

RELEASE IN FULL

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To: H
Cc: Steinberg, James B; Lew, Jacob J; Burns, William J; Mills, Cheryl D; Sullivan, Jacob J; Gonzalez, Juan S
Subject: Central America Strategy

Madam Secretary:

As I mentioned in senior staff, I have been working with Roberta Jacobson, Julissa Reynoso and the WHA team to address concerns related to Central America's challenging security situation. This has been at the top of our agenda and has included extensive discussions with Central American leaders bilaterally and as a group, including a meeting with the Central American Foreign Ministers at UNGA last month.

There is a shared consensus that security is the number one priority. We have specifically reached out to Costa Rica and El Salvador to play leading roles in coordination with SICA (the Central America Integration System). Julissa has just returned from a Central America trip and I am going to Costa Rica and Nicaragua next week.

The international community shares our concern. Julissa and I met with the major donors (EU, Spain, whom we asked to chair, and Canada) on the margins of UNGA. We and the Mexicans and Colombians will meet with the Central Americans via SICA before year's end, and there will be calls and meetings with the Central Americans, OAS, UN, donors and IFIs, all leading to a conference on regional security hosted by SICA to be held in Guatemala in March 2011. This is the event President Funes mentioned to you. We are encouraged that the leaders themselves are finally seized with the issue, organizing and preparing themselves to mobilize donor efforts - that has been lacking thus far. We have proposed to the Central Americans the formation of a Group of Friends of Central America which would meet regularly and at varying levels to impart urgency to our efforts and coordinate support.

At State, we have been working to energize the programs already in the pipeline through CARSI and have created a "CARSI Working Group" with participation from key players from USAID and our missions. (As background, we allocated \$109 million in 2009 and \$95 million in 2010 towards CARSI, and have \$100 million allocated towards 2011.)

In the inter-agency we have reached out to DoD, Treasury and Southcom-- and are coordinating with NSS. We have been working to: 1) baseline our existing and planned citizen safety and related assistance programs; 2) determine key US and host nation priorities; 3) review the mix of our current and planned assistance to ensure it is meeting our objectives and to determine, as appropriate, the need for additional resources; and 4) better rationalize and organize the considerable overall international assistance to Central America.

We believe that changing the trajectory in Central America will also require new effort and investment by you and other Administration officials to: 1) ensure, as required, adequate resources for the most acute challenges; 2) maximize political incentives and pressure on Central American governments to invest their own capital and resources in order to guarantee sustainable progress and reform; 3) strengthen congressional understanding of, and support for, our sustained engagement in Central America; and 4) work effectively with other donors and multilaterals to better coordinate and implement security and development assistance.

Deputy Lew suggested that we not send you a formal memo on our Central America Strategy until we had completed work with F and other bureaus and agencies to come up with a definitive reconfiguration of existing programming and funding allocations, as well as estimates of any additional unfunded priorities that our assessment process identifies. We are pressing to get this finalized within the next three to four weeks.