassador Jacobson. Can I just make——

Mr. SIRES. Yes, absolutely. You can—

Ambassador JACOBSON. I am sorry. I will be quick. But I would argue even the last example you used, Congressman. And I really do want to thank you and all the members of this committee and the chairwoman for the support you have given to the region and the attention you have given it.

But in Brazil they are going through enormously difficult times and the Petrobras scandal has been hugely difficult, let us just say. But the protests—

Mr. SIRES. It is huge.

Ambassador Jacobson. And huge. But the protests you have seen in many ways are a reaffirmation of democracy. And the response in terms of anti-corruption legislation are a response to the voices of people in the streets. The Pacific Alliance and the countries of Mexico, Peru, Colombia and Chile moving forward on free trade, opening their economies even further engaging with the rest of the world, I think, is an extremely positive story.

So I think there are still very positive stories in the Hemisphere,

So I think there are still very positive stories in the Hemisphere, quite a few of them both on the political side and on the economic side, even while many of the examples that you listed you are abso-

lutely right on.

Mr. Sires. And I look at what is happening between Haiti and the Dominican Republic. This issue of whether you are Dominican or not and you go back, to me that is—they were in my office the other day trying to explain to me that this is necessary because of what is happening between the borders. I worry. And I have to say, and I don't want to get away from Nicaragua, but I had a group of civil groups in my office just this past week. They are telling me that things are getting so bad in Nicaragua they are concerned about the election that is coming up in 3 years. They are telling me that people are taking up to arms on the hills already. Have you any confirmation of that? They are telling me that some groups are already in the jungles. Is that accurate?

Ambassador Jacobson. I have not heard that. But I can tell you that the concerns of citizens over the process that has been undertaken whether it is for the canal and land concerns, environmental concerns as well as concerns on elections at the local and national level are very, very serious. And these are concerns that we are watching as well as concerns of neighbors about Nicaruaga.

Mr. SIRES. And obviously my last question I will bring you back to Cuba. We have \$20 million for more democracy in Cuba. How much pressure are you getting to stop those programs in Cuba in these negotiations that you are going through?

these negotiations that you are going through?

Ambassador Jacobson. Well, I don't think it is any surprise that Cuba doesn't like those programs, so I wouldn't say we are under enormous pressure.

Mr. SIRES. Are we making concessions on those programs?

Ambassador JACOBSON. We have said from the beginning that those programs are not, we are not going to be ending those programs, so we are moving ahead.

Mr. SIRES. All right. Thank you, Madam Chair. Ms. Ros-Lehtinen. Thank you. Thank you so much. Congresswoman Kelly, my good friend from Illinois. Ms. Kelly of Illinois. Thank you. I had a couple of questions. You talked about, even though I know there is a lot of work to do, but you talked about where you have been successful as far as stopping or slowing down gang violence, and economic growth and those kind of things. I was just curious. Do you have a certain play-

book that you follow or guidelines and things like that?

And the reason I ask that question is because of some parts of the Chicago-land area that I cover and some of the very problems you are talking about we have every day in Chicago. And I believe it was today, or maybe yesterday, I read eight shot, four dead. You know the story, I am sure. So I was just interested in seeing your playbook and what you do, because we need some of that. I am not saying stop it there, but we need it in some parts of where I cover also.

Ambassador Jacobson. I think that in the end there are lessons learned that go both ways. And I am going to turn this over to Beth who has the experience of the AID programs, but from my experience working both on the INL programs, the narcotics and law enforcement programs, and with AID, there are a couple of things that we know work quite well.

Quite honestly, the biggest overall focus has to be getting into the communities, not staying in police headquarters and in the cities and the central government. We know that model police precincts work. When we go into the communities putting in 24-hour courts and police precincts in the communities and getting their buy-in, we know that crime rates have gone down in those places.

We know that borrowing solutions from U.S. cities where things have worked—anti-gang programs in L.A., some in areas of Chicago, in Boston, have worked. These are some of the same gangs and some of the same solutions. But we also know that buy-in from the communities on community centers and training for young people and anti-gang programs that focus on women can work because these are often female-headed households. So some of those models that have worked on a small level have to be scaled up, and that is where we are focusing.

