

“Advancing U.S. Interests in the Western Hemisphere”
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Chairman Royce, Ranking Member Engel, and members of the Committee, 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 discuss this critical topic with you. USAID's work advances U.S. national security and economic prosperity, demonstrates American generosity, and promotes a path to recipient self-reliance and resilience.

USAID's engagement in Latin America and the Caribbean is a reflection of the region's proximity to and close ties to with the United States. Events in the region affect us here at home, whether those events include increased migration flows from Central America to our southwest border; the crises in Venezuela and Nicaragua; new governments taking power in Colombia and Mexico; a rise in competing foreign assistance in the region; or corruption and transnational criminal organizations that pose a threat to long-term security and prosperity. Our programs present the most at-risk citizens with legal alternatives to crime and violence, helping to disrupt the influence of criminal organizations and shut down illicit pathways to our borders. USAID works in coordination and cooperation with relevant USG agencies to ensure that our programs are not duplicative and leverages USG foreign policy and strategy in the region.

Responding to Crises and Promoting Democratic Values: Venezuela, Nicaragua, and Cuba

The outflow of Venezuelans is our most pressing priority in South America. To assist those who have fled to neighboring countries, and in partnership with host country governments, USAID has provided humanitarian and development assistance to meet the most urgent needs and help neighboring countries to respond.

However, while humanitarian assistance will help to alleviate the immediate needs of many Venezuelans, it will not—and cannot—address the root causes of Venezuela's instability; lasting political and economic reforms are the only sustainable solutions to the crisis. To help the Venezuelan people maintain their voice, USAID works to support human rights, civil society, independent media, electoral oversight, and the National Assembly in Venezuela. The people of Venezuela deserve a return to democracy and the rule of law, and a peaceful, hopeful future.

Our other urgent concern in the region is for the well-being of the people of Nicaragua, who are suffering a brutal crackdown at the hands of the Ortega government. The United States is the only remaining donor working on democracy, governance, and human rights in Nicaragua, and we are a crucial lifeline for civil society organizations, emerging leaders, and independent media. Since April 2018, thousands of students, members of civil society, and independent journalists have been illegally arrested and attacked, and more than 300 have been killed for exercising their right to peacefully protest government actions, corruption, lack of democracy, and violence.

USAID commends the bravery of students, journalists, human rights defenders, members of civil

society, religious leaders, and indigenous groups who have united their voices in a call for justice, rule of law, and a return to democratic order. From the beginning of the crisis, we have given rapid assistance to civil society groups, human rights organizations, independent media, and others involved in peaceful protest. Our assistance has included digital security for civil society and journalists to combat cyber attacks, grants that enable human rights and civil society organizations to provide legal support to victims, and funds that help journalists to keep the lines of communication open so that they can disseminate accurate information. We remain flexible to respond to needs as they emerge. The United States calls on the Ortega government to cease the repression of protesters immediately and heed the demands of the people of Nicaragua. As the State Department has said, the United States notes the widespread call among Nicaraguans for early elections and believes early elections represent a constructive way forward.

USAID also helps to maintain an operating space for those in Cuba who seek to preserve their basic freedoms of speech, religion, assembly, and democratic voice. Cubans are detained arbitrarily, harassed, beaten, and arrested for peacefully exercising their fundamental rights. USAID's programs in Cuba support human rights, the free flow of information, civil society strengthening, and humanitarian assistance in the form of food and medicine to political prisoners and their families, and other marginalized individuals and organizations. The programs offer a lifeline to improve activists' well-being and reduce their dependence on the state.

Addressing the Root Causes of Migration: The U.S. Strategy for Central America

Central America, particularly the Northern Triangle countries of El Salvador, Guatemala, and Honduras, is also a priority for the U.S. government in the hemisphere. Recent high levels of illegal migration are largely a result of poverty and a lack of opportunity, instability marked by crime and violence, and weak governance, including high levels of corruption and impunity. USAID is working with other USG departments and agencies, as well as the governments of the region, the private sector, and civil society to address the drivers of illegal migration. Our programs focus on engaging young people with workforce training and education before they turn to crime and violence, furthering democratic governance, and addressing the economic conditions that drive people to make the perilous journey north.

