



United States Department of State

Washington, D.C. 20520

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AUG 11 2011

CONGRESSIONAL NOTIFICATION TRANSMITTAL SHEET

We wish to inform you of the Department of State's intention to program Fiscal Year 2011 Economic Support Funds (ESF) and International Narcotics and Law Enforcement (INCLE) as described below. This notification is being submitted on behalf of the Department of State's Bureaus of Western Hemisphere Affairs and International Narcotics and Law Enforcement and USAID's Bureau for Latin America and the Caribbean.

- Department of State - \$101,508,000

The funds will be used to support implementation of the Central America Regional Security Initiative for Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.

The attached notification was sent to the Congress on AUG 11 2011 .
Obligations may be incurred in fifteen calendar days.

Sincerely,

David S. Adams
Assistant Secretary
Legislative Affairs

Enclosure:

As stated.

**UNITED STATES DEPARTMENT OF STATE
CONGRESSIONAL NOTIFICATION**

PROGRAM: Western Hemisphere

APPROPRIATION CATEGORY: Economic Support Fund (ESF) /
Economic and Social Development
Fund (ESDF)
International Narcotics and
Law Enforcement (INCLE)

PROJECT TITLE: Central America Regional Security
Initiative – Belize, Costa Rica, El
Salvador, Guatemala, Honduras,
Nicaragua, Panama

INTENDED 2011 OBLIGATION: \$30,000,000 (FY 2011 ESF)
\$71,508,000 (FY 2011 INCLE)

The U.S. Department of State and USAID intend to obligate up to \$30,000,000 in FY 2011 Economic Support Funds (ESF) and up to \$71,508,000 in FY 2011 International Narcotics and Law Enforcement (INCLE) funds to support the Central America Regional Security Initiative (CARSI). This notification is being submitted pursuant to section 634A of the Foreign Assistance Act of 1961, as amended, and sections 7015(c) and (f) of the FY 2010 Department of State, Foreign Operations, and Related Programs Appropriations Act, 2010 (Div. F, P.L. 111-117), as carried forward by the Full-Year Continuing Appropriations Act, 2011 (Div. B, P.L. 112-10).

Central America continues to experience a citizen security crisis that is threatening the significant democratic gains the region has made over the past several decades. The region is marked by surges in murder rates, significant inroads by transnational gangs and narcotics traffickers, and rising levels of crime and insecurity. The levels of violence are among the highest in the world, and security has become the number one concern of citizens, even ahead of economic concerns. To address these on-going concerns, the Department of State and USAID intend to use these funds as described below in the seven nations of Central America:

ECONOMIC SUPPORT FUND (ESF): \$30M

USAID – Economic and Social Development Fund (ESDF): \$27.5M

State – Bureau of Western Hemisphere Affairs – Economic Support Funds (ESF - \$2.5M)

Governing Justly and Democratically - \$30M

The ESDF is designed to address the underlying economic and social conditions that lead to community vulnerability to crime and insecurity. ESDF activities directly contribute to the achievement of CARSI objectives and, in particular, to improving the capacity of the justice sector in the region and to prevent conditions leading to gang membership by the region's youth.

The impact of high crime rates on youth in Central America is significant, with young urban men as the primary victims and perpetrators of crime. Several countries also report high rates of violence against women and girls. This crisis in public safety undermines the region's development efforts, erodes citizen confidence in the rule of law and democratic governance, and also undermines investor confidence, limiting job creation and income generation that should be part of the solution.

Youth gangs (maras or pandillas) are associated with these rising crime rates, and gang members are involved in a wide range of criminal activities. Although specific conditions vary by country, the root causes of gang violence are similar: high levels of youth unemployment; marginalized urban areas with minimal access to basic services; insufficient access to educational and economic opportunities; overwhelmed and ineffective justice and governance institutions; easy access to arms and an illicit economy; dysfunctional families; and high levels of intra-familial violence. The result is a high level of economic exclusion for at-risk youth, who see joining gangs as their only alternative. Gangs and youth violence problems are complex, and USAID supports an integrated and coordinated response that incorporates prevention, intervention, and law enforcement approaches.

