

# EXAMINING FY 2017 FUNDING PRIORITIES IN THE WESTERN HEMISPHERE

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## HEARING BEFORE THE SUBCOMMITTEE ON THE WESTERN HEMISPHERE OF THE COMMITTEE ON FOREIGN AFFAIRS HOUSE OF REPRESENTATIVES ONE HUNDRED FOURTEENTH CONGRESS

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## EXAMINING FY 2017 FUNDING PRIORITIES IN THE WESTERN HEMISPHERE

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WEDNESDAY, APRIL 27, 2016

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

The subcommittee met, pursuant to notice, at 2:04 p.m., in room 2172, Rayburn House Office Building, Hon. Jeff Duncan (chairman of the subcommittee) presiding.

Mr. DUNCAN. Okay. We will go ahead and get started. A quorum being present, the subcommittee will come to order.

I would like to now recognize myself for an opening statement.

We meet today to conduct oversight of the Obama administration's Fiscal Year 2017 budget request for the Western Hemisphere, which aims to provide nearly \$2 billion to countries in the region with an increase over what the U.S. gave in Fiscal Year 2015. The administration has a plethora of initiatives in the region, all aiming to address economic, citizen security, and clean energy objectives. However, some have criticized the U.S. approach to Latin America and the Caribbean as improvised and lacking a sense of strategic direction.

Today, when our Nation stands at over \$19 trillion in debt, we have no business giving any foreign assistance, unless the administration can show a compelling vision and a clear strategy for how that aid will advance U.S. national interest in the region, tangible objectives that have measurable benchmarks for success, and evident political will from our partners to tackle the hard issues of corruption and impunity that threaten the effectiveness of U.S. assistance and the very economic growth of the hemisphere that we all hope to see.

As Representatives of the American people, the U.S. Congress has the responsibility to ensure that every single taxpayer dollar spent on foreign assistance furthers U.S. national interest, not those of foreign governments or international organizations. We must further work together to root out waste, fraud, abuse, and inefficiencies within the U.S. programs to prevent duplication and overlap and, instead, achieve success by outcomes. So with that in mind, I want to take a moment to highlight a few oversight areas that I believe require attention and adjustments.

According to congressional watchdogs, the Government Accountability Office, or GAO, they currently have six reports with open recommendations that the U.S. State Department or the U.S.

Agency for International Development, USAID, have not fully implemented. Moreover, according to USAID's Office of Inspector General, as of April 25, USAID had 157 open and unimplemented recommendations relating to programs in the Western Hemisphere. These include 59 recommendations that have a potential cost savings of almost \$11 million.

When we see such clear low-hanging fruit for achieving efficiency and cost savings, I do not understand why these recommendations remain unimplemented. Thus, I urge State and USAID to act immediately to address the GAO and OIG recommendations in a satisfactory manner.

Of the nearly \$2 billion requested for the Western Hemisphere in the Fiscal Year 2017 budget request, the administration has prioritized more than \$628 million for development assistance programs and over \$15 million for global climate change initiatives within the region. While I am encouraged to see the administration reverse its cuts in security displayed in last year's budget request, the State Department's Bureau of International Narcotics and Law Enforcement chose to request less for Mexico in order to first address the outstanding pipeline issues by spending what they still have from previous years before asking for more money. And that is a good thing. That is a good sign showing smarter financial management decisions and stewarding of American taxpayer dollars.

But I am concerned with the heavy emphasis on development assistance rather than economic support funds. Thus, I want to hear the administration's rationale for shifting the emphasis of U.S. assistance and the administration's plan on how to prevent country dependency on those funds.

Nearly \$744 million of the budget request would go to Central America. I believe it is critical for the American people to see tangible proof of U.S. assistance in the region and achieving our objectives before we provide another large tranche of money. However, I understand that State and USAID have not yet spent the \$750 million appropriated by the U.S. Congress last year.

While I am supportive of the need to address the root causes to address the migration issues to the U.S., I want to ensure that we are not simply throwing more money at the problem. What analysis has the administration done to determine if previous U.S. funding is yielding results? What commitments have Central American governments made to provide matching funds and to tackle the massive corruption problems plaguing the region? And what safeguards does the U.S. have in place to protect American investment in the region from abuse?

The administration has also requested a major increase in funding for Colombia, the single largest recipient of U.S. foreign assistance in the hemisphere. Colombia is an important U.S. ally in the Western Hemisphere, and during the past 15 years, it has transformed into a respected leader in the region. Given U.S. long-term support for Colombia, the U.S. maintains a considerable stake in the outcome of the ongoing peace negotiations.

I am supportive of Colombia's efforts to achieve peace. However, I want to know that the U.S. is supporting a peace deal that is good for the Colombian people, the jointly hard-won security gains of U.S.-Colombian forces, and the U.S. interests in the region.

Given the request for \$391 million for Colombia, I would like to hear about how these funds will support the Colombian Government's efforts to verify the demobilization and disarmament of the FARC terrorist members and address the growing drug eradication and interdiction challenges.

In addition, for most years since Fiscal Year 2009, the U.S. Congress has given \$20 million annually to support democracy and human rights in Cuba. However, the administration's budget request proposes cuts to U.S. efforts in these areas. At a time when the Castro government is demolishing churches, arresting pastors, imprisoning human rights dissidents at record numbers, I can't comprehend why the administration would seek to reduce U.S. support for human rights and democracy by 25 percent.

I would also like to understand the rationale for the administration's request for \$218 million for Haiti, given GAO's reporting of multiple cases of cost overruns and delays for reconstruction projects. Similarly, I am concerned to see the administration's request of an additional increase of funding for countries like Nicaragua, while cutting U.S. assistance to our friends like Argentina, Chile, Panama, Paraguay, Peru, and Uruguay.

Having recently led a congressional delegation to the region with the express intent of showing our partners in the region that the U.S. is a reliable friend, I believe these cuts and assistance send the wrong message about the U.S. interests in the region. At a time when Iran, Russia, and China continue to increase their activities in the Western Hemisphere, the U.S. needs to continue to convince our friends to make the U.S. their partner of choice.

Finally, I want to ensure that U.S. assistance to Inter-American organizations support U.S. interests. I am concerned about the outsized share of U.S. support for these organizations, the limited numbers of U.S. personnel working in these organizations to support United States objectives, and seemingly low level of influence the United States has, given the amount of money that the American people provide.

So I will look forward to hearing from our witnesses today on all these issues.

And with that, I will turn to the ranking member for his opening statement.

Mr. SIRE. Thank you, Mr. Chairman, for holding this hearing.

And thank you to our witnesses from the State Department and USAID for being here to talk about the administration's Fiscal Year 2017 funding priorities in the Western Hemisphere.

Today's hearing occurs at a time of complex foreign policy challenges in the region. Yet U.S. assistance to Latin America and the Caribbean has declined over the last several years. Without U.S. leadership, regional challenges, such as the flow of unaccompanied children from the Northern Triangle countries to the U.S., political violence in Haiti, the Zika outbreak, corruption scandals in Brazil, and the polarized political situation in Venezuela, could reach dangerous levels of instability.

I am pleased that the administration's Fiscal Year 2017 budget requests include more than \$1.7 billion in aid for the region, representing a 10 percent increase in funding. It is critical that we as-

sist our regional neighbors in their efforts to achieve peace and security, good governance, and economic prosperity.

In Cuba, we continue to see the Castro regime brutalize its people and forcefully stomp out any attempt at free speech, a free economy, and free expression. Drug trafficking and transnational criminal organizations plague Central America and wreak havoc in the region, posing a direct security threat to the United States. Every year hundreds die trying to reach our southern border in a desperate attempt to escape the violence. Poverty and corruption run rampant in several Latin American countries.

In Colombia, the Santos government is seeking to end its 52-year internal conflict and implement a sustainable and inclusive peace. Working together in a bipartisan fashion, we can ensure that this proposed Fiscal Year 2017 budget is used efficiently and with proper oversight.

I look forward to the testimony of our witnesses as they lay out U.S. priorities and the importance of American engagement in the Western Hemisphere. Thank you.

Mr. DUNCAN. It was almost like you had a missing page there, wasn't it?

Mr. SIRES. Yeah, well—

Mr. DUNCAN. It happens.

You all have testified before. I am not going to have to explain the lights. You get 5 minutes to testify. I will look forward to hearing the testimony.

Mr. Palmieri, you are recognized. I enjoyed our meeting the other day, very insightful and very informative. And thanks for being here today. You are recognized for 5 minutes.

**STATEMENT OF MR. FRANCISCO PALMIERI, PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF WESTERN HEMISPHERE AFFAIRS, U.S. DEPARTMENT OF STATE**

Mr. PALMIERI. Thank you, Chairman Duncan, Ranking Member Sires, and other members of the subcommittee. Thank you for this opportunity to testify on the Fiscal Year 2017 foreign assistance request for the Western Hemisphere, and thank you for your ongoing support of our diplomatic assistance efforts in this hemisphere.

The administration's approach to the region seeks to improve security, strengthen the rule of law, promote democracy and human rights, advance partnerships, and promote prosperity and inclusive growth for all citizens. U.S. assistance is a critical tool that supports these goals.

In our request for Central America and Mexico, we seek to address the underlying conditions driving migration from Central America through Mexico and to the United States. The request also includes increases to support Colombia's implementation of an expected peace agreement, marking the end of the hemisphere's longest running conflict. The request maintains support for key U.S. partnerships with Peru, Haiti, and the Caribbean.

The Fiscal Year 2017 foreign assistance request for our strategy in Central America continues support for prosperity, governance, and security, particularly for Central America's Northern Triangle in recognition of the acute challenges these countries face. The U.S. assistance through the strategy complements the investments



Northern Triangle governments are making through their own development plan, the Alliance For Prosperity.

The countries themselves plan to spend \$2.6 billion of their own money this year to support their own plan. Continued U.S. support will be vital to Colombia's success as it seeks to implement a peace accord.

Our partnership with Mexico remains an important priority for the United States and includes a range of issues that benefit both countries, including trade and investment, energy and security. The Merida Initiative continues to provide the framework for our bilateral security cooperation at both Federal and State levels.

Our request includes essential democracy assistance for Cuba and Venezuela where the United States will continue to provide assistance that advances universal human rights and supports vibrant civil societies. Promotion of democratic principles and human rights remains at the core of U.S. assistance to Cuba.

Our request for Haiti continues investments in infrastructure, agriculture, economic growth, basic education and health, expanded governance, democracy activities, and security. A sustained U.S. commitment in Haiti is essential to build on the past gains of U.S. efforts in Haiti and to build its capacity to respond to citizens' needs.

Improving security and development in the Caribbean directly benefits U.S. interests. The Caribbean Basin Security Initiative complements the Caribbean's own efforts to reduce crime and violence, strengthen the rule of law, and address the factors that put youth and marginalized communities at risk of insecurity.

U.S. counternarcotics assistance complements investments made by the Government of Peru and maintains our strong partnership in eradication and alternative development to coca cultivation.

I urge the U.S. Congress to fully fund this request for the Western Hemisphere, as it advances our national security interests and wisely invests our limited resources where they can have the most significant impact. I look forward to your questions.

[The prepared statement of Mr. Palmieri follows:]

FY 2017 U.S. ASSISTANCE REQUEST FOR THE WESTERN HEMISPHERE

TESTIMONY OF  
FRANCISCO L. PALMIERI  
PRINCIPAL DEPUTY 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  
APRIL 27, 2016

Chairman Duncan, Ranking Member Sires, and Members of the Subcommittee:

Thank you for the opportunity to testify on the Fiscal Year 2017 foreign assistance request for the Western Hemisphere.

The Administration's approach to the region advances partnerships, seeks to strengthen democracy and human rights, improves security and strengthens the rule of law, and promotes prosperity and inclusive growth for all citizens. U.S. assistance is a critical tool that supports these goals.

In our requests for Central America and Mexico, we seek to address the underlying conditions driving migration from Central America through Mexico and toward the United States. The request includes increases to support Colombia's implementation of an expected peace agreement marking the end the hemisphere's longest running conflict. The request maintains support for key U.S. partnerships with Peru, Haiti, and the Caribbean. The request also supports essential democracy and human rights efforts in Cuba and Venezuela.

The Fiscal Year 2017 request of \$1.7 billion includes \$750 million for the U.S. Strategy for Engagement in Central America (the Strategy) and \$391 million for the Department and USAID for Colombia. Our request targets challenges and opportunities that impact U.S. interests. Flexibility in our assistance allows us to achieve the best return on investment for the United States. We urge the U.S. Congress to fully fund the request for the Western Hemisphere.

The Department and USAID's FY 2017 \$750 million request is part of the Administration's \$1 billion interagency request in support of the Strategy. Central

America continues to have high levels of poverty, weak institutions, and heightened levels of insecurity, all of which have direct implications for the United States.

