

**Written Testimony of Rick Jones,
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“Assessing the Impact of Cutting Foreign Assistance to Central America”

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Chairman Sires, Ranking Member Rooney, thank you for calling this hearing and for the opportunity to highlight the importance of U.S. engagement in Central America, and specifically the need for effective international poverty-reducing humanitarian and development assistance.

My name is Rick Jones, and I am the Senior Technical Advisor for Latin America and the Caribbean for Catholic Relief Services (CRS), the international relief and development agency of the Catholic community in the United States. Last year CRS celebrated its 75th anniversary and we were privileged to serve more than 127 million people in 114 countries. CRS also engages with and educates Catholics and people of good will in the United States about the challenges of global poverty and injustice.

I live in El Salvador and have worked in the region for nearly 30 years. CRS has worked in the Northern Triangle of Central America for more than 50 years to alleviate suffering, cultivate just and peaceful societies, and accelerate the end of poverty, hunger, and disease. In partnership with the U.S. government, the local Catholic Church, and other civil society agencies, we have made gains. U.S. sponsored programs have helped reduce poverty, malnutrition, and violence. Homicide rates dropped by over half in El Salvador from 104 homicides per 100,000 people to 52 from 2015 to 2018 and by 35% in Honduras. Aid has provided economic opportunities for families and communities and fostered positive engagement with the private sector. We currently work with over 300 small businesses who hire young people graduating from our programs that have been funded by the U.S. Department of Labor (DOL).

Nevertheless, today we face a humanitarian crisis at our southern border that demands political, social, and economic attention. But we must not lose sight of the humanitarian crisis in Guatemala, Honduras, and El Salvador that is driving migration northward. Guatemala has the 6th highest rate of malnutrition in the world. Honduras and El Salvador experience two of the highest homicide rates for countries not involved in active war. And climate change and soil degradation drastically alter communities' opportunities to maintain sustainable livelihoods. The Catholic Church believes that people have the right to find opportunities in their home countries and that they have the right to migrate when conditions in their country of origin preclude them from providing for the safety and wellbeing of their families. My colleagues and I working in Central America witness poverty, violence, food insecurity, climate change, and an absence of hope, all contributing factors to what has resulted in hundreds of thousands of people fleeing despair.

Audelio Mejia, who supports his wife and three children by growing corn and beans in Lempira Honduras, is an example of someone who has found hope. He lives in what is called the “Dry Corridor” that runs through parts of Guatemala, Honduras, El Salvador, and Nicaragua. He thought about migrating to better

feed his family in 2014 but he joined a CRS Project we now call Water Smart Agriculture instead and began seeing his corn and bean yields more than double – even in years of drought. In 2018 during 42 days of drought he lost just 10% of his crop, while his neighbors lost 80%. That is the difference between having to find other work for a couple of months in the off season and watching your family starve. Over 2 million small farmers have been affected by drought in the last two years. The Food and Agriculture Organization estimates that 1.4 million people are going hungry and that nearly half the migrants from Central America in the last several years have come from rural areas suffering drought and food insecurity. CRS applied for funds from the Office of Foreign Disaster Assistance to both mitigate hunger and help farmers learn the practices that Audelio Mejia is using to increase his corn and bean yields. The recent decision to suspend aid to Central America means that desperate families will not receive the life-saving support they need.

Cutting humanitarian and development assistance to people fleeing what Bishop Álvaro Ramazzini of Huehuetenango, Guatemala recently called the “violence of poverty” sends a message to many that they are on their own. The question we must ask ourselves today is not if the U.S. should engage or if the U.S. should invest in humanitarian and development programs, but how can we, the U.S. government, civil society organizations such as CRS, and the private sector, engage more productively and effectively in Central America to address the root causes of migration, to provide opportunities for families to thrive in their home communities, and to uphold the human dignity of each and every person so that they are not forced to migrate. If we turn our backs on people like Audelio and retreat from providing humanitarian and development assistance, many will see no alternative but to migrate north.

