

BRIEFING ROOM

# Report on the U.S. Strategy for Addressing the Root causes of Migration in Central America

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Vice President Harris launched the Root Causes Strategy on July 29, 2021, to align U.S. Government efforts to address the economic, governance, and security drivers of irregular migration from Central America. Tackling the persistent challenges that drive irregular migration requires sustained political will and cooperation across a broad range of stakeholders to foster long-term development in the region. The Vice President has led progress on the Administration's Strategy, including by traveling to Guatemala, Mexico, and Honduras to launch new initiatives that sustainably address the root causes of migration.

Recognizing the important role for the private sector, Vice President Harris brought together private sector leaders through a Call to Action, which has resulted in over \$1.2 billion in private sector commitments in Central America to create new jobs and opportunities for people in the region. Vice President Harris also engaged partners around the world to support our work and generate new commitments.

The Biden-Harris Administration's strategy represents a comprehensive approach to promoting inclusive economic growth in the region with a sharp focus on strengthening democratic governance and combatting corruption, women's empowerment, climate change, human rights, security and curbing gender-based violence. It integrates various U.S. Government tools, including foreign assistance, development finance, public diplomacy, and economic sanctions and visa restrictions. Because the region's long-term development will require more than just the resources of the U.S. Government, the Strategy forges strong partnerships with the private sector and international partners.

## **Mobilizing Private Sector Investment**

The Vice President's leadership has brought together private sector leaders through a *Call to Action*. In collaboration with the Partnership for Central America, this has resulted in more than \$1.2 billion in private sector commitments in Central America to create new jobs and opportunities for people in the region. The *Call to Action's* six focus areas are intended to support long-term development of the region. They are: promoting a reform agenda; digital and financial inclusion; food security and climate-smart agriculture; climate adaptation and clean energy; education and workforce development; and public health access.

Companies that have made investments and commitments in the region include Microsoft, Nespresso, Mastercard, CARE International, Cargill, Grupo Mariposa, Parkdale Mills, PepsiCo, JDE Peet's, and PriceSmart. These initial commitments are already bearing fruit. Some highlights include:

- **Internet Access:** Microsoft catalyzed the development of digital access training centers, clean off-grid energy, and broadband access covering a population of 1.1 million people, and is on track to connect 4 million people to broadband by 2024.
- **Support for Farmers:** Nespresso works with over 1,200 farms in Guatemala to improve livelihoods in the region. The company announced its first-ever coffee sourcing from Honduras and El Salvador, with plans to increase activities in the region for the next harvest season. This is part of the company's commitment to support the region's economy with a minimum of \$150 million to be spent across coffee purchases, price premiums, and technical assistance by 2025.
- **Digital and Financial Inclusion:** Mastercard committed to bring five million people in El Salvador, Guatemala and Honduras into the formal financial economy and to digitize one million micro and small businesses. The company established a Digital Country Partnership with Guatemala's Ministry of the Economy, accelerating their work to bring five million people in El Salvador, Guatemala, and Honduras into the formal financial economy. This will also enable one million micro and small businesses to access online payment and management systems.

- **Job Creation and Supply Chain Resilience:** Parkdale Mills is investing \$150 million in a new yarn spinning facility in Honduras. This support will provide customers with sources for purchasing one million pounds of yarn per week within the region while increasing U.S. supply chain resilience. The investment is intended to support roughly 500 employees at each location and increase indirect job growth in Honduras and in the United States, particularly in the U.S. cotton industry across 18 states. The investment also includes \$24 million in new investments in solar energy, water recapture, and energy efficient HVAC systems.
- **Infrastructure and Renewable Energy Investments:** PepsiCo will invest at least \$190 million in northern Central America through 2025. The company’s planned investments include improvements to its infrastructure and manufacturing plants; expansion of new distribution routes; IT projects; and investments aligned with its “pep+” (PepsiCo Positive) agenda. This includes spreading regenerative farming practices across seven million acres (which is approximately the size of the company’s entire agricultural footprint), becoming Net Water Positive by 2030 by reducing absolute water use and replenishing watersheds, and achieving net-zero emissions by 2040 by increasing the use of renewable energy, among other efforts.
- **Support for Small Businesses:** Grupo Mariposa will provide over 70,000 small-business owners with access to credit and digital services. It will also support 3,500 small and medium-enterprises with access to telemedicine, education, and Internet connectivity, impacting more than 200,000 people and expanding healthcare and telemedicine solutions to 2,000 remote communities. In addition, it will invest more than \$10 million to grow its coffee footprint, creating more than 500 new jobs and supporting more than 400 small and medium-sized coffee producers to increase productivity and earnings potential.
- CARE announced its plans to establish a \$50 million Center for Gender Equity in Central America focused on women and young people and designed to reach 500,000 individual women and their families, impacting two million people in total. The Center will support public and private programs in the region – scaling up those that work – to support financial inclusion, women’s economic empowerment (including

in the protection of labor rights and in supporting entrepreneurship), improved agricultural outcomes, and reductions in gender-based violence. In particular, CARE will support companies joining the Call to Action with technical assistance to ensure that a gender-based lens is applied to new programs and investment.