The FY 2017 foreign assistance request for the Strategy continues support for prosperity, governance, and security, particularly for Central America's Northern Triangle, in recognition of the acute challenges those countries face. El Salvador faces a skyrocketing homicide rate; Guatemala's new government is seeking to capitalize on the anti-corruption momentum that led to reform after historic elections; and Honduras is taking the first steps to implement its anti-impunity mechanism – the OAS-sponsored Mission Against Corruption and Impunity in Honduras. Addressing these challenges and achieving lasting change will require sustained commitment from the United States, the governments of Central America, and the international donor community. U.S. assistance through the Strategy complements the investments Northern Triangle governments are making through their own development plan, the Alliance for Prosperity. They plan to spend \$2.6 billion this year on the plan.

The Strategy request also includes \$305.3 million for the Central America Regional Security Initiative (CARSI) to fund models proven to improve security and prevent crime and violence. The balance of the Strategy request includes support to expand programming to improve economic prosperity and governance.

During the visit of President Santos, President Obama announced a new framework for bilateral cooperation in the event of a peace accord: Peace Colombia. Peace Colombia will focus U.S. assistance under three pillars: consolidating and expanding progress on security and counternarcotics while supporting disarmament, demobilization and reintegration; expanding state presence and institutions to strengthen the rule of law and rural economies, especially in former conflict areas; and promoting justice and other essential services for conflict victims. The \$391.3 million bilateral request will support Colombia's implementation of a peace agreement and counter-narcotics. While negotiations continue, including on the mechanism for final approval of a peace accord, Colombia has taken significant and important steps toward achieving a just and sustainable peace that ends its decades-long conflict with the FARC. The Government of Colombia has built capacity to provide security and services for its people, but continued U.S. support will be vital to Colombia's success as it seeks to implement a peace accord. In particular, rapid progress to extend civilian security and prosperity into more municipalities during the critical early post-accord phase will be key.

U.S. assistance to the government and people of Colombia will help bring meaningful justice to victims; extend the rule of law and improve government services; promote economic development in former conflict areas; and maintain security gains. The request will continue expansion of technical assistance to additional municipalities, further strengthen justice and security institutions at the national level, significantly expand demining efforts, including civilian-military coordination and address the counternarcotics threat. Strengthening respect for the human rights of all citizens in Colombia is a goal both our countries share.

Our partnership with Mexico remains an important priority for the United States and includes a range of issues that benefit both countries, including trade and investment, energy and climate cooperation, and security. The Merida Initiative continues to provide the framework for our bilateral security cooperation at both federal and state levels. The \$117.1 million Merida request emphasizes technical assistance, capacity building, and expands support to additional Mexican states, consistent with Mexican government priorities, including its transition to an adversarial justice system and its southern border strategy. The United States and Mexico continue to jointly identify projects of mutual interest that further our shared security priorities.

The FY 2017 request also includes democracy assistance for Cuba and Venezuela, where the United States will continue to provide assistance to advance universal human rights and support vibrant civil society. The request for Cuba continues direct support for civil society. Promotion of democratic principles and human rights remains at the core of U.S. assistance to Cuba. Assistance for Venezuela supports human rights and a diverse civil society.

The \$218 million request for Haiti continues investments in infrastructure, agriculture, economic growth, basic education, health, expanded governance and democracy activities, and security. Haiti is suffering from a destabilized economy, rising food insecurity, drought, and public health threats, among other issues. A sustained U.S. commitment is essential to build on the past gains of U.S. efforts in Haiti and to build the Government of Haiti's capacity to respond to citizens' needs for services, promote economic opportunity, and advance the rule of law and security.

Improving security and development in the Caribbean directly benefits U.S. interests. The FY 2017 request includes \$48.4 million for the Caribbean Basin Security Initiative (CBSI) to complement Caribbean efforts to reduce crime and

violence, strengthen the rule of law, and address the factors that put youth and marginalized communities at-risk of insecurity. The request focuses on training and professionalization within the police, security services, and rule of law institutions, and builds on prior year investments. CBSI emphasizes regional cooperation with our Caribbean partners, and seeks to increase the capacity of Caribbean countries to more effectively work together to define and meet current and emerging regional security challenges.

The \$81.1 million bilateral request for Peru supports continued counter-narcotics and alternative development cooperation in strong partnership with the Peruvian government. Peru remains one of the world's largest cocaine producers and the largest source of counterfeit U.S. currency. U.S. counter-narcotics assistance complements investments made by the government of Peru. The United States anticipates continuing this cooperation with the next president of Peru, whomever Peruvian voters choose.

We also continue to maintain and expand important cooperation with other countries of the hemisphere, such as Paraguay, Argentina, Chile, and Brazil. While bilateral assistance levels to these countries may be small, our partnership with these nations is an important tool to advancing our shared priorities in the hemisphere, of prosperity, democracy and human rights, and security for all.

I look forward to your questions.

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Mr. DUNCAN. Thank you.  
 And, Dr. Arreaga, is that how you pronounce that?  
 Mr. ARREAGA. Arreaga. Thank you.

**STATEMENT OF LUIS ARREAGA, PH.D., PRINCIPAL DEPUTY ASSISTANT SECRETARY, BUREAU OF INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT AFFAIRS, U.S. DEPARTMENT OF STATE**

Mr. ARREAGA. Chairman Duncan, Ranking Member Sires, and members of the subcommittee, thank you for the opportunity to appear before you to discuss our Fiscal Year 2017 budget request for the Western Hemisphere. With your permission, I have a formal statement which I would like to submit for the record.

In 2017, the Bureau of International Narcotics and Law Enforcement Affairs, or INL, is requesting \$489 million to support some of America's most effective and important foreign assistance and partnership programs. This includes the Central American Regional Security Initiative, the Caribbean Basin Security Initiative, the Merida Initiative, and programs in Colombia, Haiti, and Peru.

As this committee knows, our Nation's prosperity is closely tied with our neighbors in the region. From the Rio Grande to the Andes Mountains, the hemisphere is in the midst of major change. Countries are changing governments peacefully. People are standing up and fighting corruption, and their voices are being heard. Some of the most notorious narcotrafficking bosses have been captured, and in Colombia, peace talks hold the promise of expanding the rule of law and marginalizing the drug trade.

However, some changes have not been positive. Despite a recent fall in homicide rates, Central America's Northern Triangle still has one of the highest murder rates in the world. While Peru eradicated record-breaking amounts of coca last year, cultivation remains high. Colombia has witnessed a nearly 100 percent increase in coca cultivation in the last couple of years. And while Mexico has achieved many notable successes in fighting drug cartels, the amount of poppy being grown has increased 65 percent since 2014.

INL programs are particularly important at this juncture because they are agents of change. They tackle the threats and leverage the positive changes I just described. The investments we are making will benefit our country and the people of the region.

In Central America, we are partnering with USAID and others to leverage our model police precinct programs. We are adding prevention and comprehensive assistance components, which together comprise a place-based strategy that targets the areas most affected by violence. This approach is already reducing homicides and increasing the public trust in law enforcement institutions.

Many INL initiatives rely on sister Federal agencies, as well as many local, State, and international partners. Among the most effective of these is our partnership with Colombia, which has gone from being a consumer to being a supplier of security assistance in the region. Today, this includes joint U.S.-Colombian training and advising in many areas like border security, special operations, police reform, and drug investigations.

INL's programs cover the entire range of the justice sector. In Mexico, Central America, the Caribbean, and South America we are strengthening justice systems and expanding their reach.

Many nations in Latin America are moving toward an accusatory criminal justice system, which is broadly similar to our own. We are training prosecutors and judges to function in this new environment and helping them make their judicial process more efficient and fair. Equipment and training provided by INL also helps us by helping our neighbors secure their borders and by strengthening relationships with U.S. border agencies.

A more democratic and prosperous region is in the interest of our country, and with your support for our programs, we can achieve the outcomes that we desire, which is nothing less than strengthening the security of our hemisphere and our country.

Chairman Duncan, Ranking Member Sires, thank you for the opportunity to appear before you today. I look forward to your questions.

[The prepared statement of Mr. Arreaga follows:]



Prepared Statement of:

**Ambassador Luis E. Arreaga**

Principal Deputy Assistant Secretary of State for  
International Narcotics and Law Enforcement Affairs

Hearing before the:

**House Foreign Affairs Subcommittee on the Western Hemisphere**

**“Examining FY 2017 Funding Priorities in the Western Hemisphere”**

*April 27, 2016*



Chairman Duncan, Ranking Member Sires, Members of the Subcommittee: thank you for this opportunity to appear before you to discuss the fiscal year 2017 budget request for the Western Hemisphere.

Many places in the Western Hemisphere today face significant security challenges, and these are compounded by falling commodity prices on which many economies in the hemisphere rely, pervasive corruption, and limited employment opportunities, particularly for young people. This far too often results in difficult and dangerous choices being made by those in the region: to either join organized crime or migrate in search of better prospects. Poppy and coca cultivation is now sharply increasing in Mexico and Colombia respectively, and drug trafficking organizations and associated criminal gangs are fighting each other, perpetuating a cycle of violence, corruption, and instability that is rising in many places throughout the region.

In spite of these negative indicators, there are signs of hope and opportunity in the region. For example: the prospect of a peace agreement between the Colombian government and the FARC holds the promise of extending the rule of law throughout the country, and marginalizing the drug trade. At the same time in Guatemala and Honduras, local populations fed up with corruption are successfully mobilizing to demand greater accountability.

To counter the threats and capitalize on opportunities, the Administration has advanced an integrated approach to U.S. assistance programs in the Western Hemisphere. This includes traditional crime and violence prevention, law enforcement, and counternarcotics programs; however, it also involves the development and implementation of innovative anti-corruption, judicial reforms, anti-gang campaigns, community policing, and corrections efforts as well.

Working with interagency partners across the U.S. government, with countries in the region, and through engagement with international donors, INL programs are a vital part of a comprehensive approach to effective U.S. assistance to the region. This includes economic development and institution building initiatives at all levels of government, as well as drug interdiction and eradication programs and programs to assist host governments in improving their own programs to treat substance use disorders.

For example: In Central America, the State Department and USAID's Place-Based Strategy have combined violence prevention and law enforcement interventions in communities most at risk of violent crime. These programs expand

upon USAID community-level crime prevention programming that has already reduced violence in some of the most dangerous neighborhoods in the region.

Another example is how Colombia, with INL support, has gone from a consumer to a supplier of security assistance to the region over the past decade. Today, Colombian trainers and law enforcement institutions are training and advising police and canine handlers throughout the hemisphere through the U.S.-Colombia Action Plan and INL's International Cooperation Division.

In FY 2017, we are requesting \$489 million in International Narcotics Control and Law Enforcement (INCLE) funds to support INL programs throughout the Western Hemisphere including through the Central America Regional Security Initiative (CARSI), the Caribbean Basin Security Initiative (CBSI), and in Colombia, Mexico, Haiti, and Peru.

#### **Central America Regional Security Initiative (CARSI)**

In FY 2017, the INCLE CARSI request of \$205 million will continue support for the governance and security objectives of the U.S. Strategy for Central America. This request expands these ongoing programs, including the Model Police Precincts (MPPs) program; task forces and interagency vetted unit initiatives; and both police reform and border security efforts. INL will also continue building on successful, emerging INL efforts such as more expansive corrections, justice sector, and anti-corruption programs; and increased support for vulnerable populations in the region through grants and civil society outreach.

The Northern Triangle region of Central America will remain a priority focus for INL. In FY 2017 we will continue to expand our footprint there by building upon successful efforts to introduce Place-Based Strategy programs in coordination with USAID. In addition, we will continue to support and expand rule of law and justice sector programming which will be guided by a three-part approach: bottom-up community security efforts; top-down institutional reforms; and operational coordination with host country law enforcement through support of vetted units and task forces.

INL will continue a major expansion of the successful MPP program, with a target of expanding the program to cover 137 locations, mostly in the Northern Triangle area, by the end of 2017 (as of March 2016 there were 37 MPPs – 12 in El Salvador, 10 in Honduras, 15 in Guatemala). Already, MPPs in Guatemala and El Salvador have contributed to reductions in reported homicides from 30 to 70

percent in their precincts during 2014-2015. One of these in Honduras, which averaged eight homicides per month before the MPP, has experienced 100 consecutive days without a homicide, a testament to the effectiveness of this program.

Guided by the U.S. Strategy for Engagement in Central America, which prioritizes support to the Northern Triangle during the first three years, and then increases support to other countries in Central America in subsequent years, INL will dedicate additional resources to Panama and Costa Rica in FY 2017. In both Panama and Costa Rica, INL will focus on professionalizing and developing more accountable criminal justice institutions, and we will seek to position Panama and Costa Rica to be regional leaders in the areas of border security and rule of law/justice sector reform.

For example, where INL has trained justice actors transitioning to the newly adopted accusatory justice system in Panama, the system's efficiency has been greatly improved, with average case processing times reduced by two-thirds. In Costa Rica, the INL-supported canine program of the Penitentiary Police has significantly improved prisoner and guard security, while leading to seizures of prohibited and illegal items within the facilities. The program has become a model for all of the country's security programs, and could be a model throughout the region and beyond.

The FY2017 INCLE request also emphasizes Central America capacity building programs which include the Central America Police Reform Initiative (CAPRI), the Colombian Assistance Program (CAP), and the Criminal Investigation School in Honduras. Each of these programs improves the capabilities of law enforcement actors and institutions, and they represent long-term investments in Central America's success.

