Strategy to Address Key Factors in Central America Contributing to the Migration of Unaccompanied, Undocumented Minors to the United States

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Congress has mandated that the Administration develop a strategy to mitigate the factors causing out migration of unaccompanied Central American children to the US. An additional \$130 million has been authorized in the recent USG 2015 appropriations bill for Guatemala, Honduras and El Salvador to address the social and economic factors causing this migration. According to a recent analysis by the Congressional Research Service, a key aspect of this phenomenon is rooted in poverty and lack of economic opportunity, and this is further demonstrated in that a mapping of the migrants shows a significant number are coming from rural, coffee producing areas affected by leaf fungus (La Roya).

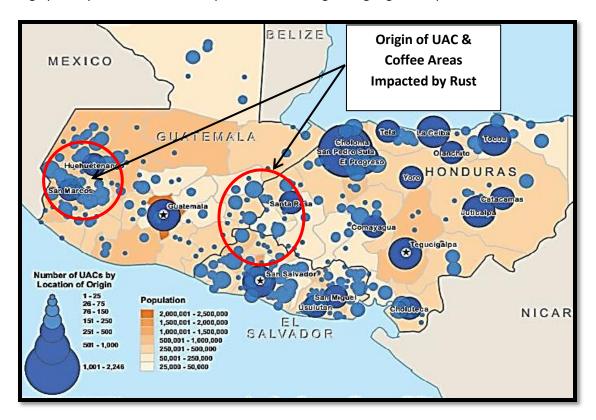
There is an opportunity to work with smallholder coffee farmers in Central America in order to mitigate economic factors that contribute to the migration of unaccompanied minors to the US. This work can be done at the base of the value chain through a \$30 million, 5 year Northern Triangle Coffee Project focused on: (1) providing technical assistance to support coffee plantation renovation and crop diversification; (2) financing smallholder coffee farmer production, processing and marketing through progressive cooperatives; and (3) applied research for improved husbandry, varietal improvement, and more efficient coffee processing. The goal of this project would be to increase productivity, quality and farm-gate price of smallholder coffee. More than 15,000 farmers and 100,000 direct beneficiaries could be impacted by this approach. Yields could be increased by more than 35 percent, coffee quality could be significantly improved, and smallholder coffee farmer incomes would increase by more than 40 percent. The goal of this approach would be to help those farmers who have the potential to produce high value coffee to move forward while also creating models for crop diversification.

This initiative would not be designed and implemented in isolation. The design team would review ongoing activities and reach out to existing coffee projects (e.g., Coffee Resilience Project via Root Capital, World Coffee Research Center's Central America Coffee Improvement Program, Catholic Relief Services coffee program in partnership with the Howard G. Buffett Foundation, World Bank — International Finance Corporation Coffee Loan Program, Inter-American Development Bank coffee activities, national coffee programs, and private sector programs). USAID would seek to leverage impact and create synergy with a focus on improving the purchasing power of food insecure families in coffee producing areas.

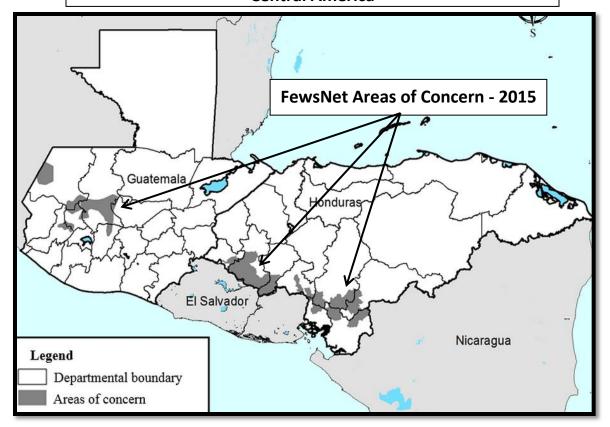
Attached is background information on this concept including summaries of the appropriations bill and its requirements, funding allocations for a Central America strategy, factors contributing to the migration of unaccompanied, undocumented children to the US, impact of coffee rust on migration, map of the communities from which these children are coming, and FewsNet information identifying the most at risk and food insecure areas in the region.

Coffee rust is causing major economic disruptions in Guatemala, El Salvador and Honduras. The development and implementation of a Central America strategy would give us a chance to address this problem in rural communities, promote local resilience and a diversified economy, and create a better future in which the youth of these countries can find opportunity and have a greater incentive to stay and help build a better future for themselves and their countrymen.