### **Creating Economic Opportunity**

- **Job Creation:** In Fiscal Year 2021, USAID support to private sector firms in El Salvador, Guatemala, and Honduras helped create more than 70,000 jobs, spurred \$415 million in sales, and supported agricultural producers to gain access to \$860 million in financing. In Honduras, USAID helped establish a new \$20 million loan facility to lend to underserved agricultural clients, especially women agribusiness owners.
- **Mobilizing Investment:** Through USAID's Guatemalan Entrepreneurship and Development Innovation initiative, announced by Vice President Harris in June 2021, USAID has leveraged \$59 million, against its \$7.5 million investment, from international and local private sector partners to scale technology-driven, market-led solutions to critical development challenges throughout the country.
- **Public-Private Partnerships:** U.S. Government advocacy contributed to Guatemala's first public-private partnership (PPP) project in November 2021, which will extend and repair the highway that connects the capital with the country's primary Pacific port, Puerto Quetzal, and can serve as a model for other infrastructure investment and help Guatemalans bring their products to the global market. The U.S. Trade and Development Agency (USTDA), in December 2021, awarded a feasibility study grant to develop a PPP that would install LED streetlights along more than 500 kilometers of highway across El Salvador to improve safety, increase energy efficiency, and lower energy costs. These PPPs can serve as powerful models for future infrastructure investment collaboration in the region.
- **Access to Finance:** In October 2021, the U.S. International Development Finance Corporation (DFC) disbursed \$100 million to the Central American Bank for Economic Integration (CABEI) to fund financial

institution intermediaries in El Salvador, Guatemala, and Honduras which will then lend to micro, small, and medium enterprises (MSMEs) to support economic recovery in the wake of the COVID-19 pandemic. The DFC, with USAID funding, provided additional loan guarantees to entities in El Salvador and Honduras to enhance lending to women-led small and medium enterprises (SMEs) and SMEs in high growth sectors of the economy to support economic growth and job creation within historically marginalized communities. In September 2021, USAID finalized a new loan guarantee that is facilitating access to loans for SMEs in the Western Highlands of Guatemala, a region with high levels of out-migration.

- **Trade Facilitation:** In August 2021, the Department of Commerce’s Commercial Law Development Program (CLDP) and International Trade Administration (ITA) conducted a regional trade facilitation workshop with Guatemalan customs and trade ministries. In May and June of 2022, CLDP will host two workshops in Honduras on customs valuation and communication. These workshops are part of a multiphase effort to promote transparency, cooperation, and coordination among the northern Central American governments and improve inter-regional trade.

## **Strengthening Health and Education**

- **Vaccine Doses:** To assist people in the region in combating the COVID-19 pandemic, the U.S. Government has delivered more than 15 million free-of-cost vaccine doses bilaterally and in partnership with COVAX to countries in northern Central America. Vaccination rates are steadily increasing in all three countries with Guatemala at 33 percent, Honduras at 46 percent, and El Salvador at 66 percent of their populations completing the initial COVID-19 vaccination protocol.
- **Vaccine Financing:** In September 2021, the DFC, in conjunction with Citigroup Inc., provided a risk management solution to Gavi, the Vaccine Alliance, to mitigate risk and overcome financial hurdles with governments that are funding COVID-19 vaccine purchases through the COVAX Facility. Of the \$383 million in political risk insurance provided to Gavi, \$50 million was provided to support allocation of vaccines to

## Guatemala.

- The U.S. Government has provided \$26.4 million to El Salvador, \$81.5 million to Guatemala, and \$57.1 million to Honduras to support the fight against COVID-19 and strengthen health systems. Assistance is supporting training health care workers and public health staff in critical care management and safe and effective administration of vaccines, building laboratory capacity, strengthening contact tracing efforts, sharing critical information to prevent the spread of disease, providing technical assistance for the health information systems needed to evaluate vaccine distribution equity and monitor vaccine safety, and bolstering oxygen systems to ensure availability for patients who need them in Guatemala and Honduras.
- **Education:** In El Salvador in November 2021, USAID launched a \$20 million Scholarships for Education Project to curb irregular migration by increasing equitable access to formal educational opportunities for 6,450 returnees and potential migrants. In Honduras, USAID installed Internet hotspots in 60 community learning centers and increased access to remote learning for more than 5,000 people, including more than 600 returned migrant children. USAID also completed repairs on and expansions to two schools in western Honduras, which serve more than 1,800 local students in this area of high out-migration. In Guatemala, USAID provided education assistance to more than 6,300 at-risk youth and launched new partnerships to strengthen English language programs.

