



**USAID**  
FROM THE AMERICAN PEOPLE

# LATIN AMERICA AND THE CARIBBEAN



*USAID Administrator and Director of U.S. Foreign Assistance Henrietta H. Fore visited Peru from January 10 - 12. Her schedule included ministerial meetings, the signing of a major public-private partnership with mining companies that have demonstrated their commitment to promoting corporate social responsibility, and a visit to see USAID projects in the highlands region of Ayacucho.*

## OVERVIEW

U.S. foreign policy in Latin America and the Caribbean is designed to help governments respond to their citizens by strengthening democracy, creating widespread long-term economic growth, and promoting security. This policy has borne fruit in the emergence of democratic states, and improved social justice and economic competitiveness. Despite advances in these areas, many people continue to be denied access to opportunity. Large segments of the population have yet to enjoy the full benefits of democracy and economic growth; they lack the jobs, health-care, education, and safety that are needed to improve their lives. The Western Hemisphere currently has some of the highest rates of income inequality in the world and 80 percent of its indigenous peoples live in abject poverty. Inadequate economic policies, coupled with weak institutions, continue to undermine delivery of critical public services and the growth of a robust private sector-led, broad-based growth. As a result, the ability of democratic governments to deliver services is being questioned in the region. Moreover, while many countries have improved their ability to compete in the international market, they often lag behind developing countries in other regions.

To address these challenges, the United States is working to consolidate and deepen democratic gains so that everyone not only has a voice in electing their leaders, but also has the opportunity to raise their standard of living and to determine their destiny. U.S. foreign assistance will continue to fight corruption, promote the rule of law, and create the kind of democratic and just governance necessary to ensure that economic opportunity is not limited to elites, but instead extends to all members of society.

The U.S. Agency for International Development (USAID) is a U.S. Government agency implementing important foreign assistance programs throughout the region. The Bureau for Latin America and the Caribbean (LAC) oversees 16 bilateral missions, 4 regional programs, and Washington-based programs for Cuba. The overall total budget for FY08 is approximately \$963 million.

### USAID Priorities in Latin America and Caribbean:

- Promoting democratic practices;
- Advancing economic development;
- Providing responsive services for particularly marginalized populations;
- Improving the quality of basic education and health care;
- Providing humanitarian relief to refugees and displaced persons.

Per the U.S. Department of State-USAID *Joint Strategic Plan (FY 2007-2012)*, below are summary descriptions of U.S. foreign assistance activities in the Western Hemisphere by objective.

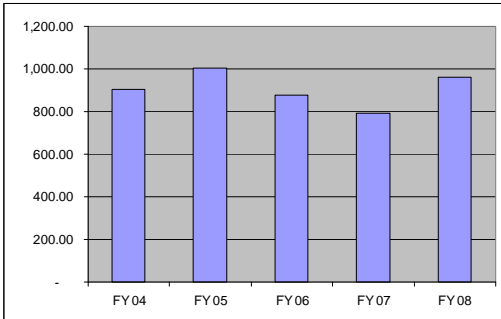


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## USAID ASSISTANCE TO LATIN AMERICA & CARIBBEAN

(\$ IN MILLIONS)



### PROGRAMS

**Peace & Security (FY 08 \$208 Million):** With all but one of the hemisphere's governments elected democratically, the principal security threat is no longer state to state warfare, but terrorism, organized crime, and trafficking in people and illicit goods, including illegal narcotics, which transcend national boundaries. The United States, working through the Summit of the Americas and the OAS, will continue to help reshape the Western Hemisphere's security agenda and institutions. Through law enforcement and intelligence cooperation, the ability to respond to new threats will be strengthened. The U.S. will continue building a new understanding of the linkage between security, economic prosperity, and the well-being of democratic institutions. Efforts will continue to reduce trafficking in persons and illicit goods, and provide alternatives to rural livelihoods built on the production of illegal narcotics.

**Governing Justly & Democratically (FY 08 \$158 Million):** Assistance programs will support efforts to create competitive and inclusive political systems so that all citizens have access to political power. With greater competition, less corruption, greater accountability of elected officials, and better stewardship of state resources, citizens of the region will enjoy an improved quality of life. To achieve this, programs will strengthen judicial independence and capacity, internal controls, and effective prosecution of corruption and other complex crimes. Assistance programs will also strengthen institutions of representative democracy, such as political parties, legislatures, executive agencies, media, and civil society. In order to oppose tyranny in Cuba and support the Cuban people during this time of uncertainty, we will fulfill our Commission for Assistance to a Free Cuba (CAFC II) commitment.

**Investing In People and Humanitarian Assistance (FY 08 \$390 Million):** Poverty, inequality, and social and political exclusion have denied many in the Americas access to opportunity. The United States will continue to invest in improved access to and quality of basic and advanced education, training, and health care, reduction of disease and disability, improved access to safe drinking water and sanitation services, better protection and management of natural and environmental resources, and security for their families and their property. The United States will provide life-saving humanitarian relief to refugees, displaced persons, and other vulnerable populations facing



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Raboteau square in Gonaives, Haiti that USAID rehabilitated from a gang meeting place into a public square where children can play.

violent conflict, crisis, natural disasters, famine, persistent and dire poverty, and HIV/AIDS. The USG will also prepare for possible pandemics such as avian influenza.

Programs will focus on preparation for potential natural disasters and environmental protection, and will help U.S. hemispheric neighbors develop the capacity to overcome these challenges and reduce vulnerabilities. These efforts will continue to help unlock the vast potential of the peoples of the Americas and will contribute to the sustainability of democracy and economic growth.

**Economic Growth (FY 08 \$206 Million):** Access to economic opportunity, and the social mobility that it creates, are fundamental components of social justice and promoting prosperity. The U.S. will work with governments to fight poverty in the region by reducing the obstacles to entering the formal economy, implementing free trade agreements in Central America, the Dominican Republic, and the Andes, and improving weak investment climates. Assistance programs will enhance the ability of countries to improve income equality by increasing access of the poor to productive assets, improve the capacity of small and medium-sized enterprises, especially in the rural sector, to participate in and benefit from trade-led growth in a competitive, global environment. The U.S. will continue to press for market reform, transparency, and regulatory and legal environments conducive to opening and expanding the domestic private sector as well as attracting investment - domestic and foreign - that will expand employment opportunities. Programs will improve access to energy and explore possibilities of alternative fuels both as a way to create renewable energy as well as a source of employment. The U.S. will work to strengthen institutional capacities to reinforce labor rights, reduce corruption, and improve the overall environment for investment.

**Linkages With The Millennium Challenge Corporation:** In addition to the above assistance, ongoing Millennium Challenge Corporation (MCC) funding includes compacts with Nicaragua (\$175 million), Honduras (\$215 million), El Salvador (\$461 million), and a Threshold Country Program for Paraguay (\$35 million) and Guyana (\$7 million) and Peru (\$35.6 million).