USAID will utilize \$27.5 million in FY 2011 ESDF funds to support multi-year programs that commenced with FY 2008 – FY 2010 funds. Three complementary programmatic areas will be supported:

1) National and Regional Level Political Reforms / Rule of Law: Both ESDF and INCLE funding will be used in an integrated strategy to promote the rule of

law, support justice sector reforms, and further respect for human rights in Central America. Activities funded through ESDF and described here will be included in this integrated justice sector reform agenda.

National level policies and reforms aimed at strengthening rule of law institutions reflect the Central American government's commitments to reduce violence and simultaneously will serve to create the environment needed to institutionalize and sustain the U.S. Government's efforts under CARSI. Policy efforts to secure more resources for prevention will be addressed at the national and regional level by building on the region's commitment to prioritize prevention and juvenile justice policies. USAID is also focused on improving the effectiveness of the judicial systems in the region as Central American countries transition to the oral accusatory system.

2) Municipal Crime Prevention: USAID supports local Municipal Crime Prevention Committees comprised of local and national stakeholders that develop crime prevention plans based on the diagnosis of the risk factors leading youth in crime and violence. These plans focus on vocational training, job placement, after-school activities, community centers, and support for crime observatories that coordinate data sharing to track crime statistics. This information is used to inform local policy makers on where they should be targeting their resources and programs. USAID also complements the work of INL in community policing by focusing on leadership development and community outreach for local police. While INL focuses on setting-up Model Precincts and training in investigative techniques, USAID's efforts target leadership development and improvement of the relationship between police and communities where levels of trust are extremely low. A major program priority is also greater engagement with private sector actors to leverage their funds for expansion of social prevention efforts.

3) Services for Youth at Risk: Services for youth at risk are identified in the Municipal Crime Prevention plans referenced above, and USAID provides support through sub-grants to local organizations carrying out these activities. Programs include efforts to establish outreach centers in high-risk communities, along with vocational training centers targeting youth at risk. Sustainability measures are integral to all programs; these will include invigorating local government ownership and capacity to play a greater role in community security, helping towns and communities to mobilize both private and public funding, and supporting local leaders as they design and develop their own anti-gang and community development initiatives.

Among the expected results are: networks of municipalities actively engaged in community-driven crime and gang prevention programs; establishment of processes and legal frameworks for social prevention and juvenile justice; infrastructure improvements in low-income areas to increase accessibility and foster job creation; greater engagement of business leaders in the funding and operation of youth centers, job opportunity, and scholarship programs; an increase in the number, types, and reach of education and job-training programs for youth, including out-of-school and after-school programs; and the establishment of citizen boards and committees actively working with police and government actors to improve security in their towns and cities. USAID programs will also include a strong monitoring and evaluation component to measure program impact.

Funds are allocated for the following specific country and regional programs:

El Salvador (\$7,850,000): USAID/El Salvador is implementing a robust program to support CARSI and will utilize FY 2011 funds to launch the next phase of our engagement and to support program administration.

- **National and Regional Level Political Reforms/ Rule of Law:** The Government of El Salvador (GoES) has demonstrated its political commitment to social prevention through its adoption of the National Strategy on Municipal Crime Prevention. USAID will work with the GoES to collaborate on this strategy as well as support other rule of law efforts, including implementation of the new criminal procedure code.
- **Municipal Crime Prevention:** Funds will support USAID's "Crime and Violence Prevention Project," which builds local and national capacity to identify crime patterns, plan and implement crime and violence prevention projects, measure the success of new initiatives, and replicate best practices. With FY 2011 funds, the program will build on the GoES' commitment to working on developing municipal crime prevention plans. These efforts will include diagnostics of the risk factors, mapping of social services and gaps to be filled, development of crime prediction tools, and community policing. The Salvadoran private sector has also been identified as a significant counterpart and programs will leverage their know-how and financial resources.
- **Services for Youth at Risk:** As part of municipal crime prevention plans, USAID will expand services to youth at risk, in particular addressing two

key risk factors: the need for job opportunities and improved access to education.