Ms. Kelly of Illinois. Okay.

Ms. Hogan. Yes, I would like to add to that. In terms of a play-book we really do think we have a model that can be taken to scale, and that model as Roberta just suggested was developed in concert with those cities whereby we have seen gang violence actually go down. In fact we are using the tools from the L.A. government, state government, in terms of focusing in on who are the young people in these communities that are most at risk for joining gangs. Rather than having sort of a broad based plan, we are trying to single and narrow in on those who don't have mentors, don't have parents at home, are idle, are out of school. I mean there is a whole series of criteria that helps us get at the ones that are the most vulnerable.

Secondly, we have also learned that a place based strategy is the most effective way to go, and by that I mean we go in along with INL, together, and we look at a community, not just at the community level but really block by block in terms of understanding where is the most serious crime happening and then how do we engage the community in developing crime reduction strategies? How

do we engage the religious community, the business community, municipal governance community, and parents? And they have come up with these security plans for their communities that create safe spaces. Simple things like lighting and painting. A community center can really help quite a bit.

And so that is why we have seen that when we apply these tools to these communities and compare it against very similar communities where we are not working we see great reductions in the crime levels in those communities. So this is a model that works and we are very eager to take it to scale.

Ms. Kelly of Illinois. And I support you greatly.

I just wanted to ask a question about Haiti as it pertains to health efforts, health, literacy and educating the most vulnerable populations in Haiti on health resources and wellness options. What do you feel are the greatest barriers you are seeing on the health front?

Ms. Hogan. Actually we are seeing great progress in the health sector in Haiti and we are very encouraged by it. Every 5 years they conduct a demographic health survey, and we have seen just last year the latest survey has revealed that malnutrition for children under five is going down. Infant mortality is going down. Vaccination rates are going up. We have the advantage of a very strong Minister of Health in Haiti.

And so along with the World Bank, we are trying to help them develop their systems in such a way that we can get out of the direct service delivery role that we have been in in Haiti, forever, and channel our resources through that Ministry. But we are going to do it very carefully, very cautiously, but we think that that is the way that we can create the kind of sustainability that Haitian institutions need. And I say we are starting in the Health Ministry because that is where we see the greatest potential.

Ms. Kelly of Illinois. Are there any investments we should

specifically be making? Is there any—

Ms. Hogan. Yes, in fact we run, we pay for 168 clinics across the country and through those clinics we reach up to 50 percent of the population. That is what we want to turn over. Also we are working in the Ministry to improve their health information systems, their procurement systems, and their hiring systems so that they can become a modern, transparent, and accountable Ministry. And as I say, we are blessed in all of the changes that have happened in Haiti with the cabinet membership changing almost on a 6-month basis, we have had the same Minister of Health over the last 5 years and we are very, very happy about that.

last 5 years and we are very, very happy about that.

Ms. Kelly of Illinois. Thank you. And thank you, Madam

Chair.

Ms. Ros-Lehtinen. Thank you very much, Ms. Kelly. And I am always proud to say my good friend Mr. Castro.

Mr. CASTRO. Thank you, Madam Chair, and thank you for you all's testimony today. Between 2011 and 2014, foreign aid, U.S. foreign aid to Latin America and the Western Hemisphere went down by \$400 million. The President has proposed increasing aid to Central America this year by \$1.14 billion. And as I mentioned last year, I think that drop in \$400 million, well, I don't blame the ad-

ministration. I think it is also Congress, but we were essentially

robbing Peter to pay Paul.

And so let me ask you a question I have asked before about Central America. I want to ask about Mexico. What are we doing to help Mexico combat all of the tragedies that are going on there now? There is a caravan going through the United States right now for the 43 students who were murdered in a small town there, and over the last several years hundreds of Americans have gone into Mexico and have been killed. My colleague Filemon Vela from Brownsville who represents Texas/Mexico border region has been on a crusade to get the United States Government to take a strong-

er part in doing something about this. So please.