Lastly, INL also supports efforts to regionalize land and maritime border security training and coordination, the professionalization of land border capacities across Central America, and the development of maritime capabilities to patrol national waters. Under the guidance of a senior regional advisor, INL will advance regional information-sharing and operations with host government law enforcement units to more effectively combat the fluid nature of transnational crime and trafficking.

**Caribbean Basin Security Initiative (CBSI)**

The FY 2017 INCLE request of \$20 million for CBSI will support INL programs that will develop law enforcement and rule of law institutions within our partner nations in the Caribbean, while also promoting cooperation among governments in the region to address shared crime and trafficking challenges.

Since its inception in 2010, INL's CBSI programming has demonstrated proven results. For example: INL assistance to counternarcotics forces in the region has resulted in a 152 percent increase in cocaine seizures between 2014 and 2015; in the Dominican Republic, INL's investment in a 911 system in Santo Domingo, co-financed with the Government of the Dominican Republic and other donors, has enabled law enforcement to respond to over 500,000 system calls in its first year of operation, the system enjoys a 93 percent public approval rating; and, INL has developed a regional digital training platform called CBSI Connect that has reduced travel costs in the Caribbean for training by almost \$600,000, while strengthening regional relationships.

**Colombia**

For nearly two decades, Colombia and the United States have worked together to confront transnational crime, and minimize the harmful effects of criminal activity, including narcotics trafficking both in Colombia and throughout the hemisphere. As Colombia works to finalize its peace process with the FARC, and continues its peace talks with the National Liberation Army (ELN), INL has positioned itself to support the Government of Colombia's civilian security, rule of law, and counternarcotics objectives.

With the \$143 million INCLE requested in FY 2017 for Colombia, INL programming will help the Colombian government extend its presence and control to remote, former conflict areas. In order to achieve this, INL will support enhanced manual eradication, interdiction, and improved methods to investigate, dismantle, and prosecute criminal organizations. We will expand efforts to promote the rule of law through justice sector reforms and correctional services capacity building. When possible and appropriate, assistance programs in former conflict zones will be designed to deliver whole-of-government solutions to Colombia's security issues and to extend the benefits of peace to these areas.

While Colombia experienced back-to-back increases in coca cultivation over the last two years, the resolution of the FARC's 52-year insurgency will over the

long term help the Colombian government address the narcotics challenge in areas not controlled by the Colombian government. This is because a successful peace process will allow Colombian authorities to establish a state security presence in areas previously controlled by FARC insurgents and drug-traffickers. It also will result in the disarmament, demobilization, and reintegration of thousands of FARC insurgents previously involved in drug-trafficking. Still, Colombia will continue to face considerable narcotics challenges, and through our FY 2017 request, INL will position itself to help Colombia implement its counternarcotics strategy, which is heavily weighted toward enhancing interdiction, dismantling complex criminal organizations, and investigating money-laundering operations.

### **Mexico**

The FY 2017 INCLE request of \$80 million for Mexico builds on the deep relationship we have with the Government of Mexico, and allocates resources towards areas of shared priority, particularly the broad range of Merida Initiative programs already approved and underway.

These include: expanding assistance to Mexico's transition to an accusatory justice system; broadening support to Mexican state governments to develop more professional, accountable police forces; strengthening border security with a focus on the southern border (which helps support Mexico's efforts to mitigate the smuggling of unaccompanied migrant children); INL-supported community anti-drug coalitions which are bringing together residents, businesses, and NGOs in Mexico to clean up neighborhoods and provide wholesome activities for youth; and, we are deepening our bilateral cooperation on combatting both heroin and sources of corruption.

Effective assistance to Mexico through INL programs has resulted in: the seizure by the Government of Mexico of more than \$4 billion in narcotics and illegal currency since the beginning of Merida, much of it supported by Merida-funded equipment and training; the commander of the INL-supported Morelos anti-kidnapping unit crediting INL-sponsored FBI and Colombian training in the successful rescue of a kidnapped Mexican state legislator and the arrest of 10 suspects within 24 hours of the kidnapping; and, the reduction of deaths and fights in Mexican prisons due to INL-funded American Correctional Association (ACA) accreditation program. In 2010, before accreditation the Chihuahua State prison system reported more than 200 deaths and 189 prison fights. In 2013, after all Chihuahua prisons achieved ACA accreditation, this dropped to one prison death

and three fights. Their experience is an example of how accreditation has helped reduce crime while maintaining safer, more secure, and humane prisons.

### **Haiti**

INL's FY 2017 INCLE request of \$7.5 million for Haiti continues our successful programs designed to increase the capability of the Haitian National Police (HNP). INL support has: improved the professionalism and capacity of the HNP through the implementation of a community policing program in violence-prone neighborhoods in Port-au-Prince; developed a strategic planning unit within the HNP; and resulted in the professional training of more than 3,000 police officers since the 2010 earthquake. Nearly 1,500 more Haitian law enforcement officers will graduate from Haiti's INL-supported police cadet training program next month, and another 1,600 are now being recruited for the next class in the program which is scheduled to begin later this year.

### **Peru**

The Administration of Peruvian President Humala has been an outstanding partner of INL. They have taken ownership of our joint counternarcotics efforts and are now at a point where they are matching or exceeding U.S. government assistance for both eradication programs and alternative development efforts in Peru. With INL support, the Government of Peru exceeded its eradication goal and eradicated a historic 35,868 hectares of coca –more than in any previous year, and 300 percent more than 2011. In addition, with our support, they interdicted nearly 30 MT of illicit drugs last year.

The FY 2017 INCLE request of \$33.5 million will continue this positive momentum with President Humala's successor through programming support for coca eradication; aviation support for eradication and interdiction; police training and support; administration of justice, customs, and port security programs; and demand reduction, anti-money laundering, and asset forfeiture initiatives.

### **Conclusion**

Our partners throughout the Western Hemisphere face complex challenges that threaten public security and the rule of law. Building institutions necessary for lasting change is not easy, but we know these programs, over time, and with concerted effort work. Our nation's investments over time have produced the intended results, increased our own security, and spread justice and stability to our neighbors and partners. INCLE investments are having an impact, and the

resources we are requesting in FY 2017 will enable us to sustain these investments, address challenges, capitalize on emerging opportunities, and continue to advance our goal of a more secure, democratic, and prosperous region.

Mr. DUNCAN. Thank you so much for that testimony.

Ms. Hogan, welcome back. You are recognized for 5 minutes.

**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.

Chairman Duncan, Ranking Member Sires, and distinguished members of the subcommittee, thank you for the invitation to testify today.

I am pleased to present the plans for USAID's work in Latin America and the Caribbean for Fiscal Year 2017. Our request of approximately \$970 million will promote the interests of the United States, while also significantly improving the quality of life for those we help.

We have identified five priorities for our assistance. These are: Prosperity, good governance, and security in Central America; promoting a sustainable and equitable peace in Colombia; long-term development in Haiti; advancing democracy and human rights across the Americas; and addressing environmental threats to livelihoods.

One of the highest priorities is Central America, particularly the countries of El Salvador, Guatemala, and Honduras. We see prosperity, improved governance, and security, the objectives of our Central America strategy, as interdependent. We know that providing opportunity for marginalized citizens, especially youth at risk of gang recruitment or migration, will bolster our efforts in security and lead to freer, more prosperous societies.

Our efforts to grow prosperity are only sustainable in an environment where democratic values and institutions flourish, human rights are respected, and civil society and the media can play their rightful roles. And ultimately, it will be difficult for our prosperity and governance efforts to take root in societies that are plagued by insecurity. That is why our work in Central America addresses all three interrelated challenges.

Our programs include efforts to create jobs, reform institutions to root out corruption, strengthen civil society's ability to hold governments accountable, foster a culture of respect for human rights, and create safe community spaces. With sustained commitment on part of the United States and host government institutions, we will help the Northern Triangle develop into a safer, more prosperous region for all those who live there. Sustained commitment and strategic patience yield results, as we have seen with the notable strides made in Colombia.

For Fiscal Year 2017, USAID is requesting \$187 million to expand upon current programming to help the Colombian Government establish a stronger presence in former conflict zones, provide post-conflict reconciliation and justice, promote inclusive rural economic growth, and sustainably manage the country's vast natural resources. These programs will build upon current successes, especially for marginalized populations, including Afro-Colombians and indigenous peoples.



Along with Central America and Colombia, Haiti remains a high priority for USAID. Our Fiscal Year 2017 request will continue our efforts to help Haiti grow into a stable, economically viable country. We remain focused on promoting economic growth, job creation, and sustainable agriculture, providing holistic basic health care and education services, and improving the transparency of government institutions. While much remains to be done, we are committed to supporting the Haitian people as they build a more prosperous and secure future.

Throughout the region, our democracy and human rights programs address fundamental issues, including anticorruption, promotion of press freedoms and the rule of law, and support for civil society. USAID works to assure that government institutions are open, accountable, use public funds responsibly and effectively, and deliver critical services to citizens. Underpinning all of these efforts is support and protection of a strong and vibrant civil society that can hold governments accountable.

Another challenge facing the region is the negative impact of extreme weather events. Our mitigation and adaptation efforts help reduce devastation to life, property, and economic activity. We are also speeding the development and deployment of advanced clean energy technologies and helping to create a favorable legal and regulatory environment to reduce the cost of energy.

We have one goal in mind with everything that we do: To empower countries to assume responsibility for their own development and grow beyond the need for international assistance. We use science, technology, innovation, and private sector partnerships to find new solutions and scale up what works. For every dollar we spent in this region in 2014, we mobilized five times that in private sector resources.

In conclusion, I want to assure this committee that USAID is committed to being good stewards of the funds you entrust to us. We take our responsibility to the United States taxpayer seriously, and we are committed to accountability, transparency, and oversight of our programs.

I thank this subcommittee for its interest and support of USAID's programs, and I look forward to collaborating with you as we address longstanding challenges and new opportunities for reform. I look forward to your questions.

[The prepared statement of Ms. Hogan follows:]

**Prepared Testimony of Elizabeth Hogan  
Acting Assistant Administrator for Latin America and the Caribbean  
United States Agency for International Development (USAID)  
Before the House Committee on Foreign Affairs  
Subcommittee on the Western Hemisphere  
“Examining FY2017 Funding Priorities in the Western Hemisphere”**

**Wednesday, April 27, 2016, 2:00 p.m.**

Chairman Duncan, 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 United States Agency for International Development's work in Latin America and the Caribbean, and am pleased to have this opportunity to present our plans for Fiscal Year (FY) 2017.

**Introduction**

For more than fifty years, USAID has led our nation's efforts to advance dignity and prosperity around the world, both as an expression of core American values and to help build peaceful, open, and flourishing partners for the United States. This is particularly important in those countries closest to our shores: the nations of Latin America and the Caribbean. Peaceful, stable, democratic societies make for good trading partners and strong allies, helping us to be more prosperous and secure here at home. Further, when we help countries in our hemisphere reinforce basic rights and encourage civic participation, foster conditions that improve prosperity and citizen security, or protect precious natural resources, we are being good neighbors.

**Development Context**

Many Latin American and Caribbean nations have experienced monumental growth and change in the past several decades, and USAID has partnered with these countries to make important progress. Despite the global financial crisis, the region averaged a three percent annual increase in economic growth between 2000 and 2012. Health indicators have greatly improved in the region: infant mortality has declined from 43 to 16.2 deaths per 1,000 live births since 1990; maternal mortality fell from 140 to 81 deaths per 100,000 live births in the same time period; and the number of malaria cases decreased by 60 percent between 2000 and 2012.

Spurred by unprecedented engagement by ordinary citizens demanding transparency and respect for basic freedoms and rights, governments have begun significant reforms to improve the administration of justice, enhance transparency, and promote better access to justice for typically marginalized populations. And countries that once were only on the receiving end of assistance, such as Brazil, Chile, Colombia, and Mexico, are emerging as donors eager to share their expertise, resources, and experience with developing nations around the world.

While these are impressive gains, the region still faces significant challenges. Latin America and the Caribbean continue to have some of the highest rates of income inequality in the world and economies have slowed in the face of weaker commodity prices for key exports, reduced domestic demand and investment, and worsening fiscal balances. Severe, chronic drought threatens lives and livelihoods, particularly in Haiti and parts of rural Guatemala and Honduras. Regional progress in health masks inequalities between and within countries, with the health status in select populations matching that of countries in sub-Saharan Africa. Crime and violence have risen dramatically in parts of the region over the past decade; according to the United Nations' 2013 Global Study on Homicide, seven of the ten countries with the highest murder rates in the world are in Latin America and the Caribbean. And, despite democratic progress, some countries are witnessing troubling backsliding, including constraints on civil society, limits on media and freedom of the press, and increasing executive overreach.

USAID's FY 2017 request for Latin America and the Caribbean continues our long-term efforts to help the region overcome these challenges. USAID's assistance of approximately \$970 million in FY 2017 funds—a 15 percent increase over the FY 2015 enacted level of \$846 million—promotes the interests of the United States while also significantly improving the quality of life for those we help. We actively seek out local partners who understand the context on the ground, harness the expertise of the private sector and civil society to set the stage for efforts to continue after we are gone, and develop innovative and flexible approaches that bring new solutions to longstanding challenges. With sustained commitment, we are confident that the region will make strides that enable it to develop beyond the need for United States government assistance.

