United States Government Accountability Office

Report to Congressional Requesters

September 2021

NORTHERN TRIANGLE OF CENTRAL AMERICA

The 2019 Suspension and Reprogramming of U.S. Funding Adversely Affected Assistance Projects

GAO-21-104366

GAO@100

Highlights

Highlights of GAO-21-104366 a report to congressional requesters

September 2021

NORTHERN TRIANGLE OF CENTRAL AMERICA

The 2019 Suspension and Reprogramming of U.S. Funding Adversely Affected Assistance Projects

Why GAO Did This Study

The U.S. has funded assistance to the Northern Triangle of Central America for many years. This assistance aims to promote prosperity, good governance, and security in the region; to address the causes of migration; and to combat transnational crime. In March 2019, the administration suspended foreign assistance funding from the Northern Triangle countries until the governments in the region agreed to take actions to reduce the number of migrants coming to the U.S. border.

GAO was asked to review the effects of the 2019 suspension and reprogramming of assistance funding to the Northern Triangle. This report (1) identifies the funding appropriated by Congress for the Northern Triangle that was suspended and reprogrammed to other countries, and how the approach to U.S. assistance to the region changed after March 2019; (2) examines the effects of suspending and reprogramming assistance funding on project implementation; and (3) examines the extent to which the suspension and reprogramming of assistance funding affected the ability of U.S. agencies to meet their foreign assistance performance targets for the region.

GAO analyzed agency funding data and performance and monitoring reports, surveyed agency project managers, and interviewed agency officials as well as selected implementing partners in the U.S. and in the Northern Triangle countries.

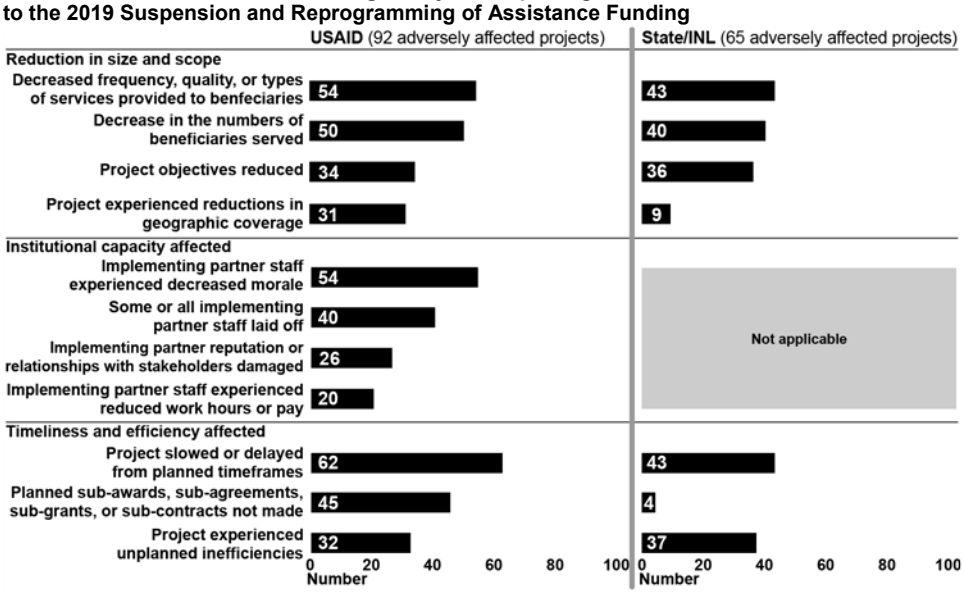
View GAO-21-104366. For more information, contact Chelsa Kenney at (202) 512-2964 or kenneyc@gao.gov.

What GAO Found

Starting in March 2019, the Trump administration suspended most new foreign assistance funding from the U.S. Agency for International Development (USAID) and the Department of State to El Salvador, Guatemala, and Honduras—the "Northern Triangle" of Central America—for up to 14 months and reprogrammed approximately $396 million (85 percent) of fiscal year 2018 funding to other countries. In June 2020, the administration ended the suspension of assistance funding. After the end of the suspension, USAID adjusted its assistance portfolio to implement projects that focused on deterring migration and designed new indicators to assess the relationship between its assistance projects and migration from the region. Officials from State and USAID said their overall assistance approach of promoting prosperity, good governance, and security remained the same after the suspension.

Although some previously funded projects continued operating as planned, the 2019 suspension and reprogramming of assistance funding adversely affected 92 of USAID's 114 projects and 65 of State's 168 projects. Both USAID and State reported that commonly experienced adverse effects on project implementation were delays from planned timeframes and decreased frequency, quality, or types of services provided to beneficiaries (see figure).

USAID and State/INL Northern Triangle Projects Reporting One or More Adverse Effects Due to the 2019 Suspension and Reprogramming of Assistance Funding



Source: GAO analysis of Department of State International Narcotics and Law Enforcement (State/INL) and U.S. Agency for International Development (USAID) survey responses. | GAO-21-104366

USAID and State reported missing some of their performance targets due to the 2019 suspension and reprogramming of assistance funding. For example, USAID reported missing 19 percent (35 of 182) of its targets in fiscal year 2019, while State reported missing 30 percent (three of 10).

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Abbreviations

CARSI	Central America Regional Security Initiative
DOD	Department of Defense
Strategy	U.S. Strategy for Engagement in Central America
USAID	U.S. Agency for International Development
USDA	Department of Agriculture
State/INL	Bureau of International Narcotics and Law Enforcement

441 G St. N.W.
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September 24, 2021

The Honorable Gregory W. Meeks
Chairman
Committee on Foreign Affairs
House of Representatives

The Honorable Albio Sires
Chairman
Subcommittee on Western Hemisphere, Civilian Security, Migration and International Economic Policy
Committee on Foreign Affairs
House of Representatives

The Honorable Joaquin Castro
Chairman
Subcommittee on International Development, International Organizations, and Global Corporate Social Impact
Committee on Foreign Affairs
House of Representatives

In March 2019, the Trump administration announced the suspension of foreign assistance funding to El Salvador, Guatemala, and Honduras—the Northern Triangle of Central America. According to Department of State officials, the administration also informed Congress of its decision to reprogram nearly all fiscal year 2018 foreign assistance funding intended for the Northern Triangle and to undertake a review of fiscal year 2017 foreign assistance previously obligated for those countries.[1] After

[1]Reprogramming is the shifting of funds within an appropriation or fund account to use them for purposes other than those contemplated at the time of appropriation; it is the shifting of funds from one object class to another within an appropriation or from one program activity to another. Generally agencies may shift funds within an appropriation or fund account so they may make necessary adjustments for changing circumstances and programmatic needs, provided that the resulting use of the funds remains consistent with the terms of the appropriation and with any other applicable law. Unlike transfers, agencies may reprogram without additional statutory authority. Nevertheless, reprogramming often involves some form of notification to the congressional appropriations committees, authorizing committees, or both. Sometimes statute prescribes committee oversight of reprogramming actions and requires formal notification of one or more committees before a reprogramming action can be implemented. GAO, *A Glossary of Terms Used in the Federal Budget Process*, GAO-05-734SP (Washington D.C. September 2015).

announcing the review, the administration allowed the use of fiscal year 2017 and prior fiscal year funding to implement ongoing projects, but kept most new assistance funding to the Northern Triangle suspended for up to 14 months—until June 2020.[2] The administration announced that the United States Agency for International Development (USAID) and State would not provide new funds for programs in the Northern Triangle until the administration was satisfied that governments in the region were "taking concrete actions to reduce" the number of migrants coming to the U.S. border. Since the United States provides assistance funding to Central America, in part, to address the underlying causes of migration by promoting prosperity, good governance, and security, some international observers have expressed concerns that the suspension and reprogramming of this assistance funding could be counterproductive.

You asked us to review the effects of the 2019 suspension of assistance funding to the Northern Triangle. For this report, we (1) identified the funding appropriated by Congress for the Northern Triangle that was suspended and reprogrammed to other countries, and how the approach to U.S. assistance to the region changed after March 2019; (2) examined the effects of the 2019 suspension and reprogramming of assistance funding on project implementation; and (3) examined the extent to which the suspension and reprogramming of assistance funding affected the ability of U.S. agencies to meet their foreign assistance performance targets for the region.

To address these objectives, we reviewed relevant USAID and State documents and interviewed agency officials from USAID and State.[3] We

[2]For the purpose of this report, suspension of assistance funding means any actions by an executive branch official that delays (relative to past practices) the obligation or expenditure of appropriated funds for any reason. For example, State and United States Agency for International Development (USAID) generally maintain executive flexibility to reprogram funds—that is, shift them from one purpose to another—within a single appropriation. *Lincoln v. Vigil*, 508 U.S. 182, 192 (1993). This allows State and USAID to make necessary adjustments for changing circumstances and programmatic needs. The resulting obligations must remain consistent with the terms of the lump-sum appropriation and with any other applicable law. Delays may occasionally arise as State and USAID make the considerations and determinations necessary to carry out a permissible reprogramming. Occasional and reasonable delays of this nature are a routine element of budget execution.

[3]We also interviewed officials from the Departments of Defense (DOD) and Agriculture (USDA), who informed us that the administration did not include their assistance funding in the suspension or reprogramming of Northern Triangle funds. Therefore, we do not generally address DOD and USDA in this report.

also interviewed USAID and State implementing partners.[4] To identify the assistance funding appropriated for the Northern Triangle that USAID and State reprogrammed, we analyzed budget data provided by USAID and State from fiscal years 2017 through 2020. To examine what is known about the effects on project implementation of the 2019 suspension and reprogramming of assistance funding, we surveyed USAID and State award managers responsible for overseeing the awards those agencies identified as affected by the suspension.[5] We also interviewed representatives of 13 implementing partners of USAID and the State's Bureau of International Narcotics and Law Enforcement Affairs (State/INL) to obtain information on how the 2019 suspension affected their awards. To report on how the 2019 suspension and reprogramming of assistance funding affected State's and USAID's ability to meet foreign assistance performance targets, we reviewed their relevant Performance Plan and Reports and the *2020 Progress Report for the United States Strategy for Central America's Plan for Monitoring and Evaluation (U.S. Central America Strategy Progress Report).* See appendix I for more details about our scope and methodology.