Guatemala (\$5,000,000): Funds will support USAID's comprehensive "Crime Prevention Program," a five year program that was initiated during the 3rd quarter of FY 2010. This program will support sustainable interventions for at-risk youth, community-based policing initiatives, and activities to strengthen municipal governments and services that reduce community vulnerability to organized crime and gangs.

- **National and Regional Level Political Reforms / Rule of Law:** USAID continues to support rule of law efforts and implementation of the criminal procedure code. Efforts include support for 24 Hour Courts and the High Impact Court to prosecute sensitive cases in coordination with the International Commission Against Impunity in Guatemala (CICIG).
- **Municipal Crime Prevention:** Strengthening municipal government and services reduces community vulnerability to crime. Funds will support local economic development initiatives in targeted geographic areas, such as Alta Verapaz, including infrastructure projects to improve basic services and community security and activities to promote community participation in local decision-making. Funds will also support expansion of community-based policing programs in high-risk communities to address community conditions that contribute to violent crime.
- **Services for Youth at Risk:** Funds will continue to expand youth facilities and activities in marginal urban areas to provide safe spaces for at-risk youth, and vocational and educational opportunities, as well as rehabilitation, for youth who have left gangs. Interventions will be prioritized based on community and youth decisions. Support for at-risk youth is an important priority for the Government of Guatemala, as expressed in their social cohesion and crime prevention programs.

Honduras (\$5,500,000): In FY 2011, USAID will continue to utilize an integrated approach to support municipal crime prevention and services for youth at risk, including education and job opportunities. USAID is partnering with the Government of Honduras, local governments, civil society organizations, and the private sector to target urban areas facing gang problems (e.g., Tegucigalpa, San Pedro Sula and La Ceiba) and the most vulnerable rural communities with the highest incidence of drug trafficking (e.g., border towns with Guatemala).

- **National and Regional Level Political Reforms:** At the national level, the program will facilitate broad participation in implementation of a national crime prevention policy and improved coordination among host government actors, private sector, and civil society on social prevention efforts.
- **Municipal Crime Prevention:** USAID will expand its municipal crime prevention activities to address key risk factors leading youth into gang activity. The program will strengthen alliances with municipalities, civil society, and the Government of Honduras' Gang Prevention Program. USAID will also support the development and implementation of community-led infrastructure projects in areas impacted by gangs and drug trafficking.
- **Services for Youth at Risk:** USAID activities will help provide at-risk youth in drug trafficking and gang hot spots with an alternative means to achieve basic education and vocational training linked to real job opportunities. These activities will be implemented in conjunction with U.S. and Honduran civil society organizations, private sector training providers, the Ministry of Education, and the Center for the Development of Human Resources.

Nicaragua (\$1,000,000): FY 2011 funds will incrementally fund USAID's education program for at-risk youth, a five year program which commenced during the 3rd quarter of FY 2010.

- **Services for Youth at Risk:** Gangs and vulnerable youth are a particular concern in the Atlantic Coast region of Nicaragua, due in part to increasing drug trafficking and drug consumption. Primary and secondary school completion rates are much lower than the national average. USAID will work with local governments and the private sector to provide scholarships for children in grades 4-6 (preventing early drop-out) and high school students, as well as to fund scholarships in vocational and other courses for out-of-school youth. The program targets those youth of the southern Atlantic Coast region who are especially vulnerable to the lures of narcotics and trafficking. The scholarships cover a combination of academic programs and stand-alone, adjunct, or integrated skills training programs. This activity is carried out as part of an ongoing education activity to improve the quality of basic education in Nicaragua.

Regional Program (\$8,150,000): FY 2011 regional CARSI ESDF funds will provide support for regional program administration and the following activities.