#### **Central America**

One of our greatest areas of focus is Central America, particularly the Northern Triangle countries of El Salvador, Guatemala, and Honduras. These countries are plagued by gang violence and transnational crime, deep-seated social and economic inequity, lack of economic opportunity, and high rates of unemployment. In addition, weak government capacity and corruption continues to undermine efforts to improve security and advance prosperity. We see the consequences of this insecurity and lack of opportunity at our own border when children and families complete the dangerous, irregular journey to the United States.

We are acutely aware that this problem requires a strategic and sustained endeavor to help Central American governments, private sector, and civil society create an environment in which all of their citizens thrive. We are grateful for Congress's support for the U.S. Strategy for Engagement in Central America. The Strategy outlines interdependent prosperity, governance, and security efforts designed to address the root causes of migration. The State Department and USAID's FY 2017 \$750 million request is part of the Administration's \$1 billion interagency request in support of the Strategy. And we have seen promising signs of the Northern Triangle governments' commitment to this same effort, outlined in their Alliance for Prosperity. The Alliance for Prosperity lays out the governments' shared pledge to grow their economies, create employment, improve public safety and enhance access to the legal system, and improve social

services for their citizens, particularly the poorest and most vulnerable. We are encouraged that the governments passed budgets totaling \$2.6 billion to support the Alliance for Prosperity in 2016.

To spur greater prosperity in the Northern Triangle, USAID plans to increase our support for successful broad-based economic growth programs designed to expand business, employment, and educational opportunities for the poor and those most likely to migrate. We plan to continue successful efforts and invest in new initiatives to promote good governance and transparency, including anti-corruption programs that address chronically low tax revenue collection, improve fiscal transparency, strengthen human rights protections for vulnerable groups, empower civil society to hold governments accountable, and expand justice sector reform throughout the region.

However, it will be difficult for our prosperity and governance efforts to take root in societies plagued by insecurity. The heart of our security work is youth-focused, as we invest in programs that reach those most at risk for gang recruitment, crime, and violence. To accomplish our goals to reduce and prevent crime and violence, USAID is partnering with communities, civil society, governments and the private sector to develop crime prevention plans, invest in municipal crime observatories, create safe community spaces, expand after-school activities, provide job and life skills training, and build trust between police and residents. In some of the most violent areas and neighborhoods of these countries, our efforts are amplified by close coordination with the Department of State's Bureau for International Narcotics and Law Enforcement Affairs (INL) through our shared Place-Based Strategy, which pairs community-based prevention work with interventions to improve the effectiveness of law enforcement.

We are seeing results in these three areas of strategic focus. For example, our agriculture-related prosperity programs in Honduras have been successful in reducing extreme poverty: with USAID's help, the incomes of small-scale farmers and families have increased by nearly 55 percent for more than 180,000 of the poorest individuals between 2011 and 2015. With USAID support, the Guatemalan judicial system, Office of the Attorney General, High Impact Court, and National Forensics Lab have made progress combatting impunity. And in El Salvador, analysis of our crime prevention activities points to a drop in homicides of more than 60 percent in the 76 communities where USAID targets its programming.

With sustained commitment on the part of the United States and host governments, we will build on and expand these successes into more communities and municipalities and help the Northern Triangle develop into a safer, more prosperous region for all those who live there, not just the privileged few.

### **Colombia**

Sustained commitment on the part of the United States and host governments can be successful, as we have seen with the notable strides made under Plan Colombia. Begun in 2000, when Colombia was plagued by an active civil conflict, corruption scandals, and widespread drug

cultivation, Plan Colombia was a strategy developed by the United States and the Government of Colombia to help eradicate the drug trade and bring peace and prosperity to that country. Thanks to the gains made under this strategy, a result of years of strong bipartisan support from the U.S. Congress, committed work and strategic patience, the Government of Colombia and the Revolutionary Armed Forces of Colombia (FARC) are expected to sign historic peace accords in 2016.

To provide post-accord support, in February 2016, President Obama announced Paz Colombia (Peace Colombia), a collection of programs already in progress or planned to begin when the peace accords are signed. In FY 2017, USAID will manage \$187 million—a 41 percent increase over the FY 2015 enacted level of \$133 million—to expand upon current programming to help Colombian government institutions to establish a stronger presence in former conflict zones, seek post-conflict reconciliation and justice, promote inclusive rural economic growth, and sustainably manage the country's vast natural resources.

These programs will build upon several successes achieved to date. For example, thanks to USAID-funded work to implement rule of law and human rights policies, there has been a 61 percent increase in the number of cases decided by land restitution judges, and mobile justice houses have been deployed to 95 remote communities in conflict zones. To help improve prospects for traditionally marginalized groups, USAID provided workforce training to more than 9,150 urban Afro-Colombian and indigenous persons; more than 8,150 have now graduated and begun a six-month formal employment phase. USAID programs are also improving livelihoods while reducing deforestation, including by introducing more sustainable approaches to cattle ranching, agroforestry systems, and ecotourism; our efforts have helped to improve natural resource management and protect nearly 37,000 hectares of important biodiversity and ecosystems.

We are hopeful that our programs will reach a wider group when the peace accords are signed and the Colombian people vote to approve the accords. USAID is in negotiations with the Government of Colombia to take advantage of this key opportunity and expand our presence into twenty new municipalities.

## **Haiti**

Along with Central America and Colombia, Haiti remains a high priority for USAID. The country, which is ranked 163 out of 188 on the United Nations' 2015 Human Development Index, suffers from high unemployment, political instability, and growing food insecurity due to prolonged drought. In addition, more than half of Haitians live below the World Bank's international extreme poverty line of \$1.90 per day. These challenges are severe, but we continue to be optimistic that if we find sufficient political will in Haiti, we will be able to help the country lift itself out of extreme poverty.

Funds requested for FY 2017 will continue our efforts to help Haiti grow into a stable and economically viable country. Our assistance strategy targets key development issues and

specific areas of the country where we can be the most successful. We remain focused on the long-term reconstruction that has helped the country begin to turn the corner after the 2010 earthquake by promoting economic growth, job creation, and agricultural advances; providing basic health care and education services; and improve the transparency of government institutions and their responsiveness to their citizens.

We have seen encouraging signs that our assistance is improving lives. To help build the economy from the ground up, USAID facilitates access to finance, which is one of the major constraints to economic development in Haiti. Thanks to USAID's work with local micro-, small-, and medium-sized enterprises, we have helped to create close to 10,000 jobs due in large part to equity financing in the form of matching grants or training in topics such as product quality control and business development services. In addition, many of these companies and others now have access to bank credit due to loan guarantees that we have provided under our \$57 million Development Credit Authority. Moreover, we have recently awarded more than \$11 million for capacity development services and small grants to local Haitian organizations.

Our progress extends into other areas, as well. The 10-megawatt power plant USAID helped build near the Caracol Industrial Park in the North connects more than 8,000 households, businesses, and government institutions to reliable power; this is the first time in history many of those affected have ever had dependable electricity, and small businesses are flourishing there. USAID is helping the Government of Haiti make this electric utility financially sustainable, which will lead to a public-private partnership for its ongoing operation and maintenance. In agriculture, we worked with small-scale farmers and helped to double the income of 60,000 farmers through an increase in productivity, better yields, and the introduction of new technology. And we are identifying where we can successfully work with Haitian Government ministries so that they can better serve their citizens. For example, we work closely with the Ministry of Health to help them provide quality health care. One area of collaboration is the rehabilitation of critical health infrastructure. As part of this effort, USAID is helping to construct a new maternity and pediatrics ward at Justinien Hospital in Cap Haïtien and reconstruct the National Campus of Health Sciences in Port au Prince.

Haiti's political environment continues to be challenging; for progress to continue we need demonstrated political will, stability, and good governance. We are eager to see the presidential elections completed as soon as possible. We will maintain our engagement with Haiti through various efforts, including by working with the Haitian diaspora who bring unique skills and knowledge to projects and technical sectors. The course of Haiti's future ultimately depends on Haitians themselves. While much more remains to be done, we are committed to supporting the Haitian people as they build the more prosperous and secure future they deserve.

#### **Encouraging Democracy and Human Rights**

Our programs will only be sustainable under conditions where democratic values and institutions flourish, citizens can depend on basic social services, impunity is reduced, and civil society and the media can play their rightful roles. Increasing violence and citizen insecurity in Latin

America and the Caribbean have eroded citizens' confidence in democratic institutions and practices. Weak judicial institutions, often plagued by corruption, have historically contributed to impunity and public frustration. The region is host to several "closed spaces"—countries where governments generally are duly elected and populist, but ultimately prove to be anti-democratic. And illicit actors like transnational criminal organizations and gangs also limit fundamental freedoms, primarily with threats and violence against journalists, human rights defenders, and other civil society actors.

USAID's democracy and human rights programs address issues that are fundamental to democratic societies, including anti-corruption efforts, promotion of press freedoms and the rule of law, and support for civil society. To address corruption, USAID is working at national and local levels to ensure that government institutions are open and accountable, use public funds responsibly and effectively, and deliver critical services to citizens. Our assistance includes security and justice reforms, passage and enforcement of key anti-corruption and transparency legislation, and financial management strengthening. For example, in Paraguay, USAID assisted the National Procurement Agency to develop an Open Data Portal, which allows citizens to view the status of all competitive procurements, including how much ministries are spending on contracts and vendor details, thus enabling citizens to hold the government accountable. We are committed to supporting human rights everywhere we work, including in Cuba and other closing spaces where citizens are arbitrarily detained, threatened, harassed, and beaten for peacefully exercising their fundamental rights. In a region where journalists face violence and intimidation from government authorities and criminal elements, USAID runs regional press freedom programs and supports freedom of information activities across the region. To shore up the rule of law, we work with police organizations to improve effectiveness and professionalism, foster a culture of respect for human rights, and instill a community-oriented approach. Underpinning all of these efforts is support and protection for a strong and vibrant civil society that can hold governments accountable.

Despite challenges, there are notable accomplishments attributable to our work. Throughout the region, our programs have assisted journalists' efforts to expose mismanagement of Latin American government projects; nearly half of these investigative journalism reports have resulted in a government policy response. For example, in Ecuador in 2014, an investigative report on child trafficking led to a National Assembly vote to fund an awareness campaign to "Say No to Risky Migration." Thanks to our efforts to improve effectiveness and professionalism of the police in Jamaica, where USAID has worked with the Jamaica Constabulary Force for more than 15 years, reports of police soliciting bribes declined by almost 40 percent from 2006 to 2012. And to ensure that civil society remains able to operate freely, we supported the Government of Mexico's National Protection Mechanism for Human Rights Defenders and Journalists, providing assistance to approximately 400 activists and journalists seeking protection from threats of violence and harassment.

### Addressing Environmental Threats to Livelihoods

In nations throughout Latin America and the Caribbean, USAID is also working to mitigate the effects of changing climate patterns and build the resiliency of the people with whom we work by helping them implement risk-reducing practices and use climate information in their decision making. The region is home to countries that are significant greenhouse gas emitters, as well as nations with glaciers and coastal regions that are at significant risk from extreme weather events and natural disasters, and tropical forests, including the Amazon Basin, that act as valuable natural resources.

USAID programs reduce the devastation to life, property, and economic activity caused by environmental threats by helping vulnerable groups withstand and cope with catastrophic weather events, droughts, and other climate impacts. Prevention programs are also an efficient use of development resources. Indeed, evidence suggests that every dollar spent on disaster preparedness prevents an average of seven dollars in economic losses due to disasters<sup>1</sup>.

We work to reduce deforestation and greenhouse gas emissions by investing in forest conservation, efforts to combat illegal logging, and promotion of sustainable land use. This kind of programming can be a helping hand that lifts people out of poverty. For example, USAID assistance in Guatemala helped small- and medium-sized enterprises and community-based organizations in the Maya Biosphere Reserve achieve environmental certification on more than 270,000 hectares, and maintain certification for nearly 500,000 hectares of forest products. At the same time, we helped these organizations foster relationships with United States and European businesses that put a premium on sustainably sourced products. These efforts reduced deforestation and resulted in nearly \$26 million in total sales of certified forest products, creating almost 4,000 jobs.

We are speeding the development and deployment of advanced clean energy technologies and helping to create favorable legal and regulatory environments. In this way, we help to attract private investors from the United States and elsewhere to maximize the use of renewable energy resources. By cutting down on imported fossil fuels, these actions will lower greenhouse gas emissions and move the region toward greater energy independence. Economic growth that is more energy efficient will be cleaner, reduce dependency on scarce foreign resources, and contribute to increased prosperity.