We conducted this performance audit from June 2020 to September 2021 in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Background

U.S. Strategy for Assistance to the Northern Triangle

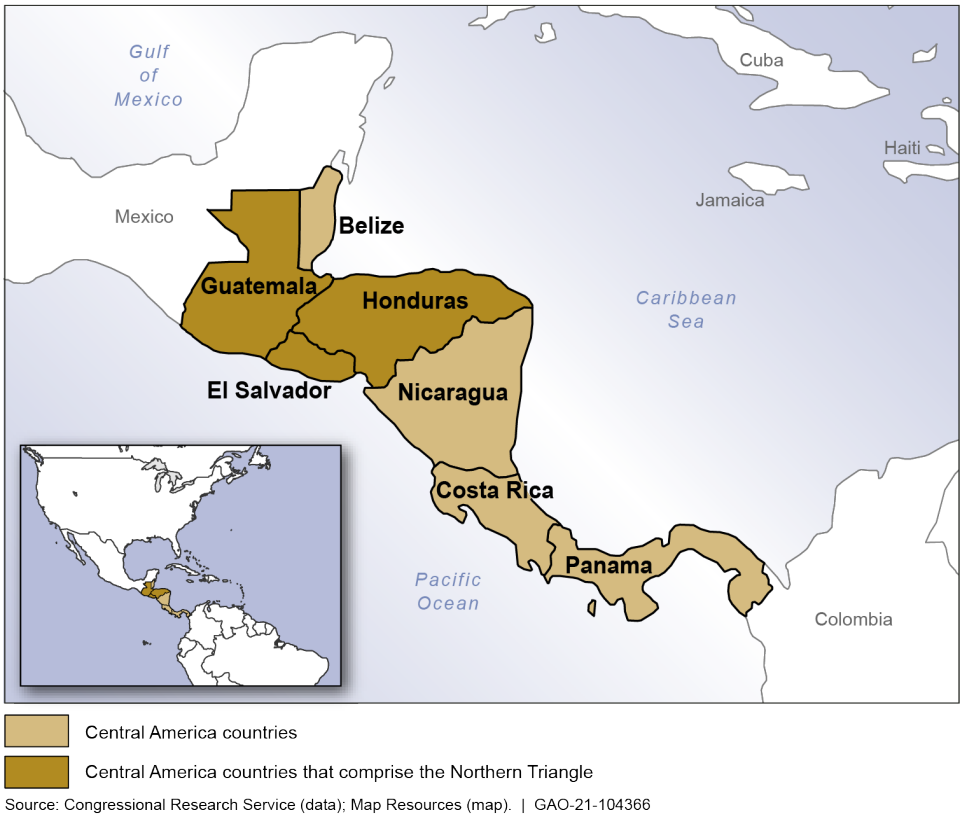
The three countries that make up the Northern Triangle of Central America—El Salvador, Guatemala, and Honduras—have struggled with high levels of poverty and unemployment, weak governance, and widespread insecurity and violence (see fig. 1 for location of countries).

[4]The executing agency (generally a U.S. government department or a host-government agency) or the implementing entity (contractor, grantee, host-government entity, or public international organization) that carries out programs with U.S. government funding through a legally binding award or agreement.

[5]Although agencies use different terms to describe agencies' assistance—including "programs," "projects," and "activities"—we use the term "projects" to refer to assistance funded by State and USAID. The agencies implement these projects directly through awards made to project implementers, which include contractors, international organizations, and grantees. In general, the term project refers to a set of activities designated and executed over a specified period to achieve a specific aim.

These challenges have serious consequences for the United States. For example, the region has become a significant source of migration to the United States due to multiple factors, including a lack of economic opportunities, high poverty rates, poor living conditions, gang-related violence, insecurity, endemic corruption, and the desire for family reunification. Transnational criminal organizations have also taken advantage of weak government institutions and justice systems in the Northern Triangle to engage in illegal activities. As we previously reported, all three Northern Triangle countries, for example, are major transit countries for illegal drugs destined for the United States. They are also vulnerable to the money laundering activities of organized crime groups, especially drug and human trafficking organizations.[6]

Figure 1: Map of Central America with the Northern Triangle Countries

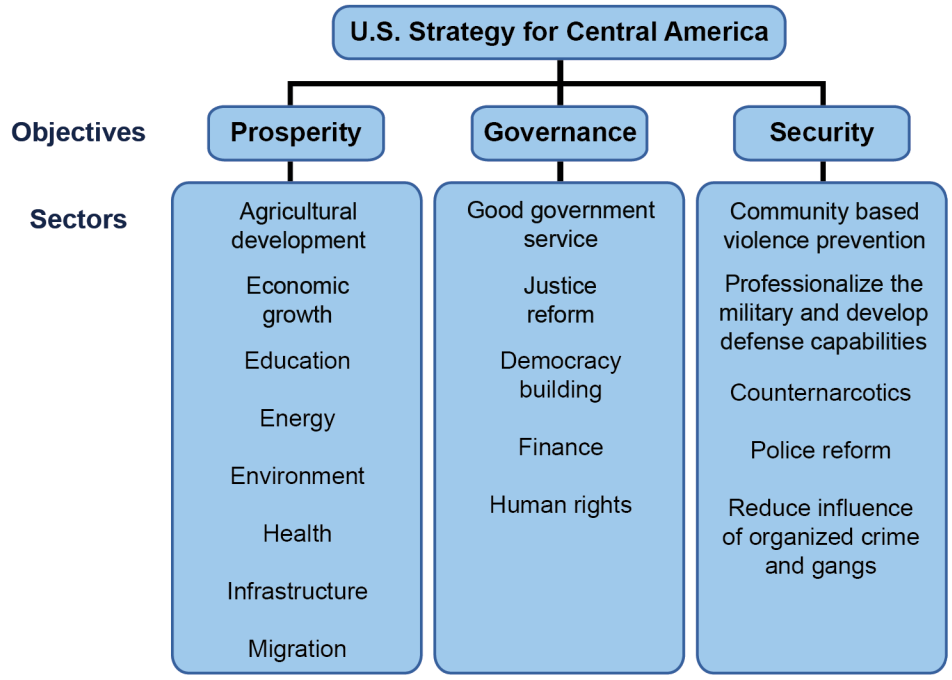


Source: Congressional Research Service (data); Map Resources (map). | GAO-21-104366

[6]GAO, *U.S. Assistance to Central America: Department of State Should Establish a Comprehensive Plan to Assess Progress toward Prosperity, Governance, and Security*, GAO-19-590 (Washington, D.C.: September 2019).

The U.S. government has provided resources and assistance over many years to the Northern Triangle to address these challenges. In 2008, the United States established the Central America Regional Security Initiative (CARSI). CARSI is a collaborative partnership between the United States and Central American countries, including the Northern Triangle, designed to improve citizen security. In 2014, the U.S. government introduced the *U.S. Strategy for Engagement in Central America* (Strategy) to promote institutional reforms and address development challenges in Central America, including the Northern Triangle countries, by taking a more comprehensive approach to the immediate and long-term challenges facing the region. In 2017, State updated the Strategy to place more emphasis on preventing illegal immigration, combatting transnational crime, and generating export and investment opportunities for U.S. businesses. The Strategy promotes three objectives—prosperity, governance, and security. Assistance projects that U.S. agencies implemented generally corresponded to 18 sectors that align with the three objectives of the current Strategy (see fig. 2).

Figure 2: U.S. Strategy for Central America Objectives and Sectors



Source: U.S. Department of State (State) and GAO analysis of Strategy documents and agency data and information. | GAO-21-104366

Assistance Funding to Central America

USAID and State manage most foreign assistance to support the Strategy and play key roles in monitoring and evaluating this assistance. The Departments of Defense (DOD) and Agriculture (USDA) also fund assistance projects in the Northern Triangle that support the prosperity, governance, and security objectives.[7] State's Bureau of Western Hemisphere Affairs leads the implementation of the Strategy among agencies. We previously reported that these agencies allocated about $2.4 billion in assistance from fiscal years 2013 through 2018.[8] USAID reported the largest amount of allocations with approximately $1.44 billion, followed by State with $464 million, and USDA and DOD with less than $235 million each.

USAID and State Foreign Assistance Funding Process

For fiscal years 2017 through 2020, Congress appropriated foreign assistance funding into 16 accounts each with its own distinct purpose and specific legal parameters, such as the number of years the funds are available for obligation.[9] USAID and State generally administer these accounts to carry out the accounts' specified purposes. The period of availability for new obligations for these accounts ranges from 1 year to 5 years, or, in some cases, until funds are expended. Once the period of availability for new obligations expires, agencies generally have 5 fiscal years to liquidate the obligation. This process results in a funding "pipeline"—the difference between the amounts obligated and expended—that USAID and State use to plan and implement foreign assistance projects over several years.[10]

[7]Other agencies, such as the Departments of Justice and Homeland Security, implement assistance projects funded by State.

[8]GAO-19-590.

[9]The16 appropriation accounts are as follows: Assistance for Europe, Eurasia, and Central Asia; Complex Crises Fund; Democracy Fund; Development Assistance; Economic Support Fund; Emergency Refugee and Migration Assistance; Foreign Military Financing; Global Health Programs; International Disaster Assistance; International Narcotics Control and Law Enforcement; International Military Education and Training; International Organizations and Programs; Migration and Refugee Assistance; Nonproliferation, Anti-Terrorism, Demining, and Related Programs; Peacekeeping Operations; and Transition Initiatives.