To reduce crime and violence, for instance, we focus on at-risk youth and support an integrated approach that combines our prevention efforts with law enforcement efforts by the Department of State in the areas with the highest rates of violence and migration. To increase prosperity, we are improving the business and investment climate, expanding access to markets and financial services, building a skilled workforce, and promoting education alternatives for at-risk youth. In support of good governance, we further accountability, enhance anti-corruption efforts, strengthen revenue generation, and improve the juvenile justice system.

Our work has seen results. Through agriculture programming in Honduras, USAID has increased incomes by more than 97 percent, lifting 29,000 households out of poverty. USAID has leveraged \$51.6 million from the Government of Honduras to co-invest and expand this model of poverty reduction. And thanks to a concerted effort by USAID and the Department of State and leadership from the Government of Honduras, there was a 62 percent decrease in homicides between 2013 and 2015 in the Rivera Hernández neighborhood of San Pedro Sula, Honduras. We are heartened by the overall reduction in homicides in the region; homicides per 100,000

people in El Salvador dropped from more than 100 in 2015 to 81 in 2016 to 60 in 2017, and homicides in Honduras dropped from 59 in 2016 to 46 in 2017. This is important progress.

A Practical Imperative: Haiti

Recent violence in Haiti reminds us that its progress and stability continue to be fragile. USAID's programs address poverty, promote good governance, improve food security and nutrition, fight infectious disease, strengthen primary healthcare services, and advance transparent and accountable government institutions. A more prosperous, stable, and democratic Haiti is mutually beneficial, as it reduces illegal migration to the United States, lowers the humanitarian costs of recurring disasters and crises, reduces transnational crime, and improves a business climate that provides economic opportunities to American businesses. One example of steady progress being made in Haiti is in the agriculture sector, where we have introduced improved seeds, fertilizer, irrigation, and other technologies to more than 118,000 farmers. In the North, the continued development of the Caracol industrial park in which the U.S. Government has partnered with the IDB and the Government of Haiti, now employs more than 13,000 people, most of whom were unemployed prior to the park's opening.

Ensuring Continued Progress: Mexico, Colombia, and Peru

In Mexico, we partner with the government to strengthen national institutions, build rule of law capacity, and promote the protection of human rights. Our efforts include working with at-risk youth to prevent crime, improving access to justice and victims' services, strengthening civil society, and working with communities to make them more effective in combating crime and violence. These programs build upon progress made in the past several years, such as increased use of alternative dispute resolution from 15 to 30 percent in the 12 states where USAID works; the resolution of 1,387 cases resolved in 100 days, compared to a baseline of 319 days; and significantly reduced rates of recidivism among youth in conflict with the law. We look forward to continuing these efforts in collaboration with President-elect Lopez Obrador.

In Colombia, we are working to reduce the flow of illicit drugs and support Colombia's efforts to implement a sustainable and inclusive peace. USAID assistance helps to reduce the power and influence of illegal armed groups, build a culture of legality, expand state presence in former conflict areas, and improve the conditions necessary for licit rural economic growth, which is an important counterpart to U.S. eradication and interdiction programs. Our programs expand access to justice and human rights, strengthen the ability of local governments to provide basic public services, foster reconciliation among those affected by the conflict, build civil society capacity, and increase rural economic development. We have had an impact. For example, over the past 5 years (2012-2017), USAID's work in the four of the top coca producing regions of the country, has supported over 35,000 families and over 520 organizations, while leveraging over \$265 million in public and private resources. We look forward to working with President-elect Duque on these efforts.

In Peru, USAID assistance helps to reduce the flow of illicit drugs into the United States by supporting the Peruvian government's efforts to combat the illicit drug trade through alternative development programs that support licit, economically viable alternatives to growing coca, complement security assistance, and help to sustain reductions in coca cultivation in targeted areas. We also work with communities affected by illegal gold mining - which is more lucrative

than coca production and attracts child labor, human trafficking, violence, and land grabs - by helping them to address social conflicts and rehabilitate affected land. Our work in Peru has seen results. For example, in FY 2017 alone, USAID helped more than 25,000 families transition to licit livelihoods on more than 49,000 hectares of crops, including cacao and coffee.

Cross-Cutting Challenges: Corruption and Transnational Criminal Organizations

Throughout the region, USAID is working to address the long-term challenges of corruption and the influence of transnational criminal organizations. Corruption undermines trust in government, makes it difficult for businesses to operate, threatens the rule of law, and drives people to the United States in search of a better life. Criminal organizations pose a threat to security as they use violence and intimidation to further their illegal activities.