- **National and Regional Level Political Reforms:** USAID will provide support to the Central American Integration System (SICA) in establishing a regional crime observatory known as the Central American Integration System Observatory (OBSICA). This will entail a regional network of crime observatories providing data on crime and violence indicators that will inform policy decision making across the region. Support will also include development of regional plans for prevention and juvenile justice to be incorporated into the national agendas of member countries in Central America.
- **Private Sector Engagement:** FY 2011 funds will be used to leverage private sector resources to work on social prevention programs in targeted, high-risk communities. This fund will be used to incentivize the private sector, primarily in the Northern Triangle of El Salvador, Guatemala, and Honduras, to collaborate with local governments and donors on reducing risk factors identified in the USAID-supported municipal crime prevention plans.

Department of State – Bureau of Western Hemisphere Affairs ESF Fund (\$2.5 million): In addition to the \$27.5 million in ESDF resources that will be implemented by USAID, the Department’s Bureau of Western Hemisphere Affairs will manage the disbursement of \$2.5 million in ESF funding. These funds will be allocated as follows:

- **Belize (\$500,000):** Funding will provide the U.S. Embassy in Belmopan with the ability to develop a range of rule of law projects, in coordination with the Government of Belize, non-governmental organizations, and educational institutions, to supplement the range of law enforcement and rule of law programs being implemented under CARSI in Belize.
- **Costa Rica (\$1,000,000):** Funding will provide the U.S. Embassy in San Jose with the ability to develop a range of rule of law projects, in coordination with the Government of Costa Rica, non-governmental organizations, and educational institutions, to supplement the range of law enforcement and rule of law programs being implemented under CARSI in Costa Rica.

- **WHA Small Grant Program (\$1,000,000):** The Bureau of Western Hemisphere Affairs intends to utilize these funds, on a competitive basis, to identify and support small projects identified by U.S. Embassies in Central America that represent best practices in rule of law, community action, and at-risk youth programming and that are capable of being modeled and replicated throughout the region. Programs will be selected after consulting with other U.S. Government CARSI implementing partners to ensure projects are sustainable and either complement other USG CARSI activities, or address a gap in USG programming for which other CARSI funds are not available.

INTERNATIONAL NARCOTICS AND LAW ENFORCEMENT: \$71.508M¹

Peace and Security - \$55.350M

Stability Operations and Security Sector Reform (\$5,600,000)

Borders and Ports (\$3,600,000): Guatemala, Honduras, and Panama are key transit points at the northern and southern ends of Central America and have significant traffic in narcotics, improperly documented individuals, bulk cash, and other contraband. As traffickers exploit littoral routes along Central American coastlines, across land, and through porous borders, it is vital to enhance support for border and port security in all Central American countries. FY 2011 funds will support targeted assistance in all countries in the region by expanding upon DHS assessments completed in FY 2009 and FY 2010. On-site training, technical assistance, basic equipment, and other support will be provided to host-nation counterparts, including at port of entry checkpoints and to mobile inspection units. Trainings may include formal presentations on the identification of hidden compartments, fraudulent document interdiction, and techniques for investigating and intercepting smuggled narcotics, weapons, bulk cash and other contraband.

Regional Equipment and Training for Law Enforcement (\$2,000,000): This program will provide targeted equipment, technical assistance, training, and support in Central America. Equipment purchases will be determined in conjunction with host country governments and other interagency partners as necessary. FY 2011 funds will continue U.S. support for the establishment of a judicialized Electronic Monitoring Center in El Salvador, which will be administered by the Salvadoran Attorney General's office in conjunction with the

¹ INL centrally managed programs will be notified separately, when appropriate, in accordance with Section 7015(f), as carried forward by the Full-Year Continuing Appropriations Act, 2011

Drug Enforcement Agency to strengthen partner-nation capabilities to conduct sensitive, intelligence-driven investigations against priority target organizations. Other assistance may include improved communication equipment; law enforcement tools including contraband inspection kits, narcotics identification kits, and metal detectors; and personal protection kits, such as ballistic vests and eye protection.