I. Effective engagement through poverty-reducing humanitarian and development assistance

CRS commends Congress’ steadfast commitment to funding international poverty-reducing humanitarian and development assistance. Furthermore, we recognize Congress’ recent efforts over the last five fiscal years to increase investment in the Northern Triangle through the U.S. Strategy for Engagement in Central America, which has targeted holistic concerns related to security, governance, and prosperity. In CRS’ experience, U.S. investments have made a difference. Too often though we do not hear about the success stories. I would like to share examples of effective programming, funded by the United States and other private donors, that not only have saved lives and alleviated suffering but also have supported the long-term developmental needs of communities and societies, reducing the vulnerabilities to forced migration.

CRS implements projects in Guatemala, Honduras, and El Salvador in youth development, water-smart agriculture, education, health, and emergency response, targeting the people who are most vulnerable to migration due to violence, poverty, and food insecurity. We partner with the Department of State (DOS), the United States Agency for International Development (USAID), DOL, the United States Department of Agriculture (USDA), and the Overseas Private Investment Corporation (OPIC).

Targeted and sustained aid can have dramatic impacts. In 2012, CRS launched Food Security Focused on the First 1,000 Days (SEGAMIL) to reduce chronic malnutrition and improve food security in 263 communities for almost 100,000 people in San Marcos and Totonicapán, two regions in the highlands of Guatemala most vulnerable to food insecurity. Over the six-year USAID funded project, CRS supported small-scale cooperatives and associations to increase production and sales with better technologies and practices; taught rural families the importance of saving for emergencies and investing in their future while providing affordable loans; and improved families’ understanding of how to raise household livestock and expand income from the sale of animals and other related products. Through these three interventions, the project helped reduce the number of people living on less than \$1.25 per day by half. The project also reduced poverty in female-headed households from 29.6% to 8.3%. Furthermore,

through strong social behavior change, chronic malnutrition in children under age five went down an average of 1.5 percentage points per year, more than five times the national average. These achievements illustrate the impact aid has when it is well targeted and sustained.

Opportunities for youth to thrive for a lifetime. In Central America, one in four youth aged 15-24 are unemployed and not in school. Since 2009, CRS has worked with more than 10,000 youth across Central America to help them stay in school, return to school, find a job, or start an entrepreneurial venture. Our work has targeted at-risk youth living in high crime urban areas who have a higher propensity of becoming victims or perpetrators of crime and violence. Adapting the YouthBuild model, developed in the United States in the 1970s, CRS implements Youth Pathways, a DOL funded project, in Honduras and El Salvador. Youth Pathways follows program participants after graduation to ensure effectiveness and sustainability. A 2019 impact evaluation has highlighted results. The baseline study of participants showed 12% were employed. Six months after graduation, employment increased to 45%. Twelve months after graduation employment increased to 56%. And eighteen months after graduation, employment increased to 59%. Furthermore, at enrollment, only 29% of program participants were working or studying. Eighteen months after graduation, 75% of graduates are now working or studying. Youth Pathways, and programs like it, are unleashing young people's potential to change their own lives. By increasing employment opportunities and reducing the gap between training opportunities and labor market demands, Youth Pathways combats two of the strongest push factors of migration, insecurity and limited economic opportunities.

Second Chances, a DOS funded private sector rehabilitation and reinsertion project in El Salvador, has worked with 670 inmates using cognitive behavioral curriculum to shape alternative behavior and self-control to break the cycle of violence. Inmates are showing major improvements. In partnership with El Salvador's General Directorate of Penal Centers, CRS is training key penitentiary staff to integrate our curriculum into the national rehabilitation system. CRS' curriculum provides program participants cognitive behavioral techniques to help adopt positive behaviors that allow them to re-enter society. Allowing youth and young people to thrive includes fostering environments where the system supports a second chance to become a contributing member of society.

Harnessing innovative financing for development. In El Salvador, CRS has structured Azure, a blended finance and technical assistance provider, to improve water and sanitation services for underserved communities. Comprised of two integrated components: Azure Capital LLC, a U.S. based finance company that deploys loan capital through local financial institutions to upgrade and expand water and sanitation infrastructure; and Azure Technical Services, which provides water service providers with design and engineering, system diagnostics, loan application, and management support. Developed in partnership with the Inter-American Development Bank's Multilateral Investment Fund and supported by OPIC, Azure hopes to improve quality of services for 500,000 people through 2020. Innovative approaches to inclusive development such as Azure harness and embody the power of effective public-private partnerships.