Ambassador Jacobson. Thank you very much, Congressman. And I think this is an incredibly important subject having worked on the Merida Initiative for a number of years now. I think we and the Mexican Government really thought in some ways that our engagement, our initiative with them would be shorter lived than it was; that some of the problems we needed to tackle would be overcome more quickly. But it is clear that the problems they are tackling are very deep and embedded. And the 43 students in Iguala, I think, and the tragedy of their disappearance are a tragedy in and of themselves, but they are also a broader tragedy and that is why they had such resonance in Mexico for a system that still has not delivered justice to people.

So we see, I think, a response by the Mexican Government in terms of changes in whether it is the attorney general, changes in moving forward more aggressively on the transformation of the judicial system, which we are deeply involved in working with them on from an inquisitorial system to an oral adversarial system which is much more transparent, much quicker, fewer cases go to trial and that is very important because not everything must go to trial in terms of minor offenses, and fewer people being held in pretrial detention. As my colleague knows, in the states where USAID has worked on this kind of a transformation, Chihuahua and Nuevo Leon, the conviction rates have gone up and the pretrial de-

tention rates have gone down.

So those are the kinds of things we need to continue to do, but it is a very, very difficult problem. And I think it is important that we remain engaged, and that is what the request level does. It focuses on moving on the Federal efforts that we have made to state levels which are critical. As you know, Mexico is a Federal system as we are, and while there may be 40,000 or so Federal police, there are over 400,000 state and local police in Mexico. And unless we work with the Mexicans on those levels as well, we can't really get at some of the problems going on there. And we feel that the Mexican Government is really ready for us to help in that level too.

Mr. Castro. What does the budget do with respect to Mexico? Ambassador Jacobson. \$119 million for this year is on the Merida Initiative alone.

Mr. Castro. Is that an increase or a decrease from the last

Ambassador Jacobson. I believe it is a decrease this year. But we also know that Mexico is coming in over 10 times. It is usually about 13 times the amount that we put into the security area. So we believe that it will be sufficient to do the things we want to do, remembering also that we don't do sort of big ticket equipment items with Mexico. It is training and its personnel and things of that nature which we get a fair amount of bang for our buck in those funds.

Mr. CASTRO. Sure. Thank you.

Ms. Ros-Lehtinen. Thank you so much. We will go to a second

round of questions for anyone who has them.

Assistant Secretary Jacobson, although I have questions on Venezuela and closed society I wanted to ask you about something that just happened. The Treasury Department, their Office of Foreign Assets Control, OFAC, has just inexplicably removed approximately 60 Cuba related individuals and entities from its Specially Designated Nationals List. Why were these individuals and entities removed from that list?

Ambassador Jacobson. In the first instance I would really have to direct the question to the Treasury Department since I am not sure exactly what you are referring to. I know that over periods of time Treasury does review its Specially Designated Nationals List for people who may have been deceased or otherwise no longer be active or eligible for that. They may have left Cuba, they may be deceased. There may be reasons that people fall off that list, but I just don't know in this case. I am sorry. We will have to check with Treasury.

Ms. Ros-Lehtinen. Yes. This says Agencia de Viajes Guama Bal Harbour Shopping Center that is in Miami-Dade County, my area; another tour company from Bal Harbour; another tour company Bal Harbour; Kol, K-O-L, Investments Inc., Miami, Florida; Travel Services, Inc., Hialeah, Florida, in my congressional district.

Services, Inc., Hialeah, Florida, in my congressional district.

And what I get the feeling is that as in the first round of questions that I had posed to you that we have ordered this review of whether Cuba should be included or not, keep, and the state sponsor of terrorism, and it is a foregone conclusion that review is whether—I know we are still going through it. The conclusion is let us remove Cuba from the list and how do we go about it?

Well, gosh darn it, we have all these laws, so what we do is we no longer consider FARC to be a terrorist organization. We no longer consider JoAnne Chesimard a wanted terrorist no matter what the FBI says. We have to change all of these classifications because we get the verdict first and then the trial. The verdict is Cuba is off the state sponsor of terrorism list so how do we gain this up, how do we gain this up to make it happen?

Here is just yet another example of how we do it. Companies that were in the Specially Designated Nationals List, 60 of them, just got wiped out. No explanation needed because know whoever is in front of us will say, ask the other guys. And then when we get that guy they will say, I don't know, ask someone else.