## Enhancing Climate Resilience and Food Security

- **Humanitarian Assistance:** Since April 2021, USAID reached approximately 1.9 million people impacted by recurrent droughts, COVID-19, and severe damage from Hurricanes Eta and Iota in northern Central America with life-saving humanitarian assistance such as emergency food assistance, health, livelihoods restoration, protection, shelter as well as water, sanitation, and hygiene (WASH) support.
- **Food Security:** The U.S. Department of Agriculture (USDA) provided \$30 million to expand its Food for Progress program in Guatemala, which

will enable it to reach an additional 18,000 producers. USDA provided \$45 million to expand its McGovern-Dole school feeding, health, nutrition, and educational programming in Guatemala and Honduras, reaching an additional 124,000 beneficiaries, with a projection of nearly 400,000 beneficiaries over the life of the program. In addition, in Fiscal Year 2021, USAID's Feed the Future activities in Honduras directly assisted nearly 16,000 farm families and agribusinesses in adopting technologies to increase yields. This assistance contributed to over \$23 million in incremental sales. In Guatemala, USAID's Feed the Future activities created nearly 30,000 jobs and over \$76 million in sales while leveraging over \$10 million in financing and \$6 million in investment in the agricultural sector.

### **Combating Corruption**

- **Anti-Corruption Task Force:** In June 2021, Vice President Harris announced the establishment of the Department of Justice's Anti-Corruption Task Force (ACTF). The ACTF subsequently created a new tip line for reporting corruption in the region and the FBI has reviewed and followed up on the resulting tips. The ACTF continues to operate the tip line and relies on relationships with counterparts, witnesses, cooperators and others in the region to streamline and prioritize investigations. In addition, the number of Department of Justice Resident Legal Advisors (RLAs), supported by the Department of State, was increased throughout the region, and RLAs continue to work with their counterparts in El Salvador, Guatemala, and Honduras. In November 2021, an RLA-assisted Honduran anti-corruption unit secured guilty verdicts against the former minister of health and former minister of labor on charges of embezzlement, bribery, fraud, and money laundering.
- **Sanctions and Visa Restrictions:** In December 2021, the Department of the Treasury imposed sanctions on officials in El Salvador and Guatemala in connection with public corruption pursuant to the Global Magnitsky sanctions program, which allows for the targeting of corruption and serious human rights abuse. In addition, the Department of State publicly designated several Guatemalan and Salvadoran officials under Section 7031(c) of the Department of State, Foreign Operations, and

Related Programs Appropriations Act for their involvement in significant corruption, generally rendering them and their immediate family members ineligible for entry into the United States. Prior to these actions, the Department of State publicly included multiple current and former officials and private individuals on the Section 353 Corrupt and Undemocratic Actors List generally rendering these individuals ineligible for visas and admission to the United States. In August 2021, the United States also launched a new visa restriction authority under Section 212(1)(3)(C) of the Immigration and Nationality Act on the issuance of visas to current or former Guatemalan, Honduran, or Salvadoran government officials and other individuals believed to be responsible for, or complicit in, undermining democracy or the rule of law.

- **Audit and Oversight:** To promote transparency and fight corruption, USAID trained 100 auditors in Guatemala’s Specialized Center for Tax and Customs Crimes to better identify tax crimes, donated computer equipment for use in field audits, and provided technical assistance on the documentation of criminal complaints. With USAID support, the Center has recovered nearly \$80 million in tax revenue since its inception.

### **Advancing Democracy, Promoting the Rule of Law, and Protecting Human Rights**

- **Democratic Elections:** The Department of State and USAID engaged all levels of Honduran society and the government ahead of the November 2021 presidential election to promote free, fair, and peaceful elections that reflected the will of Honduran voters. USAID assistance helped facilitate the country’s election through support to journalists and civil society organizations to objectively report on information about the election process, independent analyses that informed recommendations on elections security, and get out the vote campaigns. USAID also supported the strengthening of electoral management bodies. The Department of State supported training for police officers in advance of the elections, including content on the use of force and relevant election laws and procedures, and distributed 20,000 election day pocket guides to police officers emphasizing the importance of respecting the rights of



all citizens to vote. The election, characterized by high voter turnout, resulted in the peaceful election of the country's first woman president.