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<sup>1</sup>

[http://www.undp.org/content/dam/undp/library/crisis%20prevention/disaster/asia\\_pacific/1206\\_undp\\_en\\_out%20\(%20in%20English\).pdf](http://www.undp.org/content/dam/undp/library/crisis%20prevention/disaster/asia_pacific/1206_undp_en_out%20(%20in%20English).pdf)



### **Doing Business Differently**

We have one goal in mind with everything that we do: to empower countries to assume responsibility for their own development and grow beyond the need for international assistance. To this end, we are using science, technology, innovation, and private sector and trilateral partnerships to find new solutions to longstanding problems and scale up existing solutions in a more sustainable and efficient way. Our partnerships with the private sector help us to marshal the resources, innovation, technology, markets, and expertise of the business community to accelerate development. In FY 2014 alone, USAID's partnerships in Latin America and the Caribbean leveraged an estimated \$189 million in private sector resources for development; for every dollar we spent in the region in 2014, we mobilized five times that amount in private sector resources. These partnerships help to connect small-scale farmers and businesses to valuable markets; provide training, education, and employment to at-risk youth; and help to increase incomes, move communities out of poverty, and improve food security for the most vulnerable.

We are increasingly employing the latest science and technology to improve health practices; introduce low-cost, high-impact seed varieties and irrigation techniques; and improve public safety. For example, in partnership with Microsoft, Cisco, Universal Service Fund, and the Jamaican Ministry of Science, Technology, Energy and Mining, we are experimenting with "TV White Space," a new technology that taps unused television broadcast frequencies. This will extend high-speed, wireless internet access to remote parts of the country, improving connectivity for public service provision and training in rural areas of Jamaica.

Finally, we use innovative financing models to unlock private capital for non-traditional partners, many of which drive the region's economy. Through our Development Credit Authority (DCA), we help share risks and incentivize lending from financial institutions to micro-, small- and medium-sized enterprises in Colombia and Central America, for example. During FY 2015 alone, seven new DCA guarantees mobilized nearly \$140 million in private capital to support these efforts in Latin America and the Caribbean. As part of these efforts, guarantee agreements with three Colombian banks will mobilize up to \$120 million in lending to borrowers in targeted rural regions of the country.

### **Oversight**

USAID takes its responsibility to the United States taxpayer seriously, and we are committed to accountability, transparency, and oversight of our programs. To do so, we use a full range of monitoring and evaluation tools, including survey data, performance indicators, analyses, studies, and external evaluations. Our Missions are guided by five-year strategic plans and their individual Monitoring, Evaluation, and Learning Plans. These tools enable us to establish baselines and track the pace and status of implementation, ensure that programs are meeting goals and delivering high-impact results, and provide the flexibility needed to accommodate new needs and realities. Monitoring and evaluation tools also feed valuable data on new and effective approaches, which later inform new program designs. For example, our post-earthquake strategy in Haiti calls for port services in the North to help build viable economic centers outside of Port-

au-Prince. Our initial plan was to construct a new port, but after extensive due diligence revealed economic and environmental challenges with this approach, we shifted to our current effort to rehabilitating the existing Cap Haitien port. The project is underway, with a projected completion date of 2020.

We are also helping partner governments to develop monitoring mechanisms and ensure the same oversight for assistance they receive from us. For example, our Mission in Colombia developed, and turned over to the Government of Colombia, a Consolidation Index — a combination of 41 indicators that track institutional presence, good governance and citizen participation, and regional integration — to track whether USAID and the Government of Colombia are achieving goals in increasing state presence and capacity to deliver services in critical regions. This Index provides USAID with important information related to its program performance and also provides similar relevant information directly to the Government of Colombia.

### **Conclusion**

With sustained commitment from countries in the region to advance their own development goals, and our government's support, we are well placed for success. Political will, in combination with improved local capacity, leveraged resources and new partnerships, will allow us to help regional governments become more peaceful and prosperous. We would like to thank this Committee for its interest in and support for our work, and look forward to collaborating with you to address long-standing challenges and new opportunities for reform.

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

Mr. DUNCAN. Thank you.

I thank all the panelists for their testimony.

I will take a page out of Rob Bishop's playbook as chairman and defer till the end.

And I will go first to Ron DeSantis for 5 minutes.

Mr. DESANTIS. Well, thank you, Mr. Chairman.

Mr. Palmieri, in Fiscal Year 2009, Congress appropriated \$20 million in ESF annually to support democracy and human rights in Cuba. The Fiscal Year 2017 request, \$3.8 million for the Embassy in Havana, but cuts U.S. efforts to support human rights to \$15 million, and yet Cuba remains the only country in the Americas ranked as not free by Freedom House. Of course, we have seen, since the administration changed policy in December 2014, political repression has increased.

So what is the administration's rationale for the 25 percent reduction in Cuba democracy and human rights funding?

Mr. PALMIERI. We remain very concerned about the human rights conditions inside Cuba, and in our most recent human rights report signalled that the arbitrary detentions have increased, that the Cuban people do not have the ability to elect their own leaders—

Mr. DESANTIS. So why are you cutting the funds?

Mr. PALMIERI. And we take that issue and that concern very seriously. However, as we are working toward a more normalized relationship in Cuba and expanding our engagement in the region, we have other tools that are available to us. We have more authorized travel to Cuba by American citizens who are engaging directly with the Cuban people. We have exchanges that are publicly—

Mr. DESANTIS. Wait. Let me ask you that, though. When you say "engaging," so say there are Americans that go to Cuba, they stay in hotels, they pay. I mean, is that direct engagement with Cubans on an economic basis, or is that a direct engagement with the regime in Cuba who controls the core sectors of the economy?

Mr. PALMIERI. The 50 percent increase in authorized travel over the last year has enabled Americans to more directly engage in people-to-people activities with the Cuban people, which is the goal of our policy. Yes, sir.

Mr. DESANTIS. I think by that answer, you acknowledge, though, that the economic transactions are transactions with, effectively, the Cuban Government, the military, the intelligence services?

Mr. PALMIERI. The travelers have to follow strict accountability measures in pursuing their authorized travel. They may be staying at different types of accommodations, including Airbnb activities that we think promote entrepreneurial activity inside Cuba as well, sir.

Mr. DESANTIS. So the human rights situation, you spoke to it initially in your answer, but you acknowledge that the human rights situation is still very poor in Cuba. Correct?

Mr. PALMIERI. President Obama said so on his trip. Secretary Kerry has said so, and our human rights report did not pull any punches, sir.

Mr. DESANTIS. I wonder, because they have been very honest, the Castro dictatorship, about we are not changing. I don't know what you guys—we are going to take any concessions we can get.

We need credit. We are going to get the credit and whatnot. But they have been very insistent that they are not changing.

So I just wonder. We are reducing the request to try to promote democracy. We are doing much more engagement now with the regime. I wonder whether we are going to see fruits of that, because I think, right now, most of us who were skeptical of this predicted that the regime would be pocketing these concessions, and I think, unfortunately, that is what happened.

Let me ask you this. The regime has been harboring JoAnne Chesimard, who is on the FBI's 10 Most Wanted Terrorists List. What is the status of that?

Mr. PALMIERI. In November of last year, we had our first round of a bilateral law enforcement working group where we did raise, as we have consistently raised, our desire for the return of fugitives from U.S. justice. We will continue to raise that case and other cases of fugitives, and we hope to have another round of talks with the Cuban Government in the months to come, sir.

Mr. DESANTIS. The results of those talks, has it just been for Cuba to deny releasing anybody, though, correct?

Mr. PALMIERI. I am sorry. I didn't—

Mr. DESANTIS. The results of those talks, while you guys may have been well-intentioned, the result of those talks has been that Cuba has simply denied releasing anybody. Correct? No fugitives have been released up to this point. Right?

Mr. PALMIERI. No, sir.

Mr. DESANTIS. Okay. What about confiscated property? Because we have had a number of people come before this committee, some of the other committees, who had property confiscated illegally by the Castro dictatorship in the early 1960s, and they have certified claims. We say that we are going to be changing these relationships, and you would think that that would be one obvious way where the Castro regime could show, hey, you know, we are going to change by providing some recompense.

But to my knowledge, I have not seen any information come out that there has been anything done in that respect. So let me ask you, has the Cuban Government made good on any claims that are existing out there regarding illegally confiscated property?

Mr. PALMIERI. In December, as part of the process of the normalization of the relationship, we had a team that went down and engaged in direct discussions about these claims, and we continue to pursue another round of talks related to making progress on claims resolutions.

Mr. DESANTIS. But no claims have been resolved favorably for American citizens or Cuban exiles in America, correct, at this point?

Mr. PALMIERI. At this point, I am not aware, sir.

Mr. DESANTIS. Mr. Chairman, thank you for doing this. You know, we have been in a situation where, you know, the Castro—change policy, then change it to help the Cuban people, but don't give an inch to the dictatorship. And I just fear that these changes have helped the Castro brothers solidify their power, and I don't think we have seen it yet with freedom for the Cuban people.

Mr. DUNCAN. No argument with me there.

Mr. Sires, 5 minutes.

Mr. SIRES. Thank you, Mr. Chairman.

What type of assistance does the U.S. Government provide to the Venezuelan people to promote democracy?

Ms. HOGAN. USAID has a \$6.5 million program in Venezuela, and the purpose of the program is to help document human rights abuses, to strengthen civil society organizations, and to promote the free flow of information within the country and between the country and the outside world. And so this year we have also helped with the training of domestic election observations that took place in the last legislative elections, which as you know, brought a new opposition to the majority in the Parliament. We are poised to assist this new Parliament, if and as asked, but for right now, we are assessing those needs because we know that there are other donors that are also interested in that space and we don't want to duplicate efforts.

Mr. SIRES. And in terms of our efforts to release some of the political prisoners, what are we doing with that?

Mr. PALMIERI. The Department continues to call for the immediate release of political prisoners in Venezuela. Just earlier this month, Assistant Secretary Jacobson met with Liliana Tintori, the wife of Leopoldo Lopez. The Department also renewed a statement calling on the government to enact the bill that was passed by the national assembly calling for the release of political prisoners. We will continue to push for that as a critical element of improving the internal political situation.

Mr. SIRES. And, Dr. Arreaga, what is the reason that there seems to be more production of drugs in places like Colombia and some of the other places? How did this spike up?

Mr. ARREAGA. There are a number of reasons, sir. First of all, I think a lot of the farmers and the narcotraffickers got smarter and realized that if they concentrate a lot of their cultivation in large areas, it would be more susceptible to aerial eradication. So you see a dispersion of cultivation in areas where airplanes have more difficulty arriving and spraying. And, of course, the end of aerial eradication also played a role. So those are some of the major factors.

And we understand from the Colombian Government that the FARC actually encouraged farmers to plant more coca in preparation for the peace plan, but we have no confirmation of that.

Mr. SIRES. And are some of the other countries, the same reason?

Mr. ARREAGA. Well, I think you have seen in Peru, the areas where coca cultivation has increased are areas where it is very difficult to access by the government, the VRAEM area in the south. So the government is planning very much to eradicate, but it is a bit of a catch-up for them because they need the resources and they need the mobilization, which they do not yet have.

Mr. SIRES. And, Mr. Palmieri, I know one of the reasons that we are engaging in Cuba is because we always have problems with all the other countries in the region. What are we doing for those countries to speak up about the abuses in Cuba?

Because there hasn't been one country that has said anything about the conditions in Cuba and how they have become worsened, how they have imprisoned more people, and how they have cracked down. And I would think that by now, some of these countries that

were so pushy on us to have some sort of relationship with Cuba, they just clamped up and don't say anything.

Mr. PALMIERI. I think we continue to encourage our partners in the hemisphere to engage on the human rights situation and conditions within Cuba. And we urge them to speak out and to take a more definitive, proactive stance to encourage the Cuban Government to address these problems of arbitrary detention and the lack of freedom of association and assembly. And we will continue to push those governments to be a more authoritative voice.

Mr. SIRE. You know, the chairman and I took a trip through five countries. We raised that very issue, and quite frankly, we didn't get a reaction that any time soon they were going to say anything about what is going on. Some of these countries, one of the more vocal countries in terms of the United States reaching some sort of an accord with Cuba. So we didn't get any kind of a response, basically, that they are going to do anything in the future.

Mr. PALMIERI. I can assure you, Mr. Sires, that as part of our ongoing diplomacy in this hemisphere, we do engage countries from throughout South America, Central America, and North America to speak more forcefully and more definitively about the abominable human rights conditions inside of Cuba.

Mr. SIRE. The only country that spoke up about human rights abuses, in Venezuela, was Macri, just recently elected. But nobody else has said a word.

Thank you.

Mr. DUNCAN. I thank the ranking member.

And I am going to go now to Mr. Yoho from Florida.

Mr. YOH. Thank you, Mr. Chairman.

And I appreciate you three being here.

I too was on that trip to South America, and I did find it interesting that everybody said that we need to normalize relationships with Cuba; it was the right thing to do, you know, close Guantanamo because it was a mark on America and it wasn't a good sign. And my member—my friend, Albio Sires, brought that up over and over again. You know, what about what is going on in Cuba? How come you are not denouncing it? And I just found it hypocritical. And it just didn't bode well that here we are trying to help the Cuban people out, and you were talking—I think it was you, Dr. Arreaga—you were talking about the entrepreneurs in Cuba, that this was going to allow them to expand businesses. Can you explain what an entrepreneur in Cuba is compared to America?

Mr. PALMIERI. There are a number of activities underway that, through some regulatory changes the administration has made, that allows us to help Cuban entrepreneurs, whether they are—

Mr. YOH. What administration? This one or the Cuban administration?