But the dominoes are lined up and you just have to flick one and you will see it happening. We already know what the verdict is. It is just a matter of when will we announce it. Do you suspect that the announcement will be made when we sing Kumbaya in the April summit in Panama?

Ambassador Jacobson. I don't know when any decision on the state sponsor of terrorism list will be made because obviously that

is a decision, a recommendation that will go from the Secretary of State to the President. So I don't know exactly when that will be made. We are now about 2 weeks from the Summit of the Americas, so I am not sure exactly when that will be done and whether we are not conducting the review necessarily with that calendar sort of affecting us. Obviously we are taking the time we need to get it done properly.

Ms. Ros-Lehtinen. Sure. The problem is you don't have a partner in that because Cuba is making it exceedingly difficult for you

to label them with the good housekeeping seal of approval.

There was just another shipment, and we talked about the North Korea shipment. But there was another one as you know that was, the last one was under sugar, this one was cereal, and you name it and it was in that shipment. But nothing ever seems to matter. It doesn't matter what Cuba does, they will get that stamp.

But anyway moving on to Venezuela, many of us were relieved that finally the administration sanctioned eight Venezuelan officials for human rights violations based on the law that we passed, and we thank Senators Rubio and Menendez for their work, and Mr. Cruz, on the Senate side. However, given the fact that the Obama administration has given a lifeline to the Castro regime, should we prepare for the administration to take the same approach and provide a lifeline to Maduro? His economy is spiraling downward.

I don't know what Cuba merited, I don't know how it merited to get this olive branch other than free a totally innocent man who they held illegally for 5 years. So should we prepare that maybe

the administration will be easing off on Maduro?
Ambassador Jacobson. Well, I think, Madam Chair, I would say that from some of the commentary I have seen around the Hemisphere, some people think we just gave Maduro a lifeline, since the reaction to the sanctions has been fairly negative, and allowed him unfortunately to proliferate his narrative that this is about the U.S. and Venezuela. And it is not.

Ms. Ros-Lehtinen. And before we sanctioned it what was his narrative?

Ambassador Jacobson. Well, it has always been that.

Ms. Ros-Lehtinen. Correct.

Ambassador Jacobson. You are exactly right.

Ms. Ros-Lehtinen. Okay, so it doesn't matter what we do.

Ambassador Jacobson. And he uses any excuse.

Ms. Ros-Lehtinen. Right.

Ambassador Jacobson. Right.

Ms. Ros-Lehtinen. So then we should not do the right thing because it will

Ambassador Jacobson. No. no. Absolutely. And that is our argument with many of our allies and colleagues around the Hemisphere that we in fact are not the problem. The problem is Venezuelans need to talk to Venezuelans.

Ms. Ros-Lehtinen. I am banned from going to Nicaragua. What did I do to Nicaragua? Nothing. We found the pull against the Venezuelan human rights violators. Bad guys don't need an excuse, so we should continue to do the right thing.

Ambassador Jacobson. So I don't think at this point—what we have always said is that we are prepared to have a dialogue with Venezuela. We obviously continue to have diplomatic relations with them, but we also have made very clear that there was a dialogue with the opposition last year, there were some agreements that were reached on things the government needed to do and the government didn't complete its side of the bargain. Instead, Leopoldo Lopez is still in jail, Antonio Ledezma has now been put in jail, elections are coming up.

Ms. Ros-Lehtinen. Just like in Cuba, dissidents are still in jail, but in Cuba it is a different approach. I just want to make sure that we shouldn't prepare for any changes in U.S. policy. Cuba did not change. U.S. has changed. But Cuba still continues to repress its citizens and jail opposition leaders, wouldn't you say? Catch and

release.

Ambassador Jacobson. Certainly there has been in continued short term detentions, yes.

Ms. Ros-Lehtinen. Ökay.

And Ms. Hogan, as the situation further deteriorates in Venezuela the people there need our help more than ever, but the administration's request for Venezuela for next year and years past has remained virtually the same. How can we justify it, sort of a flatline request for democracy and governance in Venezuela as the situation deteriorates yet the request remains the same?

