



Integrated Country Strategy

Argentina

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1. Chief of Mission Priorities

The United States seeks a stable, prosperous, and secure Argentina – an Argentina that promotes our shared values throughout the Americas and the world. Economic crises and political division threaten Argentina’s natural leadership among the American republics. Following a 20th century of economic booms and busts, as well as a political landscape punctuated by dictatorship, violence, and uncertainty, Argentina began the 21st century in one of the hemisphere’s worst economic depressions.

Today, Argentina again finds itself at an inflection point. A recession that began in 2018 has deepened due to uncertainty about fiscal sustainability and the impact of the coronavirus pandemic. Political partisanship has sharpened, bringing charges of corruption and political interference in the rule of law. This political-economic instability is likely to continue and could lead Argentina to make generational decisions to align itself with anti-democratic actors or become beholden to predatory investments that will constrain its ability to capitalize on its enormous potential.

This strategy aims to address the underlying economic conditions that restrict Argentines and Americans from investing in Argentina’s future. It aims to ensure that Argentina looks to the United States as its partner of choice, whether that partnership relates to trade and investment, security cooperation, or protecting democratic values. The United States supports and promotes the rules-based international order founded on respect for sovereignty, the rule of law, open markets, private sector-led economic growth, the free flow of commerce and information, and freedom of the seas. Due to Argentina’s economic and diplomatic heft in Latin America, sustaining our bilateral relationship is crucial to U.S. interests, especially as the Western Hemisphere confronts the COVID-19 pandemic and its aftershocks.

Argentina’s Economic Recovery Is Critical to Secure Its Future

A G20 member with the third-largest economy in Latin America, Argentina boasts exceptional natural and human resources, and remains a country with great promise. However, decades of poor fiscal and economic planning limit its potential. High inflation and a large fiscal deficit constrain the government's domestic policy and access to international credit. Attempts to enact necessary structural reforms have generated swift public outcry from a population suffering increasing poverty rates. The global macroeconomic environment bodes poorly for Argentina’s natural resource exports, reducing access to the foreign exchange its economy badly needs.

Constructive dialogue with the United States is important for Argentina as it confronts these challenges. U.S. Embassy Buenos Aires faces obstacles of its own, situated as it is in the eighth-largest country in the world in terms of geography, and having no constituent posts. (Argentina

is the largest country served by a single U.S. embassy.) Taking into account this geographic challenge to engagement combined with pandemic-related travel restrictions, we have developed this Integrated Country Strategy (ICS) to strengthen our economic relationship, foster a constructive regional and global partner, and build the capacity of Argentina's judiciary, law enforcement, and military, and to ensure the safety and prosperity of American citizens.

Bound by Close Ties and Common Values

The United States is Argentina's largest foreign investor and third-largest trading partner (after China and Brazil). Argentina presents significant opportunities for U.S. companies in infrastructure, health, agriculture, information technology, energy, and mining. U.S. companies lead the development of Argentina's unconventional oil and gas fields and play a significant role in clean energy and civil nuclear technology. U.S. defense companies have also played a key role in acquisitions programs with Argentina and will remain vital to modernization and interoperability. Our peoples share a love of democracy, an emphasis on education, and a respect for diversity that make our cultures so rich. This strategy aims to capitalize on U.S.-Argentine shared values, which we believe give us an advantage over our competitors.

Argentines travel to the United States in large numbers as tourists, students, and professional exchange participants, although the global pandemic and devaluation of the peso have depressed numbers in recent months. Argentines made approximately 850,000 trips to the United States in 2019, spending an average of \$6,000 per person. More than 400,000 Americans visited Argentina during that same year, joining 47,000 U.S. citizens who are residents of the country. American visitors and residents will continue to provide a vital economic boost for Argentina.

Forging Common Ground on Foreign Policy

In its foreign policy, Argentina historically prefers to strike a "third way" that seeks positive relations with all great powers without prioritizing any single country. Argentina's approach diverges from that of the United States on key regional issues, such as ending the Maduro regime's brutal reign in Venezuela. While we differ on tactics, we desire the same outcomes: democratic states that provide for their people and are productive regional partners. Our diplomatic engagement aims to create a productive dialogue on regional and international issues and minimize the frequency and severity of points of friction between our policy goals.

The Western Hemisphere is safer and more prosperous when Argentina is a constructive partner. Years of neglect and underfunding have limited Argentina's peacekeeping and military capabilities relative to those of its G20 peers and curtailed its ability to provide humanitarian assistance and disaster relief within its own territory. We will continue supporting the Argentine armed forces' efforts to meet their mission through military-to-military cooperation, while building on our shared democratic values and vibrant human rights traditions. The

United States remains the partner of choice for the Argentine career military leaders for equipment and training.