[10]GAO, *Foreign Assistance: USAID Should Analyze Data on the Timeliness of Expenditures,* GAO-21-51 (Washington D.C.: December 2020).

USAID and State Suspended Funding for Up To 14 Months and Reprogrammed Nearly All 2018 Funding, but Continue to Focus on Promoting Prosperity, Governance, and Security

USAID and State Suspended Northern Triangle Assistance Funding and Reprogrammed Over $396 Million of Fiscal Year 2018 Funding to Other Countries

In March 2019, the Trump administration announced the suspension of foreign assistance funding to the Northern Triangle. According to State officials, the administration also decided to reprogram nearly all fiscal year 2018 foreign assistance funding and undertake a review of fiscal year 2017 foreign assistance previously obligated for those countries. After the review, the administration allowed the use of fiscal year 2017 and prior fiscal year funding—available in the funding pipeline—to implement ongoing projects. However, the administration kept most new assistance funding from USAID and State to the Northern Triangle suspended for up to 14 months. In addition, according to State officials, the administration directed USAID and State to reprogram nearly all of the assistance funding for fiscal year 2018 intended for the Northern Triangle to other purposes. Specifically, the administration directed USAID and State to reprogram approximately $396 million, or about 85 percent of planned assistance funding for fiscal year 2018 (see table 1). According to USAID officials, the agencies used this reprogrammed funding to advance foreign policy priorities in other countries. According to USAID officials, they used the agency's remaining fiscal year 2018 funds for the Northern Triangle countries for administrative and oversight expenses.

Table 1: Disposition of Fiscal Year 2018 U.S. Agency for International Development and Department of State Assistance for the Northern Triangle

Country or Region	Fiscal Year 2018 Assistance Funding Reprogrammed to Other Countries (in dollars)	Fiscal Year 2018 Assistance Funding Allocated to Northern Triangle Countries (in dollars)
El Salvador	51,725,000	5,931,000
Guatemala	98,396,000	7,777,000
Honduras	69,548,000	10,130,000
Regional (LAC Regional/CARSI)	176,537,300	48,737,000
Total	**396,206,300**	**72,575,000**

Legend: LAC (Latin America and the Caribbean) Regional Program; (CARSI) Central America Regional Security Initiative.

Source: GAO analysis of State data. | GAO-21-104366

According to State, the administration took these actions due to the continued flow of large numbers of individuals migrating from the region to the United States. The administration provided limited assistance funding for more than a year as it negotiated a series of migration agreements with the Northern Triangle governments. In particular, the administration negotiated an Asylum Cooperative Agreement with each of the Northern Triangle countries.[11] After El Salvador, Guatemala, and Honduras signed these agreements, the administration informed Congress that it approved additional targeted assistance funding for the countries.

State officials said that in May 2019 the administration completed a review of previously obligated assistance funding for fiscal year 2017 and of planned use of fiscal year 2018 funds for the Northern Triangle. The administration decided, based on that review, to continue assistance projects funded under previously awarded grants and contracts, including

[11]The United States entered into Asylum Cooperative Agreements with Guatemala, El Salvador, and Honduras to remove migrants to those countries where they would have access to a full and fair procedure for determining a claim to asylum or equivalent temporary protection, according to Departments of Justice and Homeland Security. See 84 Fed. Reg. 63,994 (Nov. 19, 2019). In an executive order signed February 2, 2021, the Biden administration moved to suspend and terminate the ACAs with the Governments of El Salvador, Guatemala, and Honduras. See E.O. 14010, § 4(a)(ii)(D); 86 Fed. Reg. 8,267 (Feb. 5, 2021). According to State officials, the United States terminated the ACA with Guatemala on May 4, 2021, and the ACAs with El Salvador and Honduras on August 4 and 5, 2021, respectively.

fiscal year 2017 and prior funding.[12] The administration also decided that further availability of assistance funding would depend on concrete measures taken by the Northern Triangle governments to reduce the number of migrants coming to the U.S. border.

In October 2019, following progress in addressing migration issues, the administration announced that it intended to move forward with some additional assistance for the Northern Triangle countries. The administration stated that this funding would target projects intended to mitigate migration to the United States. In April 2020, the administration announced it would continue $258 million in targeted assistance funding to the Northern Triangle using funds appropriated for fiscal years 2018, 2019, and 2020. In June 2020, it informed Congress of its intent to provide an additional $252 million in assistance funding to the Northern Triangle using fiscal years 2017, 2019, and 2020 funds, in part to focus on addressing the COVID-19 emergency. This step effectively ended the suspension of assistance funding that had begun in March 2019 (see table 2).

[12]According to State officials, during the review, in May 2019, the administration also approved the use of $35 million in fiscal year 2018 assistance funding from State/INL's INCLE account, including for projects administered through State/INL's interagency agreements with the Departments of Justice and Homeland Security; however, some of these funds were also reprogrammed.

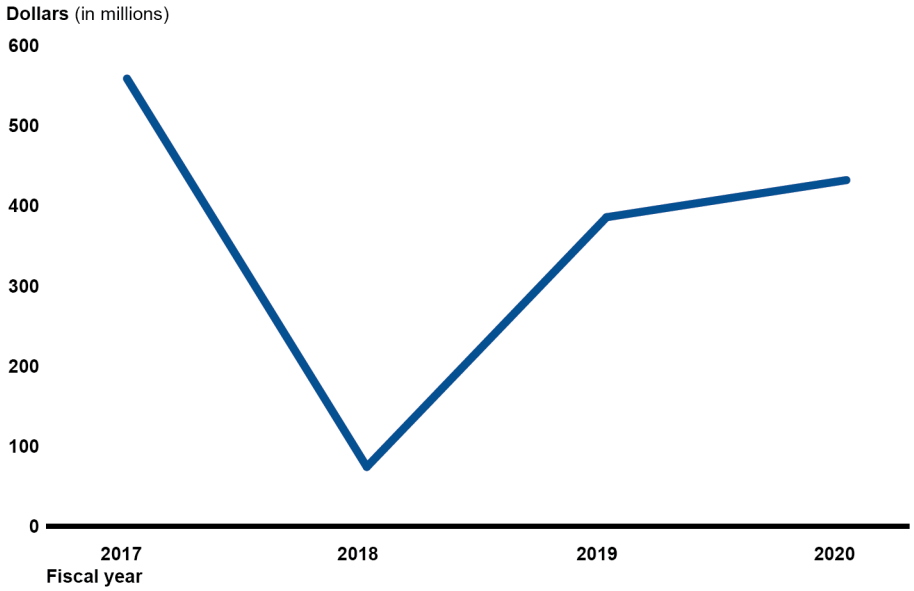
Table 2: Timeline of the Trump Administration's 2019 Suspension and Reprogramming of Assistance Funding to the Northern Triangle

March 2019	• The administration suspended most of the United States Agency for International Development's (USAID) and Department of State's assistance funding for the Northern Triangle due to the continued flow of individuals migrating from the region to the United States. • The administration announced it would reprogram most of USAID's and State's and fiscal year 2018 funding for the Northern Triangle to other countries. • The administration undertook a review of fiscal year 2017 foreign assistance previously obligated for those countries.
May 2019	• After conducting a review of previously obligated assistance funding, the administration informed Congress it would use fiscal year 2017 and prior fiscal year funding—available in the funding pipeline—to implement ongoing projects.
October 2019	• The administration announced it would provide additional targeted aid to the Northern Triangle, citing recently signed Asylum Cooperation Agreements with El Salvador, Guatemala, and Honduras as a reason to resume assistance.
April 2020	• The administration announced it would continue $258 million in assistance funding to the Northern Triangle, using the funding from fiscal years 2018, 2019, and 2020 to plan future projects.
June 2020	• The administration informed Congress of its intent to provide an additional $252 million in assistance funding to the Northern Triangle, including funding from fiscal years 2017, 2019, and 2020, to address migration and the COVID-19 emergency. This action effectively ended the suspension of assistance funding that had begun in March 2019.

Source: GAO review of Department of State information. | GAO-21-104366

According to State data, State and USAID allocated $72.6 million in fiscal year 2018 assistance funding to the Northern Triangle, which was an 87-percent decrease in funding compared with the $556.8 million allocated in fiscal year 2017. The fiscal year 2018 assistance funding was also 81 percent less than the $385.3 million intended for the Northern Triangle for fiscal year 2019 and 83 percent less than the $430.1 million planned for fiscal year 2020 (see fig. 3).

Figure 3: Department of State and U.S. Agency for International Development Assistance Funding Allocated to the Northern Triangle, Fiscal Years 2017 to 2020



Source: GAO analysis of Department of State data. | GAO-21-104366

USAID and State reprogrammed about $396 million of fiscal year 2018 assistance funding intended for the Northern Triangle to 18 other countries.[13] In addition, they reprogrammed assistance funding for several regional programs. USAID and State used the reprogrammed assistance to address foreign assistance objectives, including energy security, crisis mitigation, democracy assistance, food security, biodiversity, disaster resilience, basic education, global health, anti-trafficking in persons, and counter-narcotics in other countries or regions. See appendix II for details on destinations, amounts, and purposes of reprogramed funds.

[13]State and USAID reprogrammed assistance funding from the Northern Triangle to the Dominican Republic, Venezuela, Colombia, Brazil, Ecuador, Nicaragua, Peru, Niger, Burkina Faso, Malawi, Indonesia, Philippines, Vietnam, Bangladesh, India, Nepal, Sri Lanka, and Barbados and Eastern Caribbean.