- Across the northern Central American countries, the Department of State and USAID worked together to promote human rights, labor rights, and press freedom. USAID increased resources to respond to rising protection needs, providing critical support to journalists, human rights defenders, and anti-corruption champions. USAID provided timely assistance to more than 30 human rights defenders and democracy advocates in El Salvador, Guatemala and Honduras. To respond to high rates of extortion, human trafficking, and violence among marginalized sexual and gender minority individuals, USAID supported LGBTQI+ civil society organizations to address regressive policies and advocate for reforms to key laws. In Honduras, this included advocating for transgender individuals to be able to legally register under their chosen names, rather than the names on their birth certificates under the law governing the National Persons Registry. A public petition garnered more than 4,000 signatures before submission to the Honduran National Congress in November 2021. As the Congress considers its response, LGBTQI+ advocacy groups are engaged in related advocacy and policy efforts to further promote necessary protections. In addition, U.S. Southern Command's Human Rights Initiative has efforts in all three northern Central American countries, helping to institutionalize respect for human rights in partner nation armed forces doctrine and professional education.
- **New Technical Assistance to Promote Labor Rights:** The Department of Labor (DOL) recently announced \$20 million in new programs in northern Central America. Activities will focus on increasing collective action to address child and forced labor and improve occupational safety and health conditions of workers in the region. Efforts also will improve the ability of workers to exercise their labor rights in agricultural supply chains in Guatemala and Honduras and the textile/apparel sector in El Salvador.
- **Labor Roundtables:** In June and July 2021, DOL hosted nine labor roundtables, convening over 50 unions and civil society organizations from the United States, El Salvador, Guatemala, and Honduras to discuss

the nexus between labor issues and migration.

### **Combating Crime and Increasing Security**

- **Human Smuggling:** In June 2021, Vice President Harris announced the creation of a regional task force to identify, disrupt, and prevent migrant smuggling and human trafficking operations. Working with partners in the region, the Departments of Justice and Homeland Security's Joint Task Force Alpha, which targets human smuggling, continues to identify and pursue priority human smuggling cases for prosecution within the United States. Department of Justice RLAs, with Department of State support, are working with counterparts in El Salvador, Guatemala, and Honduras to pursue investigations and prosecutions. In November 2021, prosecutors mentored by RLAs obtained indictments against twenty members of a human smuggling organization (HSO) that operated throughout El Salvador and Guatemala. In a coordinated effort, Guatemalan police and prosecutors also executed search warrants at five locations linked to the same HSO. In January 2022, as part of another coordinated investigation with DHS's Homeland Security Investigations, Guatemalan authorities executed 19 search warrants, seized over \$200,000, and arrested ten Guatemalan nationals for violations of foreign law related to human smuggling and money laundering. In Honduras, U.S. government efforts resulted in the formation of a migration task force to focus on investigation and prosecution of smuggling and trafficking networks. Since January 2021 this and other border security programs have resulted in the arrest of 283 alleged human smugglers, the rescue of 200 minors, and a tripling in the number of migrants checked against U.S. criminal and terrorist databases.
- **Money Laundering:** In November 2021, U.S.-mentored prosecutors in Honduras secured money laundering convictions against seven Honduran nationals who were high-level members of the Byron Ruiz drug trafficking organization previously convicted of aggravated drug trafficking charges in Honduras.
- **Civilian Law Enforcement:** The Department of State worked to professionalize security forces across the region by training more than 5,000 civilian police in calendar year 2021 on topics such as community

policing, investigations, and human rights.

- **Conventional Weapons Destruction:** In 2021, the Department of State provided explosive ordnance disposal and stockpile management training to 86 security forces personnel, destroyed 7.91 metric tons of obsolete munitions, and provided physical security upgrades to vulnerable weapons storage facilities in El Salvador and Guatemala to prevent the illicit pilferage and proliferation of State-held weapons which contribute to armed violence and criminal activity in the region.
- **Regional Information Sharing:** The Department of State supported a regional effort to share criminal intelligence about transnational criminal organizations and associated criminals in Central America, with a focus on migrant smuggling and human trafficking. In 2021, this effort facilitated the identification of nearly 1,200 members of transnational criminal organizations.
- **Reinsertion of Former Offenders:** In El Salvador, USAID supported an innovative and evidence-based reinsertion model for adult and youth populations exiting prison and gang-involvement, which in the last year has led to a 70 percent success rate of participants receiving employment or consistently participating in skill building support and not re-offending.