Mr. PALMIERI. President Obama's regulatory actions that have enabled Americans to more directly support Cuban entrepreneurs, whether they are small restaurant owners. We now allow Americans to provide remittances to these entrepreneurs to help their private sector activities. We now permit microfinance, training activities, and we also allow for the export of certain materials to the small but growing Cuban entrepreneurial class.

Mr. YOHO. Okay. So now, if I am a Cuban business owner and I am getting these microloans from an American counterpart and I am going into business in the country of Cuba, what freedom do I have with these regulations and executive privileges that President Obama has extended to the people of Cuba? What privileges do I have as a Cuban business owner that I don't have to worry about the Cuban Government come and confiscating? Are they going to limit how much I can make?

Mr. PALMIERI. There has been over the last 5, 6 years a growing number of licenses issued by the Cuban Government to individual Cubans to pursue exactly these kind of private activities that we think our regulatory actions will allow Americans to more directly support. They range from activities in restaurants, as I mentioned, Airbnb activities, private transportation activities. The sector has grown over the last 6 or 7 years.

Mr. YOHO. Does the Cuban Government dictate how much they are going to make a day or an hour, on the employees?

Mr. PALMIERI. I believe that—my understanding is that Cuban private sector entrepreneurs earned far, far above or much more, I should say, than the average public sector wage, sir.

Mr. YOHO. All right. We will follow that. The reports I have say it is not true. You know, the Cuban Government is there. They have a heavy hand, and they confiscate whatever they want because everything belongs to the Cuban Government.

Moving to Haiti real quick here, Ms. Hogan, how many homes have been built down there since the earthquake, through USAID?

Ms. HOGAN. USAID built 750 homes. However, we have turned our strategy toward housing finance rather than construction. And so as a result we are able to link residents with low-income properties to microfinance institutions that will allow them to—

Mr. YOHO. Are we financing that through the American Government and the American taxpayers?

Ms. HOGAN. We are. We are helping.

Mr. YOHO. What is their failure rate?

Ms. HOGAN. The failure rate of what, sir?

Mr. YOHO. Of the loans.

Ms. HOGAN. Zero, thus far.

Mr. YOHO. Zero. What is the average size of the house that they are building down there, square foot?

Ms. HOGAN. Well, again, we are not building houses anymore.

Mr. YOHO. But we were previously.

Ms. HOGAN. But we were building houses.

Mr. YOHO. What was that size?

Ms. HOGAN. I believe they are about 500 square feet.

Mr. YOHO. 400 was what I have.

What was the average cost of those homes?

Ms. HOGAN. The average cost—

Mr. YOHO. Construction, construction cost.

Ms. HOGAN. Right. The average cost of those homes was about \$15,000, I believe. I have to double-check those numbers.

Mr. YOHO. That is a pretty high cost of construction, I would say.

Ms. HOGAN. Which is why we—

Mr. YOHO. About \$300 per square foot. They must have used the CFPB for their remodeling.

Ms. HOGAN. Well, that is the—

Mr. YOHO. I yield back. Thank you.

Mr. DUNCAN. Mr. Meeks is recognized.

Mr. MEEKS. Thank you, Mr. Chairman.

I am listening and I would think that from what I am hearing, we must have regressed in Central and South America. But from what I understand, for the last 10, there has been vast improvement in Central and South America, and our investments and our commitments, especially post—you know, Cold War is over—has tremendously helped the entire region, the entire hemisphere, that when you look at what has taken place as far as democracy throughout the Central and South America is definitely going in a positive direction.

When you look at still far too much poverty, but poverty reduction in the area, it is going in the right direction. When I look at the number of individuals or people who are—you know, as far as democratic institutions, not where we want to be yet, but we are moving in the right direction. Would you all agree with that statement? Much better than it was 15, 20 years ago, for sure. Now, things don't change overnight, but we are doing much better than we had been doing.

And before I ask my question, the other piece is because we all want to make sure we do right by the Cuban people, I know that, but we have had one policy for 57 years, and none of the things that I am hearing has changed in 57 years. So for 57 years with one single policy that we have continued to have and nothing has changed, it would seem to me reasonable that we should have some kind of change to see if something else might work, because we know for 57 years it has not worked.

And I think, Mr. Palmieri, what you are telling me is that—and I have had the opportunity, I was very happy to be with the President on his historic trip to Cuba where I heard him, with Raul Castro present, being very critical about human rights, et cetera, and said the United States will continue to insist that we move forward. But I think that you were trying to articulate the interaction of American citizens so that when people, when business folks get to moving, that they can determine for themselves, those that live there, how to make sure they move and change this government. Is that the policy that you were intimating?

Mr. PALMIERI. Yes, sir. I think we believe that by expanding people-to-people ties and business opportunities and access to information, we can more effectively support the Cuban people. In addition, I think we believe that American citizens are some of the best Ambassadors we have for our values and ideals, and that level of people-to-people contact will also help us make progress.

Our enduring objective in Cuba remains that it be peaceful, prosperous, and democratic, and that the Cuban people have the ability to choose their leaders and their own future.

Mr. MEEKS. Thank you.

I need to jump to Ms. Hogan for a second because you mentioned in your opening statement something that is very important to me. You talked about Peace Colombia and the effects of African-Colombians, which is really important as we get to peace because many



of the folks will return back. I know the President is there. Will you tell us a little bit more about that, how that will work?

Ms. HOGAN. Thank you very much for that question. In fact, Afro-Colombians is a very important target group for us. In fact, we have invested in the workforce development of over 9,000 African-Colombians who are now working in modern economy jobs. More than 8,000 of them who have come through our training program have been hired for well-paying jobs in a variety of sectors.

We continue to invest in Peace Colombia, which is a rebranding of Plan Colombia, in order to help the government extend its presence into these ex-conflicted zones. We are currently working in 40 municipalities. With the peace agreement and with Fiscal Year 2017 funds, we will be able to move out into another 20 communities to help the government establish its presence, but more than anything, in addition to help incentivize economic development and investment in those areas to create jobs for the people who are going back there.

We have a great example of a partnership we have with Starbucks Coffee, which is working in these ex-conflicted zones to help these indigenous populations and others who are coffee growers increase the quality of their coffee and attract additional investment from other companies that see that those investments are having a good return on the money. There are about 25,000 coffee growers who are benefiting from that one partnership. And, of course, we are also helping reconciliation and justice for victims of the conflict. And finally, looking to licit value chains like coffee for people who had been growing coca and try to get them into the other profitable areas of coffee, cacao, dairy, and rubber.

Mr. MEEKS. Thank you. I am out of time.

Mr. DUNCAN. And Raul Castro said, you can't ask me about political dissidents. It is wrong, improper for you to ask me about political dissidents.

So anyway, the Chair will now recognize the gentlewoman from Florida, the former chairman of the committee and now chairwoman of the Middle East and North Africa Subcommittee.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman.

And dovetailing on the direction of Latin America, I wanted to ask you how you see the direction of some countries in Latin America. Is it really going the right way as we would like? When it comes to the rule of law, when it comes to press freedom, when it comes to individual freedom of expression, when it comes to separation of powers, leaders who get elected and then change the Constitution to stay in power, would you say that Ecuador under Rafael Correa is moving in the right direction? Simple question. Rather simple.

Ms. Hogan?

Ms. HOGAN. We have a program in Ecuador—

Ms. ROS-LEHTINEN. Would you say that it is moving in that direction toward greater freedom?

Ms. HOGAN. I think people are feeling the suppression of human rights.

Ms. ROS-LEHTINEN. Yes. Thank you.

How about Bolivia under Evo Morales, moving more toward press freedom, freedom of expression, a separation of powers, rule

of law, would that be a direction that we think should be emulated and that we herald?

Mr. PALMIERI. The referendum in February was a clear expression of how the Bolivian people feel about the situation.

Ms. ROS-LEHTINEN. I am talking about the Evo Morales government. Would you say that they are moving toward, you know, the arc, the famous arc, is it moving toward what we would consider democratic, fundamental principles of democracy?

Mr. PALMIERI. I would like to let the Bolivian people speak for themselves.

Ms. ROS-LEHTINEN. Okay. Thank you.

How about Venezuela under Nicolas Maduro, would you say that that government is more toward the rule of law, freedom of expression, press freedom?

Mr. PALMIERI. Those are all areas that we remain deeply concerned about.

Ms. ROS-LEHTINEN. Deeply concerned. How about Nicaragua under Daniel Ortega? How about Cuba under Raul Castro? I mean, we could put on our rose-colored glasses and say everything is peachy keen in Latin America, or we could look at it as the way it really is. And it is a problem. It is a fixer-upper. A fixer-upper. And talking about Cuba, you know, we talk about 55-plus years of a policy that does not work. How about the changes in Cuba in these 55 years? In those years, have the Cuban people been able to vote once in a free, fair, and internationally supervised election that would pass any criteria by any human rights organization? One?

Mr. PALMIERI. No. They have not.

Ms. ROS-LEHTINEN. No. How about have they been able to form political parties? By any stretch of the imagination, have they been able, in these 55 years of a policy that hasn't worked in the United States, I know we have a blame-America-first crowd, but how about, let's look otherwise. Have they been able to form political parties?

Mr. PALMIERI. I would never blame America first.

Ms. ROS-LEHTINEN. No. I am not saying you—

Mr. PALMIERI. But what—

Ms. ROS-LEHTINEN. But let me ask you, how many political parties are allowed to operate in Cuba? How many political parties?

Mr. PALMIERI. There is only one political party.

Ms. ROS-LEHTINEN. Okay. Thank you. And how about freedom of the press? Would you be able to start your own newspaper, your own TV network, your own—you know, what press freedoms are there in these 55 years?

Mr. PALMIERI. Press freedom is a significant—

Ms. ROS-LEHTINEN. A fixer upper. Yeah. And by any stretch of the imagination, this policy that hasn't worked from the U.S. side, gee, when you look at the Cuba aspect of it, it hasn't gotten a whole lot better for the people of Cuba what Castro has been doing to them. Now, what have we seen since the President's change in diplomatic relations? Has there been, or has there not been a massive exodus of Cubans fleeing the island, not getting the memo that everything is great there? Have there—because I know, I represent South Florida, so I know what is going on there. Has there been

what you would call an exodus? We just got back from Guantánamo yesterday.

Mr. PALMIERI. President Obama has said that the change in the relationship will not come overnight and that normalization——

Ms. ROS-LEHTINEN. But has there been an increase? Because if not, we have other U.S. agencies like the Coast Guard, and like the Red Cross, who tell us that there has been an 80 percent increase in this past year since the President's diplomatic relations to now. Has there been an exodus of Cubans fleeing the island?

Mr. PALMIERI. We believe that the people-to-people exchanges that we are pursuing in the policy——

Ms. ROS-LEHTINEN. I don't know. So the answer is yes. For the people who count the bodies, they know that there has been a massive exodus of people. And when I look around and I see, gosh, what has really changed in Cuba since all of this has happened, one-way concessions, pleasing the dictator, getting very little out of it.

But let me just ask you one question about Venezuela. Since we passed the bill, I had the bill here with all of my colleagues. Marco Rubio had it in the Senate. How many individuals has the Obama administration sanctioned in Venezuela for human rights violations? That means that they can't come to the United States; we freeze their accounts; you know, they can't do any commercial dealings, buy property. There have been massive human rights abuses in Venezuela. There were originally seven or eight. How many have been since cited on that list?

Mr. PALMIERI. We did sanction individuals last year after the legislation was implemented.

Ms. ROS-LEHTINEN. Last year. So since that time, when there have been such massive human rights abuses, Leopoldo Lopez, the mayor of Caracas, who is on house arrest. I mean, I can't even list how many political prisoners there have been. Has any of those people involved in the persecutions and the prosecution of these human rights activists, have they been sanctioned?

Mr. PALMIERI. We did sanction people when the legislation was first implemented.

Ms. ROS-LEHTINEN. Anyone related to the Leopoldo Lopez trial? Anybody sanctioned?

Mr. PALMIERI. I would have to get back to you with——

Ms. ROS-LEHTINEN. The answer is no. Thank you.

Thank you, Mr. Chairman.

Mr. DUNCAN. Thank you. Excellent line of questioning.

We will now go to the gentleman from California, Mr. Lowenthal.

Mr. LOWENTHAL. Thank you, Mr. Chair. And I want to thank the witnesses for being here, and for your testimony.

I want to follow up on some of these issues about—I am kind of interested in the relationship between our aid and our budget and human rights and rule of law. I want to focus on Mexico. Recently, a number of us submitted a letter to the Secretary of State regarding the disappearance of the 43 Mexican students and the investigation, and now, just recently, the Inter-American Commission on Human Rights, this group of experts, has just returned and issued a report. And that report, in part, I think in large part, said that there was no cooperation between the Commission and—there was

a problem in the relationship between the Commission and getting cooperation from the Mexican Government. How does that impact our aid? When we are seeing kind of this Commission report talking about the lack—you know, the lack of cooperation, does that impact at all the amount of aid that we give to Mexico? Or do we condition aid on at least cooperation?