USAID and State Plan to Use the Assistance Funding from Fiscal Years 2019 and 2020 to Promote Prosperity, Governance, and Security

USAID and State plan to implement projects with fiscal years 2019 and 2020 assistance funding to continue the Strategy's approach of promoting prosperity, governance, and security. According to the Congressional Research service, when the administration ended the suspension of assistance, it asserted that the funds made available after the 2019 suspension would focus on deterring migration, reintegrating repatriated migrants, and promoting U.S. security interests.[14] In response, USAID officials said they adjusted the scope of their assistance portfolio to focus more on projects that deter migration. However, these officials said they had already designed planned projects to address the fundamental drivers of migration, and since the Strategy objectives already helped to mitigate migration from Central America to the United States, they saw no need to change the Strategy. As a result, USAID and State officials said projects planned with fiscal year 2019 and 2020 assistance would continue to align with the Strategy's goals.

USAID officials also noted that they have taken steps to collect migration-related data that are both more timely and complete from projects in those areas prone to migration. In March 2019, USAID Missions in El Salvador, Guatemala, and Honduras developed and piloted seven Northern Triangle migration data indicators to assess the effect their projects have on migration, such as the percentage of beneficiaries who plan to stay in their country (see table 3).[15]

Table 3: USAID's Northern Triangle Migration Indicators

Number of returned migrants receiving assistance
Percentage of individual beneficiaries who are returned migrants
Percentage of beneficiaries with a household member who has migrated
Number of beneficiaries enrolled in programs in the reporting period
Percentage of enrolled beneficiaries who drop out due to migration to the United States
Percentage of beneficiaries who express the intention to migrate within the next 3 years
Percentage of beneficiaries who plan to stay in their country of residence

Source: U.S Agency for International Development (USAID). | GAO-21-104366

[14] *U.S. Strategy for Engagement in Central America: An Overview,* IF10371, June 5, 2020.

[15] State officials said they did not use the migration data indicators because their projects generally do not work with individual beneficiaries, but focus on procuring equipment and providing training for law enforcement.

USAID asked its implementing partners to collect data on these migration indicators if their projects directly enroll beneficiaries from whom they could collect personal information as part of regular monitoring efforts. USAID allowed implementing partners to adapt the migration indicator guidance for their own use and to include it in their monitoring plans. In most cases, implementing partners reported information on the migration data indicators quarterly. USAID officials reported that the migration data indicators had some limitations. Notably, they said it was not always feasible for implementing partners to collect and report the data. For example, one implementing partner said that it did not have the staff necessary to collect all the data from the project participants.

According to USAID officials, when they had sufficient confidence in the migration data indicators they used them internally to understand what effects the projects had on migration. For example, in January 2020 and January 2021, USAID collected migration data indicators from the missions in the Northern Triangle that provided some initial insights into how these projects were working with returned migrants and their families and how many of their beneficiaries were dropping out due to migration. However, USAID officials said they were unable to draw conclusions from the data on the intentions of individuals to migrate because there were inconsistencies in the data. As a result, USAID is considering making changes to the number, type, and definitions of the indicators, as well as to the guidance for their data collection and reporting.

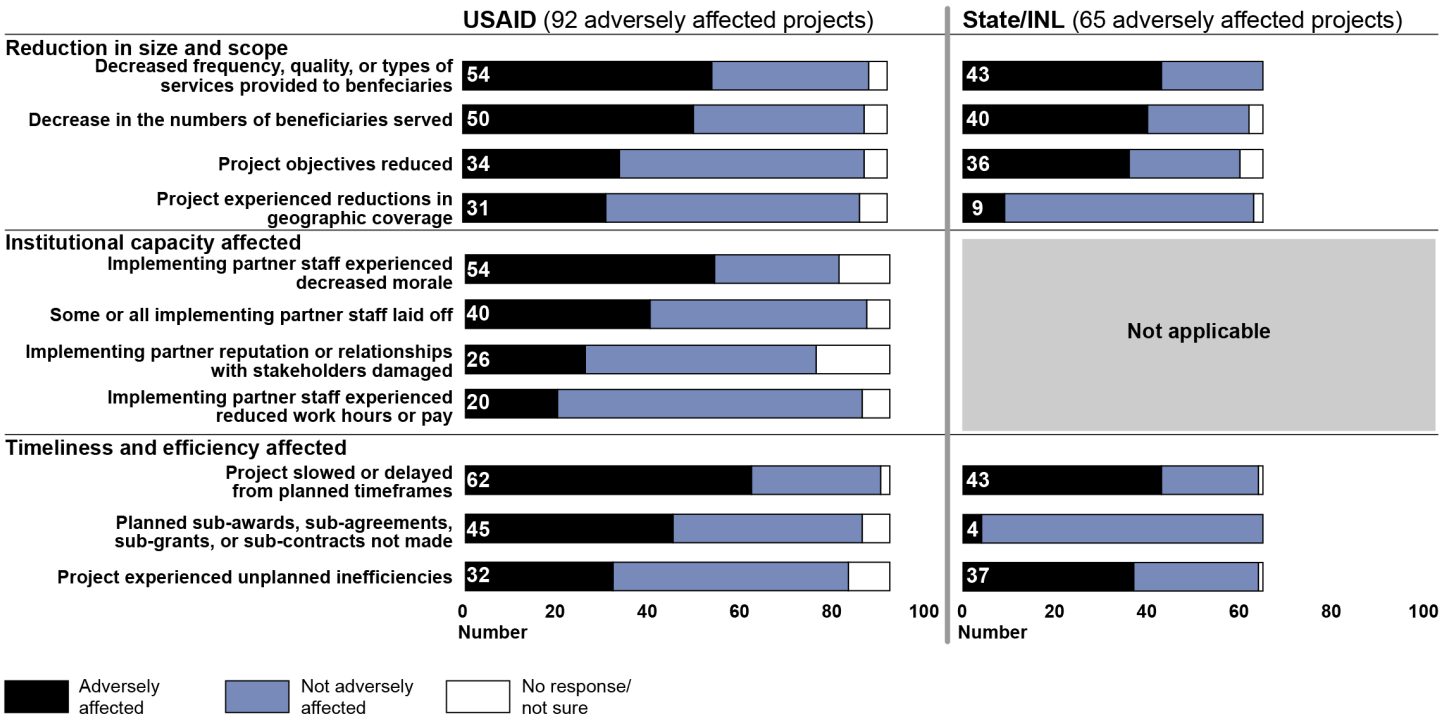
In addition, since the suspension of funding assistance ended, USAID has begun using non-personally identifiable data provided by U.S. Customs and Border Protection on Central Americans it apprehended. For example, data such as an individual's city of residence before migrating can help inform USAID about its assistance projects. USAID also collaborates with U.S. and international organizations to collect demographic data on returnees as well as the opinions of the general population in the country of origin regarding migration. According to USAID officials, these data help fill a critical gap in data on migration from Central America. USAID is using these data to refine the geographic and demographic focus of its projects and to monitor and adapt to the changing dynamics of migration.

USAID, State, and Their Implementing Partners Reported That the 2019 Suspension and Reprogramming of Assistance Funding Had Various Adverse Effects on Ongoing Projects

Although some USAID and State assistance projects that received funds appropriated prior to fiscal year 2018 were able to continue operating as planned during the 2019 suspension and reprogramming of assistance funding, both agencies reported that some projects were adversely affected in a variety of ways. Of USAID's 114 projects active during the 2019 suspension and reprogramming, USAID reported that 92 (81 percent) were adversely affected in some way, including reductions in size and scope, diminished institutional capacity of implementing partners, and decreases in timeliness and efficiency of project implementation. Of State/INL's 168 projects, State reported that 65 (39 percent) were adversely affected in some way, most commonly by delays and decreased services to beneficiaries (see fig. 4).[16]

[16]GAO surveyed the USAID and State project managers responsible for oversight of the projects that those agencies identified as adversely affected by the 2019 suspension and reprogramming of assistance funding. See appendix I for more information.

Figure 4: USAID and State/INL Projects in the Northern Triangle Reporting One or More Adverse Effects Due to the 2019 Suspension and Reprogramming of Assistance Funding



Source: GAO analysis of Department of State International Narcotics and Law Enforcement (State/INL) and U.S. Agency for International Development (USAID) survey responses. | GAO-21-104366

Note: GAO surveyed the USAID and State project managers responsible for oversight of the projects that those agencies identified as adversely affected by the 2019 suspension and reprogramming of assistance funding. USAID identified 92 of its 114 projects as affected by the 2019 suspension and reprograming of assistance funding, while State identified 65 of its 168 projects as affected. Each project experienced one or multiple effects. Respondents' options for the survey questions were "Yes," "No," and "Not sure."

The Extent to Which Projects Experienced Adverse Effects Was Related to the Amount of Funding Remaining from Prior Years

In many cases, the amount of prior year funding remaining in each country's funding pipeline determined in part the extent to which its projects experienced the adverse effects of funding being suspended and reprogrammed. According to officials from both USAID and State/INL, the agencies and their implementing partners were able to continue operating some projects during the 2019 suspension and reprogramming of assistance funding, in part by using existing funding pipelines. Two months after announcing the suspension of assistance funding, the administration authorized the use of fiscal year 2017 funding previously reserved for specific projects—available in the funding pipeline—to

implement ongoing projects. However, the assistance funding for fiscal years 2018, 2019, and 2020 remained suspended until June 2020.