Ms. Hogan. Right. Well, of course as you know what we are requesting is resources to support civil society organizations. There is a limited number of those organizations, but we will continue to provide the kind of support that allows them to document human rights abuses, to report them, to press for protection of civil society leaders.

We are also working to break the information blockade, if you will, and help these organizations get access to independent media and also to publicize what is happening in Venezuela, and then finally to press for citizen-led reforms and strengthening their ability to do that. We think that the amount of resources that we have available is about right to continue to support their efforts, and there are very brave people that are doing very important work under very difficult circumstances.

Ms. ROS-LEHTINEN. Indeed, thank you. And thank you to the committee members for their indulgence. And just one more area. On closed societies, USAID has been kicked out of closed societies in Latin America, Bolivia, and Ecuador, for example, and has now become so concerned that it will be expelled from a country that it has become timid. Do you worry about that?

I met with Nicaraguan civil society activists that Mr. Sires referred to, last week, and they told us that USAID is so worried about being kicked out of Nicaragua that programs have been curtailed and some are being used to actually support the Sandinista regime according to them. So what is the point of this Latin America and Caribbean Bureau at USAID if we do not want to fulfill the democracy and governance obligation? Is USAID getting too timid to perform its duties? Should we channel that money to NED or DRL, groups that are not afraid of working in closed societies?

Ms. Hogan. Thank you for that question. In fact we are increasing our request for democracy and governance resources in Nicaragua as well as in Central America. But in Ecuador, even though we no longer have a presence in Ecuador, we have asked for and received resources so that we can continue to support civil society organizations. And we are also supporting municipal level leadership and the engagement between municipal leaders and the civil society actors who are now learning and practicing democratic principles at the local level.

So I would say quite the contrary. We stand with civil society in closing political spaces. We will continue to do so. And our resource request as you will see is for more resources to do that kind of

Ms. Ros-Lehtinen. Thank you so much. Thank you to both, and thanks to the members for their time. Mr. Sires is recognized.

Mr. Sires. Thank you, Madam Chair.

I have to agree with my colleague. I think this is a foregone conclusion that Cuba is going to be removed from the terrorist list, otherwise I don't see how you are going to be able to negotiate anything. Because they haven't changed. They haven't stopped doing anything. I mean the ship that they just caught off Cartagena, Colombia, it is just amazing to me that they just continue doing the same thing without any consequences.

And I am concerned also, the Caribbean Basin Securities Initiative was cut, right, on this budget? That was part of it. The Merida Initiative was cut. The Colombia Strategic Development Initiative was cut. I am concerned. Are they still insisting on you giving up Guantanamo with all the cuts that we are making over here? Ambassador JACOBSON. We haven't discussed Guantanamo.

Mr. Sires. We haven't.

Ambassador Jacobson. No.

Mr. Sires. Are we discussing any monetary assistance to Cuba, currently?

Ambassador Jacobson. No.

Mr. Sires. To the Cuban Government in terms of your negotiations with Cuba?

Ambassador Jacobson. No.

Mr. Sires. Because I know they wanted money because they said the embargo hurt them.

Ambassador Jacobson. Well, no. I mean what I should say is obviously at some point in the future we will have to have a conversation about claims, on claims that have been filed against the Cuban Government, judgments on terrorism. They have said that when we sit down to talk about claims they are probably going to raise their lawsuits that they have tried to pursue for damages vis-

à-vis the embargo. So I expect they will raise those things, but we haven't had those conversations yet. We haven't had them about claims yet, set up a process for that nor had them raise anything on the damages issue.

Mr. SIRES. How close is the FARC in Colombia to getting an agreement?

Ambassador Jacobson. Well, I think that the Colombians and the FARC continue to have rounds of peace talks. They have made significant progress on the five areas that are under discussion, but there are really hard issues yet to go. I think President Santos continues to remain very much engaged and very committed to moving forward with that. I think he believes that the FARC also is interested and he hopes, understands that this is the way out. That it is time to come to peace but there are still tough issues to be concluded.

Mr. SIRES. When Secretary Kerry was before us I raised the concern that we have an observer, supposedly, in the negotiations.