- Public Law No. 113-235 "H.R. 83 Consolidated and Further Continuing Appropriation Act, 2015" requires the Administration, in Section 7045, to draft a Central American migration prevention strategy which includes economic and social development programs with a focus on communities that are major contributors of unaccompanied migrants. This strategy must be presented to Congress within 90 days of the enactment of this legislation (due date for presentation of the strategy is March 26, 2015).
- <u>"International Affairs Budget Update"</u> by U.S. Global Leadership Coalition in December 2014 stated that additional funding was made available to support this strategy to mitigate key drivers of out migration. From p. 5 of the update: "Final FY15 appropriations require the Administration to develop a strategy to address factors in Central America that contribute to the migration of unaccompanied children to the United States. In order to fund the strategy, the measure increases by \$130 million the Administration's request for El Salvador, Guatemala, and Honduras." There was not a specific designation of how the funds were to be expended but the legislation clearly cites "economic conditions" as one of the areas that should be addressed.
- "Unaccompanied Children: Potential Factors Contributing to Recent Immigration" a July 2014 report by the Congressional Research Service indicated that out migration of youth from Central America was in part a consequence of unemployment, low economic growth, and shocks to the economy (the impact of coffee rust on rural employment was cited as one factor provoking migration). With as much as 70 percent of Central America's coffee fields affected by coffee rust ("La Roya"), yields have been significantly reduced, 500,000 coffee-related jobs lost, and coffee sector income cut by approximately one billion dollars.
- "New York Times Report of Origin of Unaccompanied Children" October 2014 report provided a description of where the unaccompanied children originate. This data is Department of Homeland Security map below. A significant number of unaccompanied children came from high poverty rural areas that are part of the coffee growing regions impacted coffee rust.

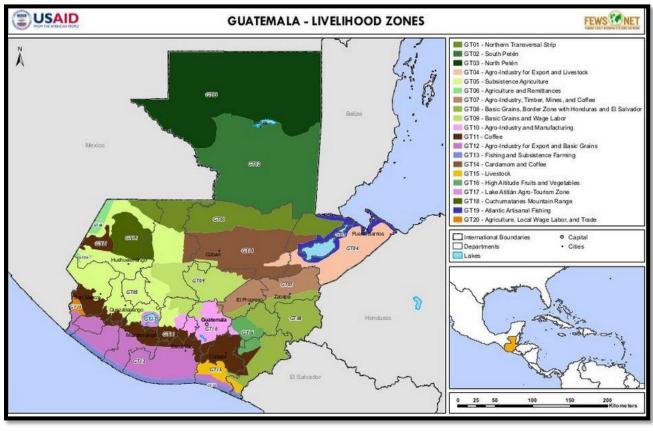


Map from December 2014 FewsNet Report for Central America

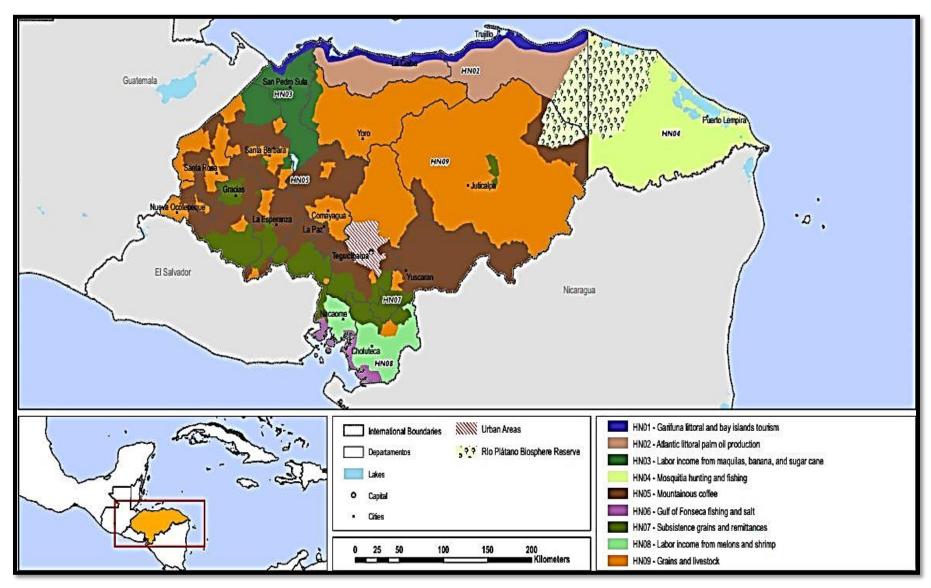


<u>Households in Crisis in the Guatemalan highlands and southwestern</u>
<u>Honduras beginning in March</u>. "Guatemala's temperate highlands and southwestern Honduras, some very poor households will be in Crisis (IPC Phase 3) due to a poor *Primera* season in 2014 and the impact of coffee rust since ... the poorest households in the eastern region of Guatemala, the southern and western regions of Honduras, and the coffee-producing region of El Salvador will continue to be Stressed (IPC Phase 2) until September 2015."

FUSADES Report , El Salvador – <u>Impact of Coffee Rust</u> – "Over 500,000 farm and processing jobs lost in 2013 in Central America • Average less than 3 hct per farmer • Few employment/income/staple food production alternatives in coffee areas • Assessment in Guatemala (WFP) – – – – 43% of coffee HH spend over 65% of income on food 85% grow corn/beans but not enough for whole year 37% of laborers have no other livelihood 15% of small farmers have no other source of income 35,000 vulnerable families who need assistance 37,000 additional families at risk of becoming food insecure."







Honduras Livelihoods Map