USAID carries out anti-corruption projects in almost all of the countries in which we work in Latin America and the Caribbean. Our projects include work with local and national governments, civil society organizations, independent media, and faith-based organizations to further accountability, enhance transparency, strengthen revenue generation, and improve juvenile justice systems. We seek to help governments become more open, accountable, and responsive to their people's needs, build citizens' trust in local and national government institutions, and teach citizens their rights and responsibilities in democratic societies.

We also work to disrupt the influence and activities of transnational criminal organizations. In drug-producing areas of Colombia and Peru, we work with the governments to provide farmers with lucrative alternatives to growing coca and connecting them with national and international markets. Throughout the region, and particularly under the Caribbean Basin Security Initiative and Central America Regional Security Initiative, we work with youth at risk, especially those at risk of joining gangs and other transnational criminal organizations. Combined with our good governance work that establishes trust in government, these efforts help to bring people into the licit economy and give them a future free of crime, violence, and other illegal activity.

Supporting Greater Access and Inclusion: Energy and Commerce

Throughout the region, USAID has helped to ensure that more people have access to energy, which is crucial to the development of prosperous, secure societies. Our work in Central America has promoted stronger integration of the regional electric power grid, modernization of electricity supply, and improved energy quality to address an underreported drag on productivity and job creation. Projects with governments in Central America and the Caribbean have supported the enabling environment for development of a range of modern energy systems. These efforts are intended to broaden access, improve the quality, and lower the price of electricity to improve the business climate in the region. This supports more job creation, making it less appealing for local citizens to migrate out of the region to earn a livelihood.

The United States' commercial ties with Latin America and the Caribbean support jobs and benefit businesses both at home and in the region. However, inefficiencies such as high cost and time to trade goods across borders undermine regional competitiveness, increase costs for U.S. and local businesses, and hinder countries' ability to compete in the global market and create jobs. U.S. assistance supports customs and trade facilitation through improved infrastructure, training for trade-related government agencies and private sector stakeholders, and enhancing

information technology connectivity of border control agencies. U.S. assistance improved cargo management, contributing to a reduction in the average time to export goods from Guatemala by 40 percent and reduced transport and logistics costs by 30 percent from early 2016 to 2017.

Remaining the Partner of Choice: Addressing Competing Foreign Assistance in the Region

While USAID does not preclude collaboration with like-minded partners where it is in America's national interest, our main goal remains to improve security, prosperity, and good governance in the hemisphere that we share. Where other countries' assistance models may further dependence or unsustainable debt, the United States' model is one of partnership with the countries in which we work. Our development assistance promotes a country's own journey, consistent with U.S.-supported universal values and interests, bolstering our partners' self-reliance and prosperity.

Partnerships

To maximize taxpayer investments, guard against duplication, and ensure greater sustainability, USAID ensures that host-countries are invested in their own development. We coordinate and leverage the work of other donors, the private sector, faith-based organizations, universities, including many U.S. land grant institutions, and non-governmental organizations. We are forging agreements with Mexico, Chile, Brazil, and Colombia to tackle shared challenges in the region. We are also focused on private sector engagement, including with companies based in the United States, to catalyze economic growth, development, and trade in the region. In FY 2016, 57 U.S.-based private sector organizations were engaged in active partnerships in the region, including companies like Chevron, Starbucks, Johnson & Johnson, and CISCO.

Oversight and Data-Driven Decision Making

USAID uses a range of tools, such as monitoring, surveys, evaluations, and assessments, to ensure that our programs are a smart and impactful use of taxpayer funds. We monitor the effects of our programs to help us capture changes at the community or other sub-national levels. We compare these indicators to national or regional averages to help us understand the larger context in which we are working. On average, USAID conducts approximately 20 performance and impact evaluations in Latin America and the Caribbean each year.

Conclusion

USAID's work in Latin America and the Caribbean prioritizes the challenges that most directly affect the United States. We are addressing situations in Venezuela and Nicaragua while confronting the long-term challenges of corruption and the influence of transnational criminal organizations. We will continue to work on the prosperity, security, and good governance programs that encourage people to build better societies for their families and home communities. We thank this Committee for its interest in and support for our work, and look forward to collaborating with you to address the challenges and opportunities in the region.