Strengthening Security Cooperation and the Rule of Law

Safeguarding the security of our citizens and the defense of our nations is of paramount interest for the United States and Argentina. Narcotrafficking, money laundering, and terrorism remain areas of mutual concern and cooperation for our governments. U.S. assistance facilitates military and law enforcement professionalization, helps address insecurity caused by major crime, and fortifies respect for the rule of law and the transition to the accusatory system. These programs reinforce our objective of maintaining the United States' position as the partner of choice for training, equipment, and joint exercises.

2. Mission Strategic Framework

Mission Goal 1: Promote economic prosperity through policies, trade, and investment.

Mission Objective 1.1: Argentina strengthens its regulatory framework for economic recovery and stable economic growth.

Mission Objective 1.2: Argentina provides a level playing field for trade and investment and effectively participates in regional and global markets.

Mission Objective 1.3: Maintain and promote opportunities for U.S. investment in energy and natural resource sectors.

Mission Goal 2: Secure Argentina's support for democratic values and the rules-based international order, with the United States as the partner of choice.

Mission Objective 2.1: Argentina reinforces its democratic values by increasing transparency and strengthening accountability of its government.

Mission Objective 2.2: Develop open and effective channels of communication with the Argentine public to build lasting support based on shared values for U.S. policies.

Mission Goal 3: Protect U.S. citizens, promote regional security, and strengthen rule of law.

Mission Objective 3.1: Protect and assist U.S. citizens by providing direct consular assistance and supporting GoA actions that combat terrorist and Transnational Criminal Organizations (TCOs).

Mission Objective 3.2: Support GoA initiatives that build the capacity, professionalism, and independence of the security services, judicial actors, the military, and other relevant actors.

Management Objective 1: Build an agile management support platform that cost-effectively meets the needs of the U.S. government presence in Argentina.

Management Objective 2: Create a work environment that allows personnel to achieve Mission goals safely and securely.

3. Mission Goals and Objectives

Mission Goal 1: Promote economic prosperity through policies, trade, and investment.

Description: Argentina is Latin America's third-largest economy and presents enormous potential for U.S. investment and trade opportunities. Decades of restrictive trade policies and elevated tax and regulatory burdens have prevented Argentina from fully leveraging the country's impressive natural resources – energy, mining, and agriculture – and high-quality human capital. It has one of the lowest trade-to-GDP ratios in the world. Marginal improvement in these restrictive policies could generate large gains for U.S. trade and investment, further reinforcing the United States as Argentina's international partner of choice. There is broad agreement among political leaders that Argentina has a commercial, financial, and geostrategic need for constructive relations with the United States. We will leverage U.S. government tools and partner with the private sector to secure U.S. commercial interests, promote U.S. innovation and creativity, and ensure our mutual economic prosperity.

Mission Objective 1.1: Argentina strengthens its regulatory framework for economic recovery and stable economic growth.

Justification: Argentina's economic regulatory framework is a principal barrier to economic development and to attracting U.S. trade and investment. By encouraging Argentina to adopt international best practices in economic regulation, a transparent and efficient judicial system, and prudent macroeconomic and monetary policies, we will not only create significant new investment and export opportunities for U.S. companies but also help Argentina achieve the sustained economic development that has eluded the economy for decades.

Linkages: Joint Strategic Plan (JSP) – Goal 2 (Renew America's competitive advantage for sustained economic growth and job creation); JSP – Objective 1.4 (Increase capacity and strengthen resilience of our partners to deter coercion and malign influence by state and non-state actors); JSP – Objective 2.2 (Promote healthy, educated and productive populations to drive inclusive and sustainable development); JSP – Objective 3.3 (Increase partnerships with private sector and civil society); JRS – WHA Objective 2.2 (Improve climate for U.S. businesses); JRS – WHA Objective 2.3 (Counter predatory behavior by China); JRS – WHA Objective 3.4 (Spur inclusive development through empowerment of vulnerable populations); JRS – WHA Objective 4.1 (Engage publics and influence opinion to advance U.S. policies and values); JRS – WHA Objective 4.3 (Expand connections between U.S. and foreign institutions, organizations, and people).

Risks: Failure to help Argentina establish prudent, market-friendly economic regulations will inhibit the economy's growth, restrict new opportunities for U.S. companies, and benefit less scrupulous foreign actors that thrive in opaque, discretionary regulatory environments. Despite our cultural and social similarities, some