Learning for life. Guatemala has 70% chronic malnutrition rates for children in the Western Highlands. CRS' USDA McGovern-Dole Food for Education program serves more than 65,000 students, teachers, and parents, covering 337 public, primary schools. The project provides nutritious school feeding, improves bilingual literacy and reading skills, strengthens the educational community, and supports local value chains by linking Guatemalan small producers to schools. Since 2017, student enrollment in the project area has increase by 2.74%, while national enrollment has decreased. Third grade literacy improved by 21.5% from 2014-2017. But results are not just program specific. In addition to direct provision of services, U.S. foreign assistance allowed CRS to be at the table with the national government to help pass a National

School Feeding Law by the Guatemalan Congress in November 2017. In 2018 and 2019, 50% of food will be procured locally, increasing up to 70% by 2020. The law also increased school feeding investment from \$0.15 per child per day in 2017 to \$0.41 in 2018 to \$0.55 per child per day in 2019. Disbursements in 2018 and 2019 from the Ministry of Education to schools have been timely and complete.

Tools for lasting change. During the first year of drought, a farmer will eat their reserves from the previous years' harvest. The second year, they eat their livestock. The third year, they sell available assets. The fourth year, they leave. For smallholder farmers in Central America, erratic rainfall patterns, rising temperatures, and increasing drought threaten their livelihoods. An estimated 80% of farmland in Central America suffers from soil degradation. 2.2 million farmers in the Central American dry corridor suffer from crop losses, and 1.4 million are food insecure. CRS partners with the Howard G. Buffett foundation to support farmers through water-smart agriculture, the practice of managing soil to manage water and increase yields. Water-smart agriculture protects soil and makes efficient use of water to optimize productivity. In the 2018 drought, 80% of farmers using water-smart agriculture practices produced at least 15% more crops than those that did not. CRS has trained 40,000 people to implement water-smart agriculture. A recent study shows that 20% more farmers would meet their basic maize production needs if they adopted water-smart agriculture techniques. These skills can change a farmer and their family's life. As one farmer said, "To protect our crops, our livelihood and our future, we need to save and protect the soil and water." Water-smart agriculture helps address a cause of migration at the physical root. These efforts are cumulative and cutting off aid will erode the existing success, throwing people back to the conditions where they started.

Improving Sustainable Productivity in the Coffeelands.

In Honduras, coffee provides around 5% of national GDP, employs 1 in 4 workers at some point during the production, processing, and export of green coffee, and is the main source of earnings in rural areas. Since 2012, coffee farmers have been faced with plant diseases, drought, and dramatic price swings in green coffee prices. Recent harvests were characterized by reduced yields and low prices, representing a one-two punch in the gut to small scale farmers and their families. These issues led CRS to partner with Keurig Green Mountain to implement Blue Harvest, a program that seeks to protect water resources, assure coffee quality and productivity, and improve market efficiencies in order to secure a greater portion of value for the farmers. In 2018 alone CRS supported over 1,550 Honduran coffee producers by implementing water and soil protection practices to protect water sources in their highlands and have focused on improving coffee quality through better post-harvest processes. This focus on quality and sustainability has allowed cooperatives supported by Blue Harvest to export for two years consecutively to DR Wakefield and Café Nero with differentials as high as \$0.14/lb, generating over \$900,000 of income. Coffee Cooperatives supported by the program have a contract for 2019 with a \$0.15/lb differential above market value. This is solely based on CRS and partners' efforts to enhance the protection of water resources while assuring coffee quality.

These programs are illustrative examples of the combined impact of U.S. government investment, civil society expertise, and private sector engagement. From public-private partnerships and national policy advocacy to increased literacy, youth employment, and a reduction in poverty, U.S. funded foreign assistance projects are addressing the root causes of migration. The answers to how we should engage are clear, invest in successful models, initiatives, and strategies that target assistance and catalyze development outcomes at scale. Disengaging will not only undermine our collective ability to improve human security, communal prosperity, and good governance today but also exacerbate forced migration tomorrow.

II. The cost of disengagement

The administration announced this summer their intent to suspend \$164M from Fiscal Year 2017 funds (approximately 27% of all FY17 funds), to reprogram \$404M from Fiscal Year 2018 allocations (approximately 82% of all FY18 funds), and to suspend all future humanitarian and development programming in the region. Cutting foreign assistance is counterproductive to addressing issues of security, governance, and prosperity and will create a vacuum for increased instability, poverty, and migration.