### **Focusing on Women and Youth**

- **Gender-Based Violence:** In February 2022, USAID awarded a \$5 million grant to El Refugio de la Niñez, a Guatemalan NGO, to expand education, legal, housing, medical, psychosocial and other services to survivors of trafficking in persons and unaccompanied migrant children. In September 2021, the Department of State supported the design and implementation of a specialized course for Honduran prosecutors on gender-based violence, including domestic violence, which launched with an initial class of 25 prosecutors in February 2022. U.S. support is helping the Honduran National Police revamp its training curriculum to focus on incidents of gender-based violence and train 911 operators on how to prioritize and route the more than 60 reports of such violence daily. U.S. programs are also significantly increasing post-violence victim support and resources.

- **Young Women’s Empowerment:** With the June 2021 launch of its \$40 million Young Women’s Empowerment Initiative, USAID is partnering with Guatemalan indigenous and women’s organizations, private sector, and international organizations to increase education, professional training, and income-generating opportunities for thousands of indigenous Guatemalan women and girls.
- **Women Entrepreneurs:** The Department of State’s Academy of Women Entrepreneurs (AWE) program in northern Central America provides women participants the knowledge, networks, and access to launch and scale their businesses through a proven combination of business classes, professional mentoring, and seed money. In September 2021, Honduras added 315 new participants and in November 2021, Guatemala graduated a class of 120 women, including representatives from highland and Afro-Guatemalan Garifuna communities with high rates of emigration, while El Salvador graduated a class of 176 women, 36 of whom received \$24,000 in seed capital to invest further in their businesses and create jobs in their communities.
- **Advancing Women’s Economic Empowerment:** On January 4, 2022, USAID launched the *MujerProspera* (WomenProsper) challenge, seeking solutions that advance women’s economic security, employment, and/or entrepreneurship in El Salvador, Guatemala, and Honduras. With this challenge, USAID expects to issue up to 14 awards each valued between \$150,000 and \$500,000 later this spring.
- **At-Risk Youth:** Since July 2021, USAID has provided psychosocial support and family counseling, gender-based violence prevention activities, life-skills training, vocational workshops, digital inclusion, sports and arts activities, and alternative education for youth left out of the formal education system for more than 27,500 children and youth in 80 high-crime and out-migration communities of the north, central, and western regions of Honduras. The Department of State worked with certified Gang Resistance Education and Training (G.R.E.A.T.) instructors across Honduras to reach more than 100,000 children and help strengthen their ability to resist gang recruitment. In El Salvador, USAID launched a \$20 million alliance (which includes \$10 million in private sector leverage) with local partner Glasswing International to

improve citizen security in targeted Salvadoran communities to help reduce irregular migration, with a goal of reaching 30,000 people (mostly youth) in five years with economic and educational opportunities.

### **Enhancing Partnerships**

- **Engaging Local Organizations:** In November 2021, USAID announced *Centroamérica Local*, a five-year, \$300 million initiative to empower local organizations in El Salvador, Guatemala, and Honduras to address the drivers of irregular migration to the United States.
- **Cooperation with Mexico:** In December 2021, the United States and Mexico announced *Sembrando Oportunidades*, a new framework for development cooperation to address the root causes of irregular migration from El Salvador, Guatemala, and Honduras. These efforts are underway. In El Salvador, USAID is providing scholarships to graduates of Mexico's youth workforce program, and in Honduras, USAID and its Mexican counterpart aim to reach more than 500,000 at-risk youth with skills and experience that can lead to long-term employment.

### **Diplomatic Engagement Around the World to Address Root Causes**

- The Vice President has recognized the need to internationalize her efforts, and has been rallying partners around the world to support U.S. efforts to address the root causes of migration. The Vice President's extensive diplomatic engagement with leaders around the world includes the following important new commitments:
- **Republic of Korea:** After the Vice President met with South Korean President Moon Jae-in, the Republic of Korea doubled foreign assistance to northern Central America to \$220 million over five years.
- **Japan:** The Government of Japan committed to closer collaboration and has provided nearly \$22 million in assistance to the three countries of northern Central America.
- **Israel:** The Israeli government announced it would collaborate with USAID on agriculture, watershed management, and violence prevention programs in Guatemala and Honduras.

The Vice President's diplomacy helped establish the United Nations Humanitarian Response Plans for Honduras, El Salvador and Guatemala. She has worked with the European Union and Canada, which have become the largest donors to the effort after the United States.