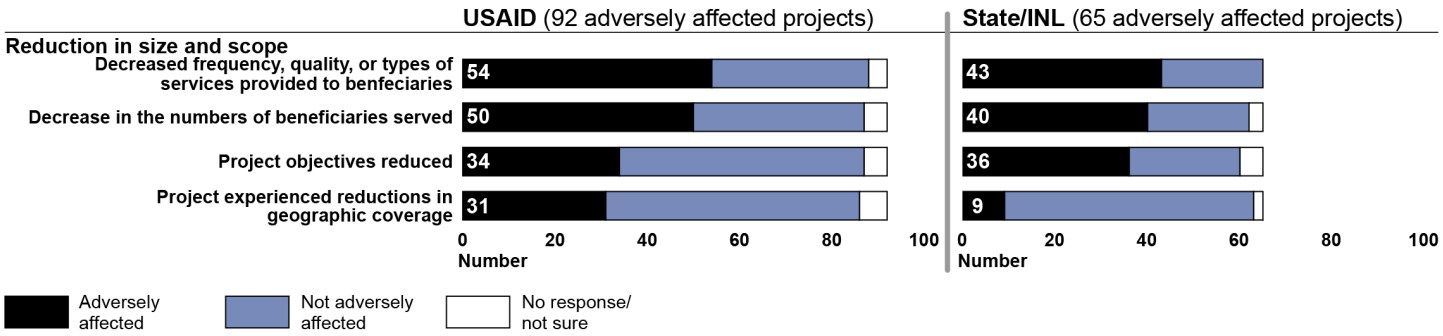
According to USAID officials, country missions that had been consistently disbursing smaller amounts of their allocated assistance funding before the 2019 suspension were better able to provide funding as planned to their implementing partners' projects. This outcome occurred because these country missions had more unexpended money from fiscal years prior to fiscal year 2017 in their funding pipeline to assist them during the suspension. Officials also said that each of the missions used pipeline money from prior fiscal years to keep operating priority projects and activities.

Both USAID and State/INL officials said that during the 2019 suspension of assistance funding, project managers worked closely with their project partners to adapt to the limited availability of funding by developing and executing contingency plans with revised project budgets, deliverables, and targets to keep projects operating. For example, some implementing partners we spoke to described working with their project managers at USAID and State to curtail certain project activities—such as college scholarships and multiyear infrastructure projects—that depended on a consistent stream of funding in future fiscal years to complete or achieve optimal results. In some cases, the implementing partners, under USAID's direction, prioritized activities that they deemed likely to have a greater near term impact and success and discontinued activities that depended on future funding extensions.

USAID and State/INL Reported That Some Projects Made Reductions to Size and Scope

USAID and State/INL reported that some projects in the Northern Triangle experienced reductions in size and scope due to the 2019 suspension and reprogramming of assistance funding. Specifically, projects served fewer beneficiaries than planned; decreased the frequency, quality, and types of services provided; and reduced their geographic coverage and objectives (see fig. 5).

Figure 5: USAID and State/INL Projects in the Northern Triangle Reporting One or More Types of Reductions in Size and Scope Due to the 2019 Suspension and Reprogramming of Assistance Funding in Fiscal Year 2019



Source: GAO analysis of Department of State International Narcotics and Law Enforcement (State/INL) and U.S. Agency for International Development (USAID) survey responses. | GAO-21-104366

Note: GAO surveyed the USAID and State project managers responsible for oversight of the projects that those agencies identified as adversely affected by the 2019 suspension and reprogramming of assistance funding. USAID identified 92 of its 114 projects as affected by the 2019 suspension and reprograming of assistance funding, while State identified 65 of its 168 projects as affected. Each project experienced one or multiple effects. Respondents' options for the survey questions were "Yes," "No," and "Not sure."

USAID reported that 50 of its 92 adversely affected projects decreased their number of beneficiaries, while State/INL reported 40 of its 65 adversely affected projects did so. The reduction in beneficiaries that the implementing partners made aligned with the programmatic cuts made to conserve project finances, given the uncertainty of whether the administration would end the suspension.

- For example, a USAID implementing partner stated that its project to strengthen workforce development services for youth in high-crime urban neighborhoods planned to provide services to 7,500 at-risk youth, but it had to reduce that number by half. According to implementing partner officials, the project sought to assist youth most at risk of becoming perpetrators or victims of violent crime. The project also planned to provide workforce training services to 400 youth who were in conflict with the law, but the implementing partner was only able to serve 100 of those beneficiaries.
- State/INL reported similar reductions to project beneficiaries. For example, it terminated a training-the-trainer activity that planned to train 30 local national police officers who would then provide the training to other officers. The 2019 suspension and reprogramming of assistance funding also caused this project to terminate training for police dispatchers and call takers.

USAID reported that 54 of its projects decreased the frequency, quality, or types of services provided to beneficiaries, while State/INL reported 43 of its projects did so. Officials for a USAID partner that was implementing a project to empower traditionally underrepresented groups to design community development plans stated they had to scale back such activities.

- For example, in one community where groups identified the need for household cooking stoves, the implementing partner reduced the number of households receiving stoves from 5,000, to 1,000. In another community, the partner reduced construction on all community water systems and eliminated the construction of all household rainwater catchment systems. Members of the various communities served by the project had also designed plans to renovate 94 schools, but the implementing partner was unable to undertake the renovations as the project ran out of money due to the 2019 suspension of assistance funding. As of January 2021, the project has not renovated any of those schools.

USAID reported that 31 of its projects reduced their geographic coverage, while State/INL reported nine of its projects did so. According to USAID officials, these reductions included closing regional offices due to a lack of funding and changing the geographic coverage of projects.

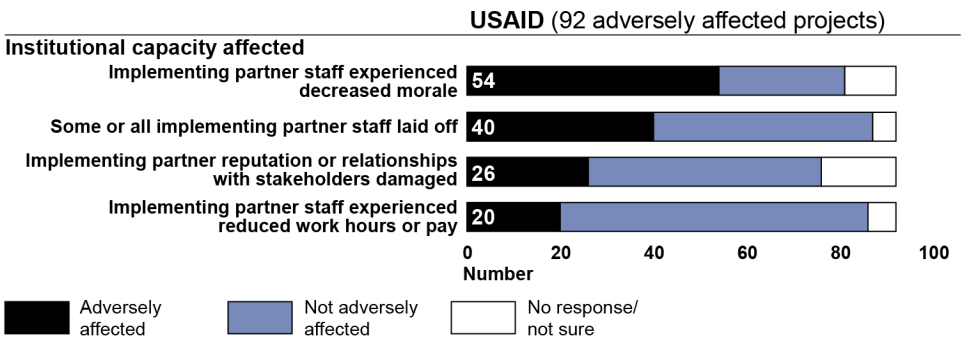
- For example, the implementing partner for one USAID project, which aimed to enhance the influence of civil society and improve the performance of local service providers in education, nutrition, health, and water management, told us that it reduced assistance from 88 to 40 municipalities and closed four regional offices. These reductions meant the project was able to provide services only to beneficiaries in the western region of the country and in five urban municipalities.

USAID Reported Reduced Institutional Capacity for Some of Its Implementing Partners

USAID reported that the 2019 suspension and reprogramming of assistance funding adversely affected the institutional capacity of the implementing partners for some of its projects in the Northern Triangle.[17] Specifically, the project staff of implementing partners experienced decreased morale; damaged partner reputations and relationships; staff layoffs; and reduced hours or pay (see fig. 6).

[17]Survey questions on effects to implementing partner capacity do not apply to State/INL, since it implements almost all of its projects without the assistance of implementing partners.

Figure 6: USAID Projects in the Northern Triangle Reporting One or More Types of Reductions in Institutional Capacity among Implementing Partners Due to the 2019 Suspension and Reprogramming of Assistance Funding



Source: GAO analysis of U.S. Agency for International Development (USAID) survey responses. | GAO-21-104366

Note: GAO surveyed the USAID project managers responsible for oversight of the projects that it identified as adversely affected by the 2019 suspension and Reprogramming of assistance funding. Each response represents a unique project. USAID identified 92 of its 114 projects as affected by the 2019 suspension and reprograming of assistance funding, while State identified 65 of its 168 projects as affected. Each project experienced one or multiple effects. Respondents' options for the survey questions were "Yes," "No," and "Not sure."

USAID reported that in 54 of its projects the staff of implementing partners experienced decreased morale.

- For example, an implementing partner reported that it had to hold multiple town-hall meetings and team-building workshops to keep staff motivated. As projects reduced their size and scope, staff were unsure if they would remain employed, according to the implementing partner. Adding to staff disruption was that USAID and the implementing partner were unsure of when the administration would end the suspension and restore project funding. The implementing partner's leadership told us that this uncertainty decreased morale and hurt operational efficiency because keeping the staff motivated took time and effort away from other project activities.

USAID reported that in 26 of its projects, the 2019 suspension and reprogramming of assistance funding damaged the implementing partner's reputation or relationships with stakeholders and, in one instance, created security risks for implementing partner staff.

- For example, one implementing partner told us that its project, which sought to empower communities to design and lead communal development activities, experienced security risks for its staff and its

sub-partners' staff rising out of community frustration with the project having to delay, modify, or cancel activities due to the 2019 suspension of assistance funding. In the end, the implementing partner had to stop activities in 20 communities due to threats to staff, such as threatening phone calls and messages warning the partner not to return to the community, and threats of violence passed from community members through local government officials. According to the implementing partner, one agricultural community had invested resources in designing long-term water infrastructure to mitigate the impacts of droughts. USAID, however, had to instruct the implementing partner to shift to a short-term water catchment system to conserve finances, given the uncertainty surrounding when the administration would end the suspension of assistance funding. This shift upset the community, since it had designed more sustainable long-term systems. As a result, the community rejected the change and withdrew from the project.

- Another implementing partner in the Northern Triangle told us the 2019 suspension led to a loss of credibility, as its projects could not honor commitments or offer assurances in some cases. For example, the implementing partner had spent over a year implementing a project in 20 municipalities to improve the competitiveness of small- and medium-sized enterprises when it had to inform the municipalities they would not receive the planned assistance funding. Often the municipalities involved had already invested their own funds to complement the planned activities. In one instance, a municipality had invested money to improve a trade corridor to facilitate future project implementation. In another, a municipality funded the remodeling of a park and business spaces. However, the implementing partner had to inform both municipalities it was unable to match their financial contribution as promised. As a result, the municipalities did not receive the expected return on their investment, which led their mayors to write the U.S. ambassador to express their frustrations.