Suspending and redirecting funds will have a direct impact on human lives served. CRS was implementing a USAID funded, life-saving humanitarian program to support food insecure households in the eastern dry corridor of Guatemala. Due to the cuts, the project will close this month. More than 7,400 families and almost 30,000 people will not receive services as a result of discontinuing CRS' program alone. The program targeted populations that are vulnerable to migration, helping save the lives of acutely malnourished children and supporting families that have little to eat due to five years of recurrent drought. The project helped accelerate communities' recovery and build future resilience. Eliminating this program prematurely will exacerbate human suffering. Furthermore, CRS leads a USAID funded program supporting 200 Guatemalan communities in 30 municipalities. Women make up 66% of the program participants. Due to the redirection of Fiscal Year 2018 funds and uncertainty about future funding, CRS will need to reduce or stop certain program activities. The project seeks to empower citizens to design and implement community development plans and to improve long-term sustainability of community development by increasing private sector engagement and resources. Decreased engagement will reduce the opportunities for people to thrive in their home communities.

In addition to the immediate, direct impact of cutting assistance to people participating in ongoing humanitarian and development projects, there will be indirect effects moving forward that could have a long-lasting influence on our work in the region. First, an absence of U.S. investment and engagement could halt progress and allow community achievements to regress. For example, reducing homicides requires robust initial investments. To maintain gains, we must follow through with sustained support for communities as they find their pathway out of poverty and violence. Withdrawing support will open the door for communities to slide back to previous levels of violence. Second, community trust is at the core of how we accompany communities and promote subsidiarity. Pulling back on commitments breaks that trust. Third, U.S. engagement and U.S. sponsored programming provide seats at the proverbial table for both civil society and the private sector to engage with local and national governments to foster inclusive development. If we lose trust and credibility as well as seats at the table, we will create a void for other actors to offer influence who may not have the best interest of the poor and the vulnerable in mind. U.S. sponsored projects such as the ones previously mentioned contribute to enhancing community and society conditions that reduce violence, food insecurity, and lack of economic opportunities. By stepping away, we risk increasing vulnerabilities that lead to migration.

III. Recommendations

Preserve and increase humanitarian and development programs in the region. Millions of Catholics support U.S. led efforts to serve the poor and the vulnerable overseas in places such as Central America. CRS commends Congress' steadfast leadership to address humanitarian crises and to seek solutions to human development challenges around the world. We support the House of Representatives recent effort to pass H.R. 2615, The U.S.-Northern Triangle Enhanced Engagement Act, which would authorize funding to the region. As we encounter a humanitarian crisis at our southern border and in Guatemala, El Salvador,

and Honduras, we urge Congress to work with the administration to ensure international poverty-reducing humanitarian and development funds can continue immediately in the region at Congressionally appropriated levels for Fiscal Years 2017, 2018, and 2019. Furthermore, we urge the House of Representatives to ensure protections for Fiscal Year 2020 State and Foreign Operations appropriations for poverty-reducing funding to Central America.

Catalyze development outcomes at scale. CRS has witnessed firsthand that U.S. programs have reduced poverty and malnutrition; increased employment and literacy while promoting policy changes at a national level; fostered public-private partnerships to improve the lives of the poor and vulnerable; and supported innovative agriculture techniques to meet new environmental challenges. To create lasting results, we urge Congress to catalyze development outcomes at scale by lifting up and supporting effective development models and strategies that can foster more just and peaceful societies.

Expand U.S. leadership. The Catholic Church prioritizes the protection and promotion of human dignity. As Pope Paul VI wrote, our collective efforts and solidarity should “allow all peoples to become the artisans of their destiny.” With high rates of violence, a changing environment and climate, lack of economic opportunities and dignified livelihoods, and continued large-scale migration, the U.S must lead at a regional level to ensure we address these challenges in a humane and just manner. Expanding U.S. leadership does not always signify doing more. U.S. leadership also comes in the form of partnership with U.S. based agencies like CRS who sit at the table with government, business, and community leaders seeking local investments that benefit the poor. We urge Congress, through humanitarian and development programming, to empower and accompany local communities and the institutions that support their development to be effective and impactful leaders.