Ambassador Jacobson. We have a Special Envoy now in the process.

Mr. SIRES. A Special Envoy. Ambassador Jacobson. Right.

Mr. SIRES. I get concerned that we have an envoy and that if things don't work out they could actually blame the person that we put there and say, look, the Americans again are being obstructionists and trying to interfere in our sovereignty. And I worry about that. I don't see why we have to put, I mean this is between the FARC and Colombia.

Ambassador Jacobson. It is true.

Mr. Sires. And I don't see why we have to meddle into this.

Ambassador Jacobson. But we did that at the express request of President Santos.

Mr. Sires. Well, he may wanted to see if the negotiations fail he may have alternative reason to-

Ambassador Jacobson. I think we took him at his word that he felt that it would be of use to him in our support for the Colombian Government to have somebody there to support him and to help the process.

Mr. SIRES. Well, we have been supporting Colombia, making them strong, training them.

Ambassador Jacobson. Yes. Yes.

Mr. Sires. So I don't think our support has wavered.

Ambassador Jacobson. No, that is correct.

Mr. SIRES. So I mean to have somebody in there, to me that is just typical what happened in history. People will always say Americans are always trying to meddle into our sovereignty. And, well, I guess they know better than I do, but I just don't see it as a positive.

Thank you, Madam Chair.

Ms. Ros-Lehtinen. Thank you very much, Mr. Sires. And thank you, Mr. DeSantis, and you are recognized for as much time as you would like to consume.

Mr. DESANTIS. Thank you.

Secretary Jacobson, in your opinion have human rights abuses in Cuba increased since the President announced his change in policy in December?

Ambassador Jacobson. In my opinion they have continued. The number of short term detentions has been fairly high. And I don't know whether there has been an increased number of those detentions over the last 3 months, but it has been high over the last

Mr. Desantis. The Cuban dissidents and people promoting democracy in Cuba, they believe that it has increased. Are you familiar with some of the statements that they have made?

Ambassador Jacobson. I am. There has also been some indication, although not enough to really give us a full set of data that there have been more people engaging in some of the activities of

peaceful protest or dissidents.

Mr. DESANTIS. I think the fear from the dissidents is that because of this new posture between the United States and the Castro Government, that it provides additional legitimacy that the government actually undercuts their ability to fight for a democratic future for Cuba, and I think a lot of them believe that very pas-

sionately. So what is your response to them?

Ambassador Jacobson. Certainly my response to them would be that that is no way the intention nor will we, well, we will speak out every time there are such detentions. We have spoken out. It is our goal to support the Cuban people with this policy including those human rights figures and dissidents. We don't believe that over time this will be something that will result in increased repression against the dissidents, and the human rights dialogue is part of what we are going to be having with the Cuban Government.

Mr. DESANTIS. Well, I think if it does fortify the regime which is a fear of many of us, then I think that it will lead to continued repression. I guess part of the frustration, this goes beyond your portfolio, but I think we have seen in other areas, so for example with Iran and the desire to kind of have this rapprochement with Iran and so we don't bring up the terrorism. We don't really want to talk about some of these things.

Ayatollah Khomeini said death to America, indeed, the other day, and that was just viewed by the White House as oh, that is just domestic political, don't worry about that. Well, when Prime Minister Netanyahu said something about the infeasibility of two states given the environment that was viewed as a hanging offense.

And so I just worry that when there is a desire to kind of have some type of an agreement or change direction that that change kind of takes precedent over speaking out for people who are fighting for democracy. I think we made a big mistake in 2009 when we had a chance to support people in Iran. And I know it is tricky because when the United States, as you mentioned they can use that against us, but I do think that that is something that is concerning.

Let me ask you this. With the new change in policy, if somebody travels to Cuba and stays in a hotel that had been a private hotel that had been seized by the government after the Cuban Revolution, are they allowed to use a credit card to stay there and pay for that?

Ambassador Jacobson. To the best of my knowledge, the change in the use of credit cards is under the authorized categories, the 12 categories, and I would have to check on the regulations in terms of Americans using credit cards. Obviously the credit card companies are allowed to operate, but I have to check on the exact restrictions of whether people are allowed to use credit cards on American banks, for example, in Cuba.