USAID reported that the implementing partners for 40 of its projects laid off staff and 20 others reduced work hours or pay for employees due to the 2019 suspension of assistance funding.

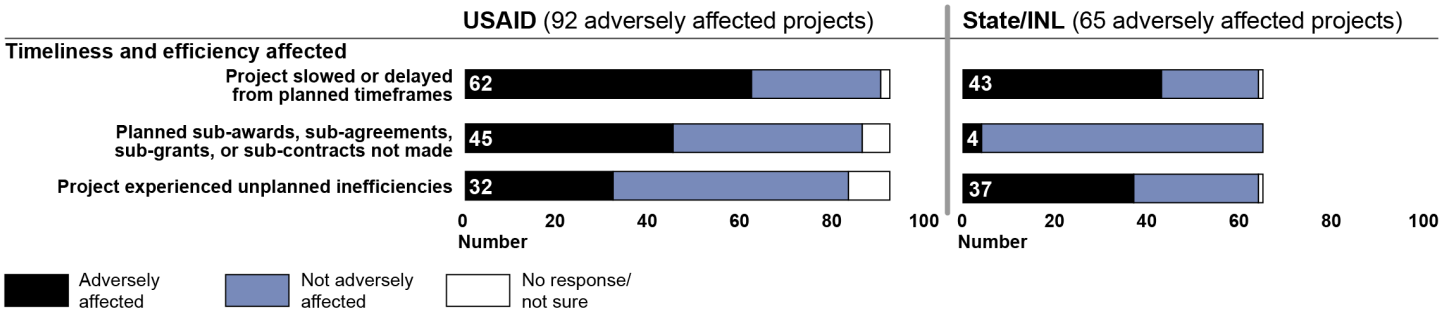
- For example, according to one implementing partner, its project to improve the performance of local service providers in education, nutrition, health, and water management laid off 114 of 149 staff between May and November 2019. This implementing partner and others told us that their staff had moved from overseas to work on projects but had to leave the country when their employment ended.

These dislocations prevented some of the partners' projects in the Northern Triangle from being able to hire back such staff when the administration ended the suspension of funding.

USAID and State/INL Reported That Some Projects Experienced Reductions in Timeliness and Efficiency

USAID and State/INL reported that some of their projects in the Northern Triangle experienced reductions in timeliness and efficiency due to the 2019 suspension of assistance funding. Specifically, both agencies reported project delays as the most commonly experienced adverse effect. Additionally, some projects paused operations, experienced inefficiencies, or could not make planned sub-awards (see fig. 7).

Figure 7: USAID and State/INL Projects in the Northern Triangle Reporting One or More Types of Reductions in Timeliness and Efficiency Due to the 2019 Suspension and Reprogramming of Assistance Funding



Source: GAO analysis of Department of State International Narcotics and Law Enforcement (State/INL) and U.S. Agency for International Development (USAID) survey responses. | GAO-21-104366

Note: GAO surveyed the USAID and State project managers responsible for oversight of the projects that those agencies identified as adversely affected by the 2019 suspension and reprogramming of assistance funding. USAID identified 92 of its 114 projects were affected by the 2019 suspension and reprograming of assistance funding, while State identified 65 of its 168 projects were affected. Each project experienced one or multiple effects. Respondents' options for the survey questions were "Yes," "No," and "Not sure."

USAID reported that 62 projects experienced delays from planned timeframes. Of those, 46 experienced delays longer than 6 months, while 16 experienced delays of 6 months or less. State/INL reported that 43 projects experienced such delays. Of those, 35 experienced delays of over 6 months.

- For example, State/INL had planned multiple projects to provide training, equipment, and services to Guatemala's national police, including the police academy, the investigations division, and the Inspector General's office. As the implementing partner had originally planned to implement the projects in fiscal year 2019, all experienced

delays of over 6 months as they awaited assistance funding to resume.[18]

Two State/INL projects facing similar delays were able to prevent them by receiving funding from outside sources. One implementing partner we met with described receiving outside assistance from a private foundation to restart a project during the 2019 suspension of assistance funding. Specifically, State/INL had initiated a partnership with a private foundation to build and equip a new forensic laboratory for the El Salvadoran Police and to train its technicians. When the administration announced it would suspend funding, State/INL had to halt a separate plan to fund a follow-on project to continue the accreditation of the lab. State/INL and the project implementer said that the foundation stepped in to agree to build and equip the lab and fund the accreditation.

In another case, the implementing partner for a State/INL project to run a nation-wide Police Athletic League was also able to continue operating with support from a private foundation. The project had been receiving funding through a State/INL grant every 2 years since 2012, which allowed it to train police officers as afterschool coaches for youth sports leagues. The project was applying for a 2-year extension at the time the administration announced the suspension of assistance funding. State/INL officials, however, were able to connect the implementing partner with the private foundation and encouraged it to apply for support, which the project eventually received, allowing it to carry on operations.

USAID reported that 32 of its projects experienced unplanned inefficiencies, while State/INL reported 37 of its projects did so.

- For example, the implementing partner for one project told us it had to close its regional offices in two cities to conserve resources and to align with delayed and reduced implementation. To close the offices, the implementing partner's technical staff had to negotiate the early closure of leases, physically close the offices, and inventory, move, or dispose of equipment as appropriate, which took away from their time working on project operations and created inefficiencies. At the time we spoke to representatives of this implementing partner in January 2021, they told us that if the project received additional funding and

[18]The reprogramming of fiscal year 2018 funding to other countries also adversely affected the planned extension of some existing projects and the planning of future projects, according to USAID officials, State officials said they adjusted future planning depending on the availability of funds in the pipeline, including the remaining fiscal year 2018 and planned fiscal years 2019 and 2020 funding.

resumes operations, staff would need to devote additional time and resources to seeking, securing, and moving into new office spaces.

- In August 2019, USAID also had to cancel an $8 million project that had the goal of reducing the criminal recidivism rate among at-risk youth in Honduras. The cancelation happened after a year of planning activities, incurring over $1.1 million in closeout costs. The implementing partner responsible for the project had secured the cooperation of three consortium partners—institutes from two U.S. universities and a U.S. based non-profit organization—to assist in project implementation. When the administration announced the suspension of assistance funding, the implementing partner had spent almost a year preparing the project and had hired international and local staff to work in Honduras. It had also moved into a larger office in Honduras to accommodate the onboarding of new staff and upgraded much of its software to support project implementation. According to the implementing partner, during the first few months of the 2019 suspension, it negotiated with the three consortium partners to re-scope the project. All the consortium partners agreed to reductions in scope to allow the project to begin implementing reduced or modified activities for the beneficiaries. However, according to the officials, USAID decided in August 2019 to terminate the project before full implementation began rather than risk having to do so once implementation was ongoing. Once USAID terminated the project, it had to budget $1.1 million in expenses to close out operations. The implementing partner described these closeout expenses as a waste of taxpayer dollars, given the time and money put in initially to procure the project.

USAID also reported that 45 of its projects were unable to issue planned sub-awards due to the 2019 suspension of assistance funding. State/INL reported that four of its projects did not issue planned sub-awards.[19]

- A USAID implementing partner responsible for five multi-year USAID projects in the Northern Triangle stated that none of its projects was able to make planned sub-awards during the 2019 suspension of assistance funding, limiting its ability to meet project targets. For example, one of its projects, aimed at improving employment opportunities and providing job training for vulnerable youth from high-crime municipalities, decreased spending for its sub-grants by 25 percent. This reduction led local partner organizations to eliminate

[19]State generally does not issue sub-awards since most of its projects are grants issued directly to an entity and implemented by State/INL.

certain courses and lay off staff. The project also had to cancel one planned grant for life-skills training and one for textile job training. This implementing partner was also unable to issue an award for a subcontract on one project it had negotiated with a U.S. data mining company and had to close another subcontract 10 months sooner than planned. As a result, the subcontractor did not provide any planned services in 2019 and closed the subcontract in June 2020, having expended just $90,000 of the $250,000 agreement, according to the implementing partner.

USAID and State Reported That the 2019 Suspension and Reprogramming of Assistance Funding Limited Their Ability to Meet Performance Targets

USAID and State reported missing some of their performance targets at least in part due to the 2019 suspension and reprogramming of assistance funding, in addition to other targets missed for unrelated reasons (see table 4). Specifically, USAID reported missing 19 percent (35 of 182) of its performance targets in its fiscal year 2019 Performance Plan and Reports for the Northern Triangle countries, while State reported missing 30 percent (three of 10) of its targets in those reports. The agencies also reported missing 7 percent (eight of 113) of the performance targets for fiscal year 2019 at least in part due to the suspension and reprogramming of assistance funds, according to the 2020 *U.S. Central America Strategy Progress Report*.[20]

[20]This report incorporates targets included in the country-specific Performance Plan and Reports for fiscal year 2019.

Table 4: USAID and Department of State Fiscal Year (FY) 2019 Missed Performance Targets Due to 2019 Suspension and Reprogramming of Assistance Funding

Country	USAID Performance Targets Missed in FY 2019 Performance Plan Reports	State Performance Targets Missed in FY 2019 Performance Plan Reports	USAID and State Performance Targets Missed in FY 2019 in the 2020 *U.S. Central America Strategy Progress Report*
El Salvador	16 of 46 (35 percent)	2 of 6 (33 percent)	3 of 35 (9 percent)
Guatemala	7 of 79 (9 percent)	1 of 4 (25 percent)	2 of 39 (5 percent)
Honduras	12 of 57 (21 percent)	0 (0 percent)	3 of 39 (8 percent)
Total	**35 of 182 (19 percent)**	**3 of 10 (30 percent)**	**8 of 113 (7 percent)**

Source: GAO analysis of U.S. Agency for International Development (USAID) and State information. | GAO-21-104366

Note: The 2020 *Progress Report for the United States Strategy for Central America's Plan for Monitoring and Evaluation (U.S. Central America Strategy Progress Report)* report incorporates targets included in the fiscal year 2019 Performance Plan and Reports for El Salvador, Guatemala, and Honduras.