Counternarcotics (\$21,450,000)

Vetted Units (\$5,800,000): FY 2011 funding will support DEA, DHS, and INL vetted unit programs throughout Central America. Vetted units are groups of partner-nation law enforcement officials who undergo rigorous background checks, including polygraph examinations, urinalysis, and criminal background checks. These vetted units conduct complex multinational and multidiscipline investigations in conjunction with U.S. law enforcement in areas such as firearms and narcotics trafficking, gangs, bulk cash smuggling, kidnapping, human trafficking and smuggling, child sex tourism, and money laundering. These cases often have a nexus to the United States. Funds will support operating costs, such as rent, utilities, and maintenance costs; investigative and office equipment; logistics support, such as per diem for operations; and training for host nation vetted counternarcotics investigative and enforcement units in the region, among other support.

Demand Reduction (\$250,000): Drug abuse is growing throughout Central America, in particular among gang members. This project will continue training, prevention, and treatment programs conducted in the region. Programs may include support for in-school programs, such as D.A.R.E., police athletic leagues, or assistance to treatment facilities to combat and prevent drug use.

Aviation Support (\$8,300,000): In FY2011, support will continue refurbishment, training, maintenance, and other support for an aviation program based in Guatemala, initiated in FY 2009. This program is vital to combating trafficking throughout Guatemala and reducing trends in Central America by limiting sanctuaries provided to drug trafficking organizations. Aviation assets provide law enforcement rapid access to areas of Central America that would otherwise be too dangerous or too difficult to access. As part of the nationalization of the program, the Government of Guatemala has committed its resources for such costs as fuel, petroleum products, all salaries and benefits, including per diem and authorized specialty pay for all the Guatemalan staff.

Regional Maritime and Land Interdiction (\$6,600,000): Drug trafficking organizations are pushing closer to the territorial waters of Central American nations and often switch trafficking routes between rivers and land. To complement on-going Enduring Friendship maritime assets, FY 2011 funds will provide training, logistics, targeted equipment, and other support for maritime interdiction. These efforts may include training riverine police units and naval services, providing for spare parts and on-going maintenance for boats purchased or refurbished in prior years, as well as maintenance and retrofitting for boats seized during successful operations, support for maritime advisors, and basic equipment and logistics support to improve maritime interdiction in the region, such as cell phones and radios.

Eradication (\$500,000): An on-going program of monitoring and eradicating opium poppy is essential to keeping cultivation in-check. FY 2011 funds will provide logistical support to the Government of Guatemala's manual eradication program for aerial assessments and approximately four eradication campaigns a year.

Transnational Crime (\$28,300,000)

Capacity Enhancement (\$26,800,000): FY 2011 assistance will seek to build the capacity of security and justice sector actors throughout Central America to combat transnational crime and address citizen safety in Central America. Funding will support CARSI "Challenge Grants," a new initiative designed to garner the direct participation and burden-sharing of host-nation governments in the region. Program topics may include increasing the professionalization of police forces and improving recruitment of university-educated officers; strengthening complex investigation abilities and techniques; building model corrections management procedures that can be replicated for the region; and increasing the quality of court administration. Host-nation officials will design the programs, which are intended to work in conjunction with private and public sector organizations in each country. Assistance will also continue FBI training, equipment, and other support for Transnational Anti-Gang Units (TAG), including polygraph expenses. Funds may provide anti-gang training at the operational police, prosecutor, and community-level needed to complement managerial level training offered at the International Law Enforcement Academy (ILEA) in San Salvador. Basic and in-service training in investigation, operations, officer safety, and modern police techniques, among other courses may be provided to operational-level police and other justice sector actors.