Mr. DESANTIS. Because I think current statutory law prevents any type of financing arrangements involving property that had

been seized.

Ambassador Jacobson. Well, certainly, and that is why I need to check on this——

Mr. DESANTIS. Whether a credit card qualifies to finance a stay and——

Ambassador Jacobson. Right, which is Treasury's specifics and OFAC's, but I can certainly check that for you.

Mr. DESANTIS. Let me just echo my colleague from Florida about our response in Venezuela. Look, we are going to be the bad guy no matter what with Maduro. That is the game he has played. That is the game that Chavez played. We need to stand up for these people who are fighting repression and we have to be unambiguous about that. We have to have moral clarity. And I would like to see a stronger response. I know my colleague has wanted a stronger response, and I know that we had worked on legislation and by the time that passed I know that we didn't think that that was as good as we needed to be. But I would just say stand with those people. They are fighting the good fight and we need to stand with them.

I notice just in the request that there is a request for \$75.5 million for foreign climate change programs. And if you go down, the budget justification for that describes Mexico as a "global leader" in combating global climate change, but then it proposes to spend \$6 million on helping Mexico fund the enhancing capacity for low emissions development strategies and \$6.5 million to support policy for the prevention of deforestation and degradation to address climate change.

But my question is if Mexico is such a global leader, then why would this assistance be necessary? Couldn't that money be spent better doing something else? If a country is doing as well as is said in the justification, then why should the taxpayer have to subsidize it?

Ms. Hogan. Thank you for that question. Indeed we do have a program on climate change in Mexico to do the kinds of things that you have talked about, because Mexico is not only an emitter of greenhouse gases, I think it is the 12th in the world, it also is emerging as a leader to show the rest of the developing world what is possible in terms of changing their economies to a point where they can invest in clean energy.

So one of the things that we partner with them on is, for example, a clean energy tech challenge whereby we provide seed funding to entrepreneurs who come up with marketable ideas for growing a green business. For example, one such company is a company that is taking agricultural waste and turning that into briquettes that can then be used as a low-cost renewable fuel.

So those are the kinds of things that we are trying to encourage. Those are the kind of models that we think other countries can adopt and we support that leadership role that Mexico is taking in doing just that.

Mr. DESANTIS. So you think the funding is justified because you have seen positive results in some of the resources that we have provided to them?

Ms. Hogan. That is correct.

Mr. DESANTIS. So are these ideas, are they then, once we provide money are they used to where it is a self-sustaining business that no longer requires any subsidies?

Ms. HOGAN. That is correct.

Mr. DESANTIS. Okay. Because we have done some of these subsidies here domestically and there were some big problems with some of those companies.

Well, I appreciate you guys coming to testify, and I yield back to

my friend.

Ms. Ros-Lehtinen. Thank you so much, Mr. DeSantis. And we thank our witnesses for being here. And if I could reiterate the subcommittee chairman's request and our request as well for the documentation, thank you. And with that the subcommittee is adjourned.

[Whereupon, at 12:10 p.m., the subcommittee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE RECORD

SUBCOMMITTEE HEARING NOTICE COMMITTEE ON FOREIGN AFFAIRS

U.S. HOUSE OF REPRESENTATIVES WASHINGTON, DC 20515-6128

Subcommittee on the Western Hemisphere Jeff Duncan (R-SC), Chairman

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Committee on Foreign Affairs, to be held by the Subcommittee on the Western Hemisphere in Room 2255 of the Rayburn House Office Building (and available live on the Committee website at http://www.ForeignAffairs.house.gov):

DATE: Tuesday, March 24, 2015

TIME: 11:00 a.m.

SUBJECT: Oversight of the State Department and Agency for International

Development Funding Priorities for the Western Hemisphere

WITNESSES: The Honorable Roberta S. Jacobson

Assistant Secretary

Bureau for Western Hemisphere Affairs

U.S. Department of State

Ms. Elizabeth Hogan

Acting Assistant Administrator

Bureau for Latin America and the Caribbean U.S. Agency for International Development

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202728-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

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