USAID Performance Targets

USAID reported that the 2019 suspension and reprogramming of assistance funding limited the agency's ability to achieve some of its targets in fiscal year 2019 for multiple program areas and operating units in the Northern Triangle. Specifically, in its fiscal year 2019 Performance Plan Reports for each Northern Triangle country mission, the agency reported it missed a combined 35 of the 182 targets (19 percent) performance targets due, at least in part, to the 2019 suspension and reprogramming of assistance funding. The targets these operating units reported missing were mostly due to delays and not receiving planned funding to implement projects.

El Salvador

- USAID in El Salvador reported that it missed 16 of its 46 (35 percent) performance targets in multiple program areas in fiscal year 2019 due, at least in part, to the 2019 suspension and reprogramming of assistance funding. Specifically, the mission reported it missed multiple targets in its programs related to indicators supporting Democracy, Human Rights, and Governance; Peace and Security; Education and Social Services; and Economic Growth sectors. For example, according to USAID officials, the El Salvador mission had projects in the workforce development, citizen security, and governance sectors that already had limited funding available when the administration announced the 2019 suspension of assistance

	funding in March 2019. As a result, the mission prioritized some projects and terminated others, which adversely affected its ability to meet planned targets in these sectors. In some cases, projects either delayed activities to another fiscal year or reduced their scope and scale to conserve funding for other, higher-priority activities. These delays and reductions decreased results in fiscal year 2019. For example, USAID in El Salvador previously established a target of training and supporting 52 human rights organizations in the country in fiscal year 2019. According to its Performance Plan and Report, out of the 52 human rights organizations, only 17 (33 percent) received these services, because the 2019 suspension and reprograming of assistance funding directly reduced the funding the mission planned to obligate to the project addressing this target.
Guatemala	• USAID in Guatemala reported it missed seven of its 79 performance targets (9 percent) in multiple program areas in fiscal year 2019 due, at least in part, to the 2019 suspension and reprogramming of assistance funding. Specifically, the mission reported that it missed multiple targets in programs for Peace and Security; Health; and Economic Growth. For example, according to USAID officials, the mission had a robust partnership program with the private sector in Guatemala, in which several companies had leveraged about $20 million in private funding to match USAID assistance funding. However, USAID could not support this project during the suspension and lost the private financial support. • USAID's Guatemala mission also reported that the 2019 suspension and reprogramming of assistance funding prevented it from being able to collect the necessary data to know how its results measured against two country-level health targets. These targets were: (1) the number of pregnant women to whom U.S. foreign assistance provided nutrition-specific assistance; and, (2) the prevalence of children aged 6 to 23 months receiving a minimum acceptable diet. USAID Guatemala had planned to assist about 40,000 pregnant women with nutritional aid in fiscal year 2019 through its projects and to measure if its projects were affecting the prevalence of young children receiving a basic diet. Due to not being able to collect data in these areas, the operating unit had to report "0" results for both targets.
Honduras	• USAID in Honduras missed 12 of its 57 performance targets (21 percent) in multiple program areas in fiscal year 2019 due, at least in part, to the 2019 suspension and reprogramming of assistance funding, according to reports. Specifically, the mission reported it missed targets in the programs for Education and Social Services; Democracy, Human Rights, and Governance; and Economic Growth.

For example, the 2019 suspension adversely affected the mission's ability to promote inclusive economic growth because it had to close projects early or reduce their scope and geographic coverage. According to senior USAID leadership at the mission, USAID estimates it was serving about 1.5 million people in Honduras through its assistance before the administration announced the suspension and about 300,000 after it ended the suspension.

- The 2019 suspension also adversely affected the mission's violence prevention program, as USAID could no longer provide all the assistance it had planned to address and reduce violence. Mission leadership stated it had taken considerable time and effort to develop trust and establish relationships, but the 2019 suspension and reprogramming diminished that trust and ended many of those relationships, as projects had to cancel or delay activities. For example, according to mission officials, a $34 million USAID project designed to foster institutional change by promoting access and improving services provided by justice institutions, the police, and human rights entities, had to reduce its engagement with the Honduran Attorney General's Office from assisting in five broad areas of police work to two. Mission officials stated that they had taken many years to work with the Government of Honduras and its Office of the Attorney General to establish this project and expressed concerns the government might backpedal on reforms because of the project's reduced scope.

Senior USAID officials at the Northern Triangle missions also told us they have been trying to ramp up assistance since the 2019 suspension was ended in June 2020 to meet upcoming performance targets. However, these officials told us they could not start to design projects or issue requests for applications until they knew the plans for reinstating the assistance funding, resulting in programming gaps between the end of previous projects and the start of new ones. According to USAID senior officials, they also faced the additional challenge of planning all this assistance in just 1 year after the administration allowed the use of fiscal years 2018, 2019, and 2020 assistance funding. Due to this uncertainty, missions over the last few fiscal years have been unable to provide the same level of assistance as prior to the 2019 suspension. According to these officials, field operations will not return to previous implementation levels until at least fiscal year 2023.

State Performance Targets

For fiscal year 2019, State reported that the 2019 suspension and reprogramming of assistance funding adversely affected its ability to achieve some targets for multiple program areas and operating units in the Northern Triangle, but overall effects were limited. Specifically, in the fiscal year 2019 Performance Plan Reports for the Northern Triangle countries, State reported missing two of the six targets for which it was responsible in El Salvador and Guatemala, while it did not miss any targets in Honduras (see table 4). In addition, State reported in its 2020 *U.S. Central America Strategy Progress Report* that the "suspension in assistance has impacted some foreign assistance programs and reduced the results achieved since the last report, due to de-scoping, re-scoping, or ending programs."

El Salvador

- For fiscal year 2019, State reported that it missed two performance targets from its Peace and Security program areas related to International Military Education and Training and Foreign Military Financing. Specifically, State reported that reductions in these two programs directly affected its ability to meet established milestones and targets in the fiscal year 2019 Performance Plan and Report. At the time, State reported that once the administration ended the 2019 suspension and reestablished funding, it expected to achieve the targets.

Guatemala

- For fiscal year 2019, State reported in the Guatemala Performance Plan and Report that it missed one performance target from its Peace and Security program area. Specifically, according to State, it was unable to provide planned assistance to the national police, including training, due in part to reductions in its budget.

U.S. Central America Strategy Progress Report Performance Targets

USAID and State reported missing eight out of113 performance targets for the Northern Triangle countries in fiscal year 2019, due, at least in part, to the 2019 suspension and reprogramming of assistance funding according to the 2020 *U.S. Central America Strategy Progress Report*. According to the report, USAID and State missed three out of the 35 performance targets in El Salvador, two out of the 39 in Guatemala, and three out of the 39 in Honduras.

El Salvador

USAID and State reported missing two targets in El Salvador under the Prosperity objective and one under the Governance objective of the Strategy. The targets missed aimed at improving the quality of education and assisting the government to uphold democratic values. For example, the Strategy had a target of assisting almost 38,000 students in secondary schools, but reached about 15,000.

Guatemala	USAID and State reported missing two targets in Guatemala, one under the Prosperity objective and another under the Security objective of the Strategy. The targets missed aimed at reducing poverty and reducing violence at the local level, respectively. For example, the Strategy established a target of at serving 6,400 at risk youth in targeted communities, but reported serving 498.
Honduras	USAID and State reported missing two targets in Honduras under the Prosperity objective and one under the Security objective of the Strategy. The targets missed aimed at improving quality of education and reducing violence at the local level, respectively. For example, the Strategy established a target of at serving 98,000 at risk youth in targeted communities, but reported serving 46,206.

Agency Comments and Our Evaluation

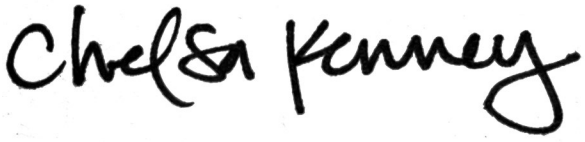
We provided a draft of this report to USAID, State, DOD, and USDA. We received written comments from USAID. In its written comments, USAID stated that it concurs with GAO's conclusions that the 2019 pause in funding and reprogramming of assistance funding adversely affected 92 of 114 projects, including causing delayed timeframes and decreased beneficiary pools and geographic coverage. We reprinted USAID's complete written comments in appendix III. We received technical comments from State and USAID, which we incorporated as appropriate. USDA and DOD informed us in writing that they had no comments.

State also commented, as part of its technical comments, that the terms "suspend/suspension" do not best reflect the steps taken by the administration with respect to the foreign assistance funds discussed in the report. State said it would be more appropriate to say that the administration "ceased obligations for certain assistance and undertook a review of FY 2017 assistance previously obligated for the three countries, in addition to reprogramming certain FY 2018 assistance" because that language more precisely describes the steps taken. However, we believe we correctly describe the steps taken in this report, and the terminology we use provides a clearer overall description of those actions. Moreover, the terminology reflects our understanding of the impact of those actions that we obtained through discussions with agency officials and implementing partners.

As agreed with your offices, unless you publicly announce the contents of this report earlier, we plan no further distribution until 30 days from the report date. At that time, we will send copies to the appropriate congressional committees, the Administrator of USAID, the Secretary of State, the Secretary of Defense, the Secretary of Agriculture, and other

interested parties. In addition, the report will be available at no charge on the GAO website at http://www.gao.gov.

If you or your staff have any questions about this report, please contact me at (202) 512-2964 or KenneyC@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this report. GAO staff who made contributions to this report are listed in appendix IV.



