Written Testimony of

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Chairman McCaul, Ranking Member Meeks, Members of the Committee, thank you for inviting me to speak with you about USAID's approach in Latin America and the Caribbean.

The Administration's policies reflect the region's pressing needs and the reality that the deep connections between the United States and our closest neighbors mean our choices there make a direct impact here at home.

USAID is realizing the President's vision by responding to the region's emergencies, political challenges and opportunities, and historic levels of migration in a way that reflects our values, enhances hemispheric stability, and builds local capacity to address challenges.

This approach not only advances our foreign policy priorities but provides a clear contrast to the approach of the People's Republic of China (PRC) and positions us as the partner of choice in Latin America and the Caribbean. Our stance as a rules-based partner – not a transactional, opaque lender – gives USAID a competitive advantage and our hemispheric neighbors the ability to make their own choices, free from coercion. Our long-term relationships with both the peoples and governments of the region have built trust. In contrast, net approval for PRC leadership has declined by more than 25 percentage points over the last two decades. Our partners know from experience that they can count on us to work with them to address national and regional challenges.

Emergency Response

That includes being there in their moments of greatest need. This year, we've already responded to emergencies in the region – providing relief supplies in response to the recent flooding in Southern Brazil and firefighting equipment and other humanitarian assistance in response to the wildfires in Chile and Colombia. In fiscal year (FY) 2023, USAID provided more than \$527 million in emergency response across Latin America and the Caribbean. This includes market-based and in-kind assistance for food, water, sanitation and hygiene, health, protection, and nutrition needs for people affected by the political and economic crises in Venezuela and Haiti. In areas of Central America affected by last year's El Niño, USAID provided emergency food assistance and supported subsistence farmers to increase their ability to withstand future droughts. At the same time, we are seeing the benefits of investments in disaster risk reduction and preparedness that are now reducing the need for humanitarian assistance.

Haiti

In Haiti, a nation facing serious challenges, USAID is addressing urgent needs as well as supporting a path toward long-term stability.

Since the beginning of FY 2024, USAID has provided over \$105 million in funding for the humanitarian response in Haiti. Non-governmental organizations and United Nations partners are providing more than 1.5 million people with lifesaving assistance and critical logistical support for the movement of humanitarian goods and supplies.

While we work to address immediate and urgent needs, USAID also continues to invest in the long-term socioeconomic wellbeing of the Haitian people. The majority of our programs are still running in Haiti, supporting lives and livelihoods.

We are improving food security by providing food to hundreds of thousands of Haitians a month and by helping 105,000 farmers adopt new technology and increase product yields by 50 to 200 percent in the past 10 years. We are meeting health needs with 92 percent of our 170 USAID-supported clinics still operating despite the gang violence that has afflicted the capital, and by strengthening public health infrastructure – providing one in two children with their immunizations and helping minimize the impacts of the latest cholera outbreak. And we are addressing citizen security with community-based programming that can meet acute needs today and build stronger communities moving forward.

But one of the strongest signals of economic support the United States could send to the Haitian and international community today would be immediately renewing HOPE/HELP trade preferences, giving the private sector the assurances they need to continue to invest in Haiti's textile industry, a backbone of its economy.

USAID recognizes that lasting progress requires not only development but also security and political stability. To that end, USAID has joined interagency efforts to build regional and global support for the Multinational Security Support Mission. We are also supporting efforts to lay the groundwork for the Haitian people to elect a representative government, including by providing more than 2 million people with the ID cards they will need to vote.

Supporting Democracy

Our work in Haiti reflects our drive to advance democratic values across the region.

The region is home to autocratic outliers like Cuba, Nicaragua, and Venezuela. USAID works in those countries to support people who, despite years of repression and highly dysfunctional governance, continue to mobilize to demand democratic change and respect for human rights.

Where we see dangerous erosion by leaders who are consolidating power and undermining checks and balances, we respond with support for civil society, independent media, and transparency. When comparing authoritarian societies and democracies it is democracies that experience lower rates of conflict, higher economic growth, stronger environmental protections, and longer life expectancies.

It is critical that we show the region that democracies can - and do - deliver by capitalizing on the bright spots in the region. We have to be able to surge our efforts when courageous citizens bid on reformers to bring them greater opportunity. That's what we've been doing in the Dominican Republic and Ecuador.

And it is what we are doing today in Guatemala, where USAID is providing a range of support to President Arévalo's team to advance their goals on economic opportunity, citizen security, and anti-corruption, helping ensure that when citizens bet on democracy, they feel the dividends in their everyday lives.

Migration

We have seen how non-democratic rule in one country can impact the entire hemisphere. Millions of people have fled Venezuela in search of freedom and economic opportunity, leading to historic levels of migration across the region.

There are now more than 7.7 million Venezuelan migrants and refugees, nearly 85 percent of whom are relocating within the region. Accordingly, we have supported the bold, generous policies of our partner countries that allow migrants to regularize and integrate into their new host communities. USAID has helped Colombia provide legal residency to 2 million migrants. We are supporting one-stop-shops where they can access schools, health care, bank accounts, and jobs and rebuild their lives. In Peru, we have supported degree validation so migrants can work and contribute at their highest potential. We also have backed similar integration efforts in Brazil, Ecuador, Costa Rica, Panama, and Belize.

This is a win-win approach. Integration not only deters onward migration but also has benefits for the host country. Benefits that include a larger and more skilled workforce, which helps grow the economy and create a larger tax base. For example, International Monetary Fund (IMF) research estimated that by promptly integrating migrants, host countries in the region could increase their respective GDP by as much as 4.5 percent between 2017 and 2030.

USAID has also worked to decrease irregular migration and strengthen worker protection by expanding access to lawful paths like H-2 visas for temporary and seasonal workers. In the northern Central American countries of El Salvador, Guatemala, and Honduras we have worked with our government counterparts to nearly triple H-2 visa issuances and decrease processing time. Visa issuance has risen from 9,800 in FY 2021 to over 28,000 in FY 2023. This is a mutually beneficial practice. It helps American companies fill critical labor gaps and gives workers access to lawful, ethical employment opportunities where they can gain skills and resources to reinvest in their home communities. Further, evidence shows these temporary work visas reduce demand for irregular migration; irregular migration rates in communities that received a high share of temporary work visas were around 11 percent, compared to nearly 30 percent in similar communities that did not.

Treating the symptoms alone is not enough. We must address the causes. Under the Administration's Root Causes Strategy for Migration, USAID's programming is boosting sales and employment for small businesses, increasing farmer productivity and food security, improving education and vocational training, and supporting anti-corruption reformers. While we cannot claim direct causality, there are encouraging signs that our efforts, in combination with other country and donor efforts, are making a difference. Data has shown a sustained, double-digit decline in intentions to migrate from Guatemala and Honduras since the Root Causes Strategy launched in 2021. Total numbers of encounters by U.S. Customs and Border Protection of northern Central Americans fell by nearly one-third in the same time frame.

Growing Our Return on Investment

USAID's work reflects our commitment to get the greatest possible return on our investments. Whether that means leveraging our programs to encourage effective policies, bringing in private sector and other partners who can help us take our dollars further, or using our programming to build the capacity of our local partners so they can sustain progress beyond our programs.

Conclusion

This is a pivotal moment for Latin America and the Caribbean, and the Administration's priorities are helping USAID improve lives and strengthen government institutions. Outcomes that are good for the region, good for our standing in the region, and good for our national security.

Thank you again for the opportunity to speak with you today. I look forward to answering any questions you may have.