Mr. PALMIERI. We did take note of the April 24 Inter-American Commission human rights report of the expert—of the independent expert. We commended the Commission's work and—which was initially requested by the Government of Mexico. Mexico should consider the report's recommendations and fully evaluate the suggested actions to address forced disappearances, to provide more support to the victims, and to begin to bring the perpetrators of that tragedy to justice.

In the broader sense, we work closely with Mexico on a wide range of human rights issues, and encourage it to improve its human rights performance.

Mr. LOWENTHAL. Do you think, following up on the Congresswoman from Florida, do you think human rights are improving in Mexico?

Mr. PALMIERI. The human rights situation in Mexico is a very complex issue. In some respects, as Mexico moves to implement the constitutional reforms to reform its justice sector, they are making progress in improving the human rights conditions in the country. But, at the same time, when you see a report like this that details with specific recommendations on how they could do better, it is clear that Mexico should review those recommendations.

Mr. LOWENTHAL. Should it have any impact upon our foreign aid? Our aid? I would like to hear from any of the witnesses. Ms. Hogan?

Ms. HOGAN. Right. The assistance that we are providing Mexico is intended to help them develop a very strong human rights regime and response.

Mr. LOWENTHAL. But I am not seeing that happen, and we have been giving this assistance. I am seeing a report that just came out this week that really details the lack of cooperation between the investigators. How does that impact our aid?

Ms. HOGAN. Well, one of the things that USAID is investing in is the human rights protection mechanism in Mexico, which has allowed the Mexican Government to establish a rapid response capability to protect human rights of those who are threatened, an emergency response capability to support victims of human rights, and to create networks of human right defenders, and particularly journalists. And I can say that 2 years ago, we had 40 people who used the system. Last year, we had 400 people who have used the system.

Mr. LOWENTHAL. Are you not appalled by the investigation and the loss of those 43 students who have never been identified where they are?

Ms. HOGAN. Terrible. Terrible series of events there. And yes, absolutely.

Mr. LOWENTHAL. Anybody else want to comment on—

Mr. ARREAGA. Yes, sir. We, of course, recognize that there are challenges in Mexico, and that is the reason we are there, and we

are pouring quite a bit of resources in strengthening the justice sector system. They are moving toward the accusatory system. You are moving the entire—not only the Federal system, but as well as the States. And it is a huge challenge. It is a huge challenge that is going to take very many years. But we have our best and brightest working with the Mexicans to build that system, and it is going to take some time. But we are there because they asked for our help and we are happy to give it to them.

Mr. LOWENTHAL. I just also wonder how—I want to—how do we help these—an independent investigation like the Inter-American Commission, who is having difficulty? How do we help them with the Mexican Government, or do we, in terms of their getting cooperation and being able to have the Mexican Government actually assist in this investigation rather than seem to stonewall the investigation by pointing their fingers at everyone else who has done it, but not really providing the support to the investigative team? I mean, how do we help them? We are giving them a lot of money.

Mr. PALMIERI. Through the Merit Initiative, we have expanded broadly U.S. law enforcement cooperation. We have helped professionalize their police and security forces—

Mr. LOWENTHAL. Do what?

Mr. PALMIERI. We have an ongoing bilateral human rights dialogue with them where we raise cases like this case.

Mr. LOWENTHAL. Well, I am just saying I hear you, all that you are doing, but I am terribly disappointed in this, in what is taking place and our lack of response to what is going on. I yield back.

Mr. DUNCAN. Thank you, Mr. Lowenthal.

We will go down now to Mr. Donovan from New York.

Mr. DONOVAN. Thank you, Mr. Chairman. And I thank the witnesses for appearing today before us.

Approximately—and I will be short, Mr. Chairman, because I know the vote could be called any moment. A couple of weeks ago, I had the pleasure of visiting the CDC, and because of the attention now to Zika, and coming from South America, particularly Brazil and the Olympics being performed there this summer, I was shocked about the amount of cases we have of malaria in the United States. There is over 1,200. I think it is the highest number last year that we have had since—in 40 years.

So I was just wondering about some of the efforts to combat mosquito-borne viruses in South America, particularly malaria. The World Health Organization had said that they could probably eradicate malaria in about 20 countries in the world by 2020. I think eight of those countries are in South and Central America. So I was just wondering if you could talk a little bit about the efforts that—down there to eradicate the malaria and to control the Zika virus.

Ms. HOGAN. Certainly. Well, thank you for the question. In fact, we have graduated all of our countries in South America now from health assistance because we have—over the years, investing in those systems, they are now standing up and able to take care of their own basic health needs.

However, we continue to help on infectious diseases, and malaria. We currently have a cooperative agreement with the Pan American Health Foundation to—excuse me. PAHO. Pan American

Health Organization, right, to help countries develop systems to combat malaria. We are also working now on Zika, thanks to the approval of USAID's CN that will allow us to stand up behavior change communication programs, so that people will become aware of how they get the Zika virus and how to respond to it.

We are investing vector control methodologies. We just issued a grand challenge last week for \$30 million to try to incite innovative ways in which we could do more research and development and the development of diagnostic tools for Zika. And, of course, we are prepared to help governments design programs that would provide the care and treatment for women, pregnant women, and infants who may be affected by the disease.

Mr. DONOVAN. Any other—is there—all right. Thank you very much. I yield back.

Mr. DUNCAN. I thank the gentleman.

I now recognize myself for 5 minutes.

You all have answered a lot of the questions that I had about Cuba and about Venezuela, and some of the money there. So I want to shift gears a little bit.

We were in Paraguay, and we had a conversation about—give you an example. Rio de Paraguay is a huge shipping channel from Bolivia all the way to where it runs into Rio de Uruguay, and then on to the Atlantic Ocean for barges, shipping containers that make their way all around the world.

But in the capital city of Paraguay, they need to do some dredging. It will cost about—the way we heard, about \$10 million estimated. You know, if you think about what a shot in the arm that would be, U.S. assistance to a country like Paraguay, to help with that sort of thing, that really, I think, is something that we ought to be considering when we talk about Western Hemisphere State Department budget and working with our friends and allies. We hear a lot about USAID programs, micro loans and that sort of thing, micro financing. Just give you one example where you get a lot of bang for the buck, I think. Maybe more so than \$10 million dropped in Nicaragua over the years and that sort of thing. So just throw that out there.

Do we give any assistance to Uruguay because they are handling the—or took the GTMO prisoners, their Uruguay 6? Do they receive any additional funding from us for that? That is a question I don't know the answer to.

Mr. PALMIERI. I will have to talk to the coordinator's office. I believe there was some re-settlement funding provided. I don't know if it is being done on an ongoing basis.

Mr. DUNCAN. All right. You know, they are a strong human rights defender. And there is another country that I consider we would get a lot of bang for the buck if we considered helping them in that area. And they did take those prisoners.

So I had a meeting last week in the office with members from the Dominican Republic, and they shared with me in some ongoing efforts between Haiti and the Dominican Republic along the border. One is an economic zone, one is an energy zone, and one a shipping zone. Does the United States play any part of that? Because I do see a lot of benefit, at least for the Haitians as well as the Dominicans, on those projects. All right? Is that included—is that

USAID involvement? Is there any State Department dollars or U.S. dollars going to help Dominican and Haiti with those type programs or projects?

Ms. HOGAN. USAID is helping Haiti rehabilitate a port in Cap-Haitien that would allow for the import of container ships. So it will ultimately be an economic incentive in Haiti because it will increase the amount of trade that they are able to do along their northern border.

Mr. DUNCAN. Okay. And I appreciate that. I do—when they were speaking last week, a light bulb went off. What a great way to impact so many lives with consistent jobs, economic improvement, and it is bilateral. Is the U.S.—my question is the U.S., and should the U.S. be partners in that in some way because giving a lot of money to Haiti to rebuild, and there is hints of corruption and hints of money not getting to where the rubber meets the road. But I can point to these projects going, hey, that is a pretty good idea.

Wasteful spending in the Fiscal Year 2017 budget. So Fiscal Year 2017 request is for \$324,000, 57.6 percent of the Pan American Institute of Geography and History budget priorities listed in the Fiscal Year 2016 budget request for the same amount of money included spending taxpayer dollars on creating an atlas of climate change in the Americas, and publishing the history of America to further the concept of Americas as an interconnected unit. This seemed to be a waste of U.S. taxpayer dollars when we are over \$19 trillion in debt. And when the region struggles with having such high rates of crime, violence, tepid economic growth, and the list goes on because the questions have already been asked. So was U.S. taxpayer assistance used last year to create this atlas and this history? Mr. Palmieri.

Mr. PALMIERI. I will have to take that question back, sir. I am not familiar with that specific appropriation and that program, but we will get you a full answer on how that money was used.

Mr. DUNCAN. Okay. Because I personally think that money could be better spent fighting crime and narco trafficking, helping Colombia and the things we talked about instead of spending our taxpayer dollars creating a history that may or may not be accurate of the Americas and a climate change atlas. I don't believe my constituents would want to see their dollars going to that when we have drug running coming out of Central America and Latin America to the U.S. We have got issues of judicial graft and corruption in a lot of countries. You see what I am saying? We could better spend these dollars. And it kind of reminds me of National Institutes of Health putting shrimp on a treadmill. Don't spend our tax dollars putting shrimp on a treadmill for whatever your trumped-up reason is. Spend them where they are effective. Okay?

You wanted to say something?

Mr. PALMIERI. Yeah, I do, sir. I agree that we need to maintain our investments in the security sector. But we also are seeing an enormous drought that is affecting Central America right now. And to the extent that we can better understand the patterns of that drought, we might be able to direct more effectively agricultural assistance and other forms of development assistance so that the conditions of people who are at increased food security risk can be

more quickly addressed, thereby removing a push factor for them to leave the region and their home communities.

So there could be a reason why a better understanding of the impact of climate change in Central America could help us protect U.S. interests and prevent undocumented irregular migration by more effectively directing our aid.

Mr. DUNCAN. So what you are saying is an atlas of climate change would have predicted the El Nino effect that caused the drought in Central America that led to the migration crisis. By having that atlas, we would have been able to foresee this climate change that is driving people north.

Mr. PALMIERI. As I said, sir, I am not familiar with the particulars of the atlas. But I do think more effective understanding of climate change in Central America could help us better direct assistance—

Mr. DUNCAN. I think taking that money to help with drought assistance by USAID, going in after when the drought does impact the region and helping, is a better use of taxpayer dollars than trying to predict the climate. The weatherman can't tell you what the climate is going to be tomorrow. And we are trying to predict climate in a region. Nobody saw the drought coming. The climate scientists didn't see the drought coming. So, anyway, my time is up.

Gentlemen and Ms. Hogan, I do appreciate you all coming today. This is insightful. This is part of the oversight that is necessary. Members may have additional questions.

Well, I am going to defer to the former chairwoman who has a follow-up question.

Ms. ROS-LEHTINEN. Just a question on democracy.

Mr. DUNCAN. Votes have been called, so quickly.

Ms. ROS-LEHTINEN. Thank you so much, Mr. Chairman. I know we have votes.

Ms. Hogan, has USAID fallen back to its—to the paths when USAID was not committed to democracy funds in Cuba? And I ask this because we know the history of it. In 2013, USAID decided to cut itself out of the democracy funds. And then in 2014, Congress followed by zeroing out USAID for Cuba as well. So now USAID has been allowed to access the Cuba funds for Fiscal Year 2015. And in October 2015, USAID sent their Congressional notifications to the Hill for \$6.25 million for Cuba, and the notification was for two programs, humanitarian and human rights.

In November 2015, the notification cleared Congress. In January, USAID issued publicly a request for proposals for the humanitarian assistance portion, and we are almost at May already, and yet, this money has not been obligated. If you could give us a picture of what is going to be happening, and do you still have to request proposals for the human rights portion of the notification? Is that correct? And I wanted to know why there is a holdup in humanitarian and human rights program when they are so desperately needed in Cuba right now.

Thank you, Mr. Chairman.

Mr. DUNCAN. I thank the chairwoman for her continued leadership on the Cuban issue. And, again, I thank you guys for coming. Everyone has been—very valuable insight, and the questions have been, I think, robust and spot on today.



Members may have additional questions. We will submit those and ask that you provide answers within a timely manner. And any member that has statements they would like to submit for the record, we will leave that open for 10 days.

Without objection, we will stand adjourned.

[Whereupon, at 3:14 p.m., the subcommittee was adjourned.]