Asset Forfeiture/Financial Crimes/Anti-Money Laundering (\$1,500,000): FY 2011 funding will seek to combat financial crimes and improve partner-nation capabilities to not only seize illicit assets but also to utilize those assets against criminal organizations. Assistance may continue support for technical economic and financial crimes advisors that provide strategic and technical advice to the governments of Central America for preventing, detecting, investigating, and prosecuting money laundering, terrorist financing, and other financial crimes, as well as organized crime and corruption. Training, equipment, and other support for asset forfeiture, financial crimes, and anti-money laundering may include continued support for Financial Investigative Units; technical assistance and professional development for investigators and prosecutors responsible for addressing financial crimes; and training and mentoring on pre-seizure planning, asset inventory, valuation, custody and maintenance, interlocutory sales, restitution, asset sharing, and other topics as identified.

Governing Justly and Democratically - \$10.650M

Rule of Law (\$10,650,000)

Justice Sector Reform: (\$2,600,000): Both ESDF and INCLE funding will be used in an integrated strategy to promote rule of law and support justice sector reforms and respect for human rights in Central America. FY 2011 INCLE FY 2011 funds will support justice sector reform efforts, such as courts management, prosecutorial capacity, and juvenile justice systems. Funds will support technical assistance which will address justice sector administration, case management, and tracking systems. The projects will emphasize anti-corruption, judicial transparency, and accountability of justice and security sector institutions. Funds will continue support for training in investigating and prosecuting complex crimes, gang-related crime, and corruption. Funds will build the capacity of police, judicial investigators, and prosecutors to address cases related to narcotics and transnational crime. Programs may support targeted technical assistance and training to police, prosecutors, and judicial investigators, as well as provide assistance to enhance coordination between the entities.

Prison Management (\$2,000,000): This program will build on prior year prison management training and support. Funds will provide hands-on training; support train-the-trainer initiatives; offer management training for prison directors and policy makers; and work with senior officials on strategic planning for the prison systems. Technical assistance, mentoring, basic equipment, and logistics costs, among other support will be provided. Teams of experienced prison

advisors/mentors will oversee vetting of foreign government personnel, procurement and installation of necessary equipment and repairs/modifications and implement training, including training of trainers. Training topics may include: classification of inmates and separation of at-risk juveniles, control of prisoners, excluding contraband (especially cell phones), riot control, and other issues as identified. Executive level training will be provided to top administrators in subjects to include: strategic planning, appropriately classifying inmates according to level of threat (which determines the cost of incarceration), and budget preparation and execution, as well as how to work with news media and community leaders to enhance the corrections process. Advisors will also provide technical assistance in identifying appropriate technologies to conduct prison surveillance, search, and contraband control to improve security. U.S. state and local partnerships will be utilized where possible to improve the understanding of international standards for corrections management.

Improved Police Academies & Training (\$1,450,000): FY 2011 will build upon previous years' funds and programming to improve police academies and basic police cadet training throughout the region. To develop the region's law enforcement capacity, funding will support basic academy reform across the region in areas like curricula development, methods of instruction, and institutional policies and practices. Leveraging best practices from Panama's police reform and internal affairs effort, training, technical assistance, and other support will be provided by active and retired U.S. law enforcement personnel, as well as law enforcement experts from Panama and Colombia, among other countries.

Community Policing (\$4,600,000): FY 2011 funds will support efforts to build the capacity of Central American police units to become more modern, community-based police services that work within communities to effectively police and lower crime, while combating serious crimes such as drug trafficking, gangs, and money laundering. Efforts will also be made to increase local, community support and confidence in the police and improve police structures and policies. Funds will be used to bring instructors and advisors to provide oversight and training to the police in community style policing, executive police decision making, and institutionalization of a community police-based philosophy. Additional training, mentoring, equipment, and other support as identified will be provided, such as criminal investigation and tactical training for special groups to combat growing crime and gang problems.

Program Development and Support (\$5,508,000)

Funds will be used for the salaries, benefits, allowances, and travel of direct hire and contract U.S. and foreign national personnel, residential leasing, International Cooperative Administrative Support Services (ICASS) costs, and other administrative and operating expenses for program planning, design, implementation, monitoring and evaluation.