Chelsa Kenney
Director, International Affairs and Trade

Appendix I: Objectives, Scope, and Methodology

This report (1) identifies the funding appropriated by Congress for the Northern Triangle that was suspended and reprogrammed to other countries, and how the approach to U.S. assistance to the region changed after March 2019; (2) examined the effects of the 2019 suspension and reprogramming of assistance funding on project implementation; and (3) examined the extent to which the 2019 suspension and reprogramming of assistance funding affected the ability of U.S. agencies to meet their foreign assistance performance targets for the region. To address these objectives, we reviewed relevant U.S. Agency for International Development (USAID) and Department of State and documents and interviewed agency officials from State, USAID, and the Departments of Defense (DOD) and of Agriculture (USDA). We also interviewed State and USAID implementing partners.

To determine what assistance funding appropriated for the Northern Triangle the administration directed USAID and State to suspend and reprogram, we analyzed data for foreign assistance budgets provided by USAID and State from fiscal years 2017 through 2020. Specifically, we analyzed foreign assistance appropriations from fiscal years 2017 through 2020 to determine funding amounts Congress appropriated to each of the Northern Triangle countries. We identified foreign assistance congressional appropriations allocated to USAID and State for the Northern Triangle that the administration directed USAID and State to reprogram to other countries. We obtained information on what countries and for what purpose USAID and State reprogramed the assistance funding. To determine what assistance funding the administration directed USAID and State to suspend, and for how long, we obtained information from State on the administration's decisions and related announcements.

To determine if there had been any changes to the approach of U.S. assistance to the Northern Triangle since the administration announced the suspension in March 2019, we reviewed planning documents and interviewed USAID and State officials. Specifically, we reviewed the U.S. Strategy for Engagement in Central America and discussed planned areas of assistance with USAID and State officials to determine if a change in approach had occurred since the 2019 suspension. We also reviewed the administration's statements directing USAID and State to focus assistance on projects that address migration after it ended the 2019 suspension. We reviewed documents of steps the agencies took to respond to the administration directive and discussed them with USAID and State officials.

To examine the effects the 2019 suspension and reprogramming of assistance funding had on project implementation, we surveyed USAID and State Bureau of International Narcotics and Law Enforcement Affairs (State/INL) contract and agreement officer representatives responsible for the oversight of projects in the Northern Triangle that the agencies identified as adversely affected by the 2019 suspension and reprogramming of assistance funding. To develop our survey, we met with USAID, State/INL, and implementing partner officials to determine common effects experienced throughout the region, which we used to develop survey questions and to pre-test our survey with select contract and agreement officer representatives. We then analyzed the survey data to determine the number of projects experiencing each effect. To corroborate survey data and to obtain more context on information on the effects the 2019 suspension and reprogramming of assistance funding had on project implementation, we selected 13 implementing partners to interview and obtain detailed information about how the 2019 suspension and reprogramming affected their projects. We selected 10 of USAID's implementing partners to ensure we included the implementing partner with the most affected projects in the region; the partner with the largest dollar value project, at least one local partner; a partner implementing a regional project; and at least one partner from each country in the Northern Triangle—El Salvador, Honduras, and Guatemala. Since State/INL implemented most of State's projects, we selected three of the four State/INL projects with implementing partners. We conducted semi-structured interviews with the implementing partner selected and discussed all projects they implemented in the Northern Triangle affected by the 2019 suspension and reprograming. In addition, we analyzed project documents from each selected project, such as work plans, project modifications, and annual reports prepared by USAID and their implementing partners.

To examine the extent to which the 2019 suspension and reprogramming of assistance funding affected the ability of USAID and State to meet their foreign assistance performance targets for the region, we reviewed the fiscal year 2019 performance reports for each of the Northern Triangle operating units. Specifically, we reviewed the State and USAID Performance Plan and Reports for fiscal year 2019 for each Northern Triangle country. We also reviewed the 2020 *Progress Report for the United States Strategy for Central America's Plan for Monitoring and Evaluation*. We reviewed these progress reports to determine which performance targets the agencies cited the 2019 suspension and reprogramming as being a cause, at least in part, for the missed targets. Finally, we interviewed headquarters bureau senior leadership for both

agencies and USAID senior leadership from its El Salvador, Honduras, and Guatemala country missions.

Appendix II: Countries and Regional Programs That Received Reprogrammed Northern Triangle Assistance

The U.S. Agency for International Development (USAID) and the Department of State reprogrammed approximately $396 million, or about 85 percent of planned assistance funding for fiscal year 2018 intended for the Northern Triangle to 18 other countries and several regional programs and other accounts.[1] See table 5 below for the top countries and program areas that received reprogrammed Northern Triangle assistance.

Table 5: Top 10 Countries That Received Reprogrammed Northern Triangle Assistance Funding for Fiscal Year 2018 from the Department of State and the U.S. Agency for International Development by Amount and Purpose

Country/Operating Unit	Amount (In dollars)	Purpose (Program Area)
Colombia	116,000,000	Migration Management; Counternarcotic; Citizen Security and Law Enforcement
Venezuela	87,069,000	Good Governance; Political Competition and Consensus Building; Civil Society; Independent Media and Free Flow of Information; Human Rights; Conflict Management and Stabilization; and Agriculture
Peru	17,031,000	Counternarcotics
Nicaragua	10,000,000	Political Competition and Consensus Building; Civil Society; and Independent Media and Free Flow of Information
Barbados and Eastern Caribbean	10,000,000	Disaster Readiness
Malawi	8,500,000	Basic Education
Brazil	8,000,000	Environment
Indonesia	7,000,000	Modern Energy Services
Niger	6,625,000	Basic Education and Private Sector Productivity
Bangladesh	6,000,000	Rule of Law; Good Governance; Private Sector Productivity and Civil Society

Source: GAO analysis of State data. | GAO-21-104366

Note: Venezuela total includes amounts reprogrammed through U.S. Agency for International Development Bureau for Food Security; State Bureau of Conflict and Stabilization Operations; and State Bureau of Democracy, Human Rights, and Labor.

In addition, USAID and State reprogrammed some of the Northern Triangle assistance funding to regional or global programs. See table 6 below for regional bureaus and program area that received the reprogrammed assistance.

[1]They were the Dominican Republic, Venezuela, Colombia, Brazil, Ecuador, Nicaragua, Peru, Niger, Burkina Faso, Malawi, Indonesia, Philippines, Vietnam, Bangladesh, India, Nepal, Sri Lanka, and Barbados and Eastern Caribbean.

Table 6: Regional Programs That Received Reprogrammed Northern Triangle Assistance Funding for Fiscal Year 2018 from the Department of State and the U.S. Agency for International Development (USAID) by Amount and Purpose

Bureau or Operating Unit	Amount (In dollars)	Purpose (Program Area)
USAID E3	30,000,000	Basic Education
USAID AFR Regional	23,500,000	Trade and Investment and Macroeconomic Foundation for Growth,
USAID South America Regional	12,200,000	Migration Management
USAID Global Health	12,100,000	Maternal and Child Health; Family Planning and Reproductive Health; and Nutrition
USAID West Africa Regional	4,000,000	Counter-Terrorism
J/TIP WHA	3,000,000	Anti-Trafficking In Persons
Sahel Regional	2,500,000	Disaster Readiness
USAID Asia Regional	2,000,000	Modern Energy Services
State OES	1,500,000	Adaptation
USAID LAC Regional	1,000,000	Modern Energy Services
State INL/PD&S	40,900	Counternarcotics

Legend: (AFR) = Africa Bureau; (E3) = Bureau of Economic Growth, Education, and Environment; (INL) Bureau of International Narcotics and Law Enforcement Affairs; (J) = Under Secretary for Civilian Security, Democracy, and Human Rights; (TIP) = Office to Monitor and Combat Trafficking in Persons; (LAC) = Latin America and Caribbean Bureau; (OES) Bureau of Oceans and International Environmental and Scientific Affairs; (PD&S) = Program Development and Support; (WHA) = Bureau of Western Hemisphere Affairs.

Source: GAO analysis of State data. | GAO-21-104366

Appendix III: Comments from the U.S. Agency for International Development

September 1, 2021

Chelsa Kenney
Director, International Affairs and Trade
U.S. Government Accountability Office
441 G Street, N.W.
Washington, D.C. 20226

Re: Northern Triangle of Central America: The 2019 Suspension and Reprogramming of U.S. Assistance Funding Adversely Affected Assistance Projects (GAO-21-104366)

Dear Ms. Kenney:

I am pleased to provide the formal response of the U.S. Agency for International Development (USAID) to the draft report produced by the U.S. Government Accountability Office (GAO) titled, "Northern Triangle of Central America: The 2019 Suspension and Reprogramming of U.S. Assistance Funding Adversely Affected Assistance Projects (GAO-21-104366)".

USAID concurs with the GAO's conclusions that the 2019 pause in funding and reprogramming of assistance funding adversely affected 92 of 114 projects, including delayed timeframes, decreased beneficiary pools, and decreased geographic coverage. USAID appreciates the time, effort, and resources the GAO put forth in this examination.

I am transmitting this letter from USAID for inclusion in the GAO's final report. Thank you for the opportunity to respond to the draft report, and for the courtesies extended by your staff while conducting this engagement.

Sincerely,

Colleen R. Allen

Colleen Allen
Assistant Administrator
Bureau for Management

Appendix IV: GAO Contact and Staff Acknowledgments

GAO Contact

Chelsa Kenney, (202) 512-2964, KenneyC@gao.gov

Staff Acknowledgments

In addition to the contact named above, James Michels (Assistant Director), Francisco M. Enriquez (Analyst-in-Charge), Nicholas Jepson (Senior Analyst), Neil Doherty, Mark Dowling, Aldo Salerno, and Rachel Stoiko made key contributions to this report.

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