## A P P E N D I X

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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 2172 of the Rayburn House Office Building (and available live on the Committee website at <http://www.ForeignAffairs.house.gov>):

**DATE:** Wednesday, April 27, 2016

**TIME:** 2:00 p.m.

**SUBJECT:** Examining FY 2017 Funding Priorities in the Western Hemisphere

**WITNESSES:** Mr. Francisco Palmieri  
Principal Deputy Assistant Secretary  
Bureau of Western Hemisphere Affairs  
U.S. Department of State

Luis Arreaga, Ph.D.  
Principal Deputy Assistant Secretary  
Bureau of International Narcotics and Law Enforcement 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 202/225-5021 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

MINUTES OF SUBCOMMITTEE ON the Western Hemisphere HEARINGDay Wednesday Date 04-27-2016 Room 2172Starting Time 2:00 PM Ending Time 03:14 PMRecesses n/a ( to ) ( to ) ( to ) ( to ) ( to ) ( to )

## Presiding Member(s)

*Chairman Jeff Duncan*

Check all of the following that apply:

Open Session ☒Executive (closed) Session ☐Televised ☒Electronically Recorded (taped) ☒Stenographic Record ☒

## TITLE OF HEARING:

*Examining FY 2017 Funding Priorities in the Western Hemisphere*

## SUBCOMMITTEE MEMBERS PRESENT:

*Chairman Jeff Duncan, Ranking Member Albio Sires, Rep. Ileana Ros-Lehtinen, Rep. Ron DeSantis, Rep. Ted Yoho, Rep. Dan Donovan, Rep. Gregory Meeks, Rep. Alan Lowenthal*

## NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an \* if they are not members of full committee.)

*n/a*HEARING WITNESSES: Same as meeting notice attached? Yes ☒ No ☐

(If "no", please list below and include title, agency, department, or organization.)

## STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

*Rep. Alan Lowenthal Opening Statement*

TIME SCHEDULED TO RECONVENE \_\_\_\_\_

or

TIME ADJOURNED 03:14 PM*Mark A. Walker*  
Subcommittee Staff Director

**April 27, 2:00 p.m., HFAC WHEM Subcommittee Hearing**

**Representative Alan Lowenthal  
Opening Statement**

Thank you for meeting with us today to discuss our funding priorities for U.S. assistance to Latin America. I am greatly concerned about the poor performance of the Mexican Government in resolving thousands of cases of people who have disappeared, and are presumed murdered. Mexico is the third largest Latin American recipient of U.S. assistance, and most of the \$135 million in funding for Mexico in FY 2017 would be spent on anti-crime and counter drug programs.

The disappearance of 43 Mexican student teachers in September 2014 is a case that I and my colleagues have been following closely. We applauded the Government of Mexico's decision in November 2014 to work with the Inter-American Commission on Human Rights' (IACHR) Group of Experts.

However, I am appalled by the subsequent lack of cooperation that the Mexican Government has provided to the Experts, confounding efforts that have encouraged the Mexican government to follow leads that could resolve the presumed murders of these 43 young students.

These unexplored leads have included possible tampering of evidence by Mexican officials, use of students' cell phones after they disappeared, and a failure to interview Mexican security forces present at the scene when the students disappeared.

By obstructing these investigative efforts, including withholding investigators' access to members of Mexico's security forces who may have knowledge of or be implicated in the killings, the families of these young people may never know what happened to their loved ones.

Instead of providing hope for tens of thousands of other families in Mexico, the lack of cooperation fosters among the public greater mistrust of government officials, concerns about corruption and impunity, and a lack of respect for the rule of law.

**April 27, 2:00 p.m., HFAC WHEM Subcommittee Hearing  
Questions**

Mexico, Guatemala, and Honduras have all been hit hard by crime, much of which is not solved and most perpetrators are not held accountable. The continued impunity has resulted in calls for outside investigators, and we have seen varying degrees of success in the work of independent commissions charged with investigating crimes and uncovering corruption. Drug trafficking and gang violence drives much of the crime, which fuels the continuing exodus of people from Central America to Mexico and the United States, including thousands of unaccompanied minors. With this in mind, I have several questions:

<b>Mexico and Central America Lawlessness and Impunity</b>
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- **With so many murders and disappearances going unsolved in Mexico and Central America, how is U.S. assistance helping to: 1) build law enforcement and judicial institutions that citizens can trust, and 2) governments that are accountable?**
- **Please provide concrete successes and failures in our U.S. assistance to support rule of law. I am particularly interested in why these programs succeed or fail.**
- **How can we best help independent investigative bodies (such as the IACHR-appointed Group of Experts the investigated the 43 disappeared Mexican students) succeed?**

<b>Cuba</b>
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- **Having just visited Cuba as part of the President's delegation, I would appreciate hearing more about the Administration's plan for expanding relations with Cuba and for removing the embargo on trade with Cuba. How are these efforts reflected in the FY 2017 budget request?**



### Questions for the Record - Chairman Jeff Duncan

House Committee on Foreign Affairs' Subcommittee on the Western Hemisphere Hearing  
*"Examining FY2017 Funding Priorities in the Western Hemisphere"*  
 April 27, 2016 at 2:00 p.m. in Rayburn Room 2172

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**TO: All Witnesses:**

1. **Oversight Actions.** The Government Accountability Office (GAO) currently has six reports with open recommendations that the U.S. State Department (State) or U.S. Agency for International Development (USAID) have not fully implemented. Moreover, according to USAID's Office of Inspector General (OIG) as of April 25, USAID had 157 open and unimplemented recommendations relating to programs in the Western Hemisphere. These include 59 recommendations that have a potential cost savings of almost \$11 million.
  - What accounts for the delays in implementation? When should Congress expect to see these recommendations fully implemented?
2. **Central America.** Nearly \$744 million (43%) of the Administration's FY2017 aid request for Latin America and the Caribbean would be allocated to Central America. Those funds would support continued implementation of the U.S. Strategy for Engagement in Central America, which is designed to promote good governance, economic prosperity, and improved security in the region.
  - What analysis has the Administration done to determine if previous U.S. funding is yielding results?
  - What commitments have Central American governments made to provide matching funds and to tackle the massive corruption problems plaguing the region?
  - What safeguards does the U.S. have in place to protect American investment in the region from abuse?
3. **Cuba.** For most years since FY2009, Congress has appropriated \$20 million in ESF annually to support democracy and human rights in Cuba. The FY2017 budget requests \$3.8 million to modernize the U.S. embassy in Havana and cuts U.S. efforts to support human rights to \$15 million. Cuba remains the only country in the Americas ranked as "Not Free" by Freedom House.
  - The Cuban government demolished two churches at the beginning of this year. Church properties have been confiscated, pastors have been imprisoned, and Jehovah's Witnesses and Mormons cannot practice their religion. What is the Administration doing to support religious freedom in Cuba?
4. **Mexico.** In recent years, the U.S. has increased assistance through the Mérida Initiative to help Mexico secure its southern border region. While U.S. support has increased, there is very little information regarding specific amounts, recipient units, equipment, and the types of training provided.
  - What is the current state of U.S. funding to support Mexico's border security efforts? Which agencies and units are receiving support?
  - What are the indicators to measure the effectiveness of this assistance?
5. **Caribbean Basin Security Initiative.** From FY2010 through FY2015, Congress appropriated \$386 million for the Caribbean Basin Security Initiative (CBSI), a regional program to address such challenges as transnational crime, illicit trafficking, and citizen security. Congress appropriated \$58.5



million for the CBSI in FY2015, at least \$57.7 million in FY2016, and for FY2017, the Administration is requesting \$48.4 million, a 17% decline from FY2015.

- What accounts for the significant cut in assistance for the CBSI program?
  - Has the CBSI succeeded in improving the region's ability to tackle transnational crime and improve citizen security?
6. Colombia. Colombia is the single largest recipient of U.S. assistance in the region. The FY2017 request includes \$391 million up from \$308 million in FY2015. In early February 2016, the Administration proposed a "post-peace accord" approach to U.S. assistance to Colombia called Peace Colombia. Peace negotiations between the Colombian government and the largest insurgent group, the FARC, have yet to conclude, however, and negotiations between the Colombian government and the second largest insurgent group have only recently begun.
- Are you able to move ahead with Peace Colombia programming while peace negotiations are still underway?
  - In your view, which aspects of the assistance request for Colombia are most critical to ensuring a successful post-conflict transition?
  - How would U.S. assistance efforts change if the peace negotiations fail or if the Colombian public chooses not to approve the peace accords?
  - How will the \$391 million request support the Colombian government's efforts to verify the demobilization and disarmament of the FARC members and address the growing drug eradication and interdiction challenges?
7. U.S. Funding to Inter-American Organizations. The U.S. provides 59% of the Organization of American States' budget, 60% of the Pan-American Health Organization's budget, almost 60% of the Inter-American Institute for Cooperation on Agriculture's budget, almost 58% of the Pan-American Institute of Geography and History's budget, and is the largest shareholder of the Inter-American Development Bank.
- Do you have a formula or target ratio of U.S. contributions and the percentage of professional staff (not contractors) in these Inter-American organizations?
  - How do we track U.S. personnel and establish recruiting goals for these organizations to ensure we have U.S. personnel who can work to advance U.S. interests in these organizations?
  - How does the U.S. promote U.S. values and interests in these Inter-American organizations and ensure we are getting a good return on U.S. investment?
8. Haiti.
- Will Haiti be requesting additional funding from the U.S. to complete elections on top of the 42 million we've already spent?
9. GAO Oversight (Haiti). In 2015, GAO reported on \$1.7 billion in USAID assistance to Haiti and found a lack of planning for the sustainability of non-infrastructure projects in Haiti and a lack of USAID-wide guidance on how missions should plan for the sustainability of their infrastructure projects (GAO-15-517).
- What has USAID done to address the recommendations in GAO's report and to greater focus on improving the sustainability of its projects?
10. GAO Oversight (Haiti). In February and March 2015, USAID suspended two of the contractors that had worked on its flagship \$30+ million Caracol-EKAM housing project in Haiti due to faulty home

construction and poor drainage that resulted in flooding of the site. New contracts were required to assess and make needed repairs to the project.

- What steps has USAID taken to ensure that similar issues will not occur with implementing partners in the future?


11. GAO Oversight (Haiti). In GAO's June 2015 report on the Haiti reconstruction effort (GAO-15-517), GAO reported that USAID extended the timeframe for its strategy to reconstruct Haiti from its January 2010 earthquake by three years, to end in 2018. At the same time, GAO had reported that USAID projects under the Haiti reconstruction effort had achieved mixed results, with many projects not fully meeting their intended results and some infrastructure projects in particular years behind schedule. Almost a year has gone by since this GAO report.

- Have any improvements been made in the results projects are achieving and in moving infrastructure projects forward?
- What are the major achievements that USAID expects to have completed by the end of the Haiti reconstruction strategy in 2018?

12. GAO Oversight (Haiti). Based on GAO's reports on Haiti reconstruction (GAO-12-68, GAO-13-558, GAO-15-517) and GAO's previous work on disaster reconstruction, GAO had found multiple cases of cost overruns and delays for such reconstruction projects.

- What lessons has USAID learned from its previous disaster work to be able to make better projections for the funds it needs to respond to future disasters and to better plan the uses for that funding?

[NOTE: Responses to the previous questions were not received prior to printing.]



Rep. Ileana Ros-Lehtinen  
Questions for the Record  
Subcommittee Hearing: Examining FY 2017 Funding Priorities in the  
Western Hemisphere

Luis Arreaga, Ph.D. - Principal Deputy Assistant Secretary  
Bureau of International Narcotics and Law Enforcement Affairs - U.S. Department of State

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1. The 2016 appropriations bill appropriated \$750 million for Central America, with the majority of the funds going towards the northern triangle countries of Honduras, Guatemala, and El Salvador. Of these funds, the Bureau of International Narcotics and Law Enforcement Affairs (INL) was appropriated \$222 million. I remain concerned that INL may not have sufficient contract specialists and contracting officers in the region to be able to properly oversee and manage these funds. How many contract officers with high value warrant are in these countries (Honduras, Guatemala, and El Salvador) to approve contracts for INCLE money? If INL determines that more contract specialists are needed, can you explain how INL will develop a plan to fill those positions?

Rep. Ileana Ros-Lehtinen  
Questions for the Record  
Subcommittee Hearing: Examining FY 2017 Funding Priorities in the  
Western Hemisphere

Ms. Elizabeth Hogan - Acting Assistant Administrator  
Bureau for Latin America and the Caribbean - U.S. Agency for International Development

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1. The 2016 appropriations bill appropriated \$750 million for Central America, with the majority of the funds going towards the northern triangle countries of Honduras, Guatemala, and El Salvador. I remain concerned that USAID does not have sufficient staffing and contract specialists in the region to be able to properly oversee and manage these funds. Can you please describe what the current staffing levels are for USAID in Honduras, Guatemala, and El Salvador? How many staff do you have now and how many do you need in the immediate future to carry out the mission of overseeing these funds? How many contract specialists are in these countries to approve contracts? If USAID determines that more staff is needed, can you explain how USAID will develop a plan to fill those positions?

2. I remain concern that USAID is not prioritizing democracy and governance programs in Nicaragua. In the last year, we have seen countless human rights violations occurring, the deterioration of rule of law, self-censorship by the media for fear of retaliation from the Ortega regime, and have witnessed high level of corruption due to Ortega's complete control over all sectors of the executive, judicial, legislative, and electoral branches. The 2016 appropriations bill appropriated \$10 million for Nicaragua under the Development Assistance account. I firmly believe that the vast majority of these funds should go to help the Nicaraguan civil society organizations and the human rights organization. How can you ensure our subcommittee that the vast majority of the resources go towards democracy and governance funding? Can USAID use CARSII funding to assist the Nicaraguan civil society organizations and the human rights organization?

[NOTE: Responses to the previous questions were not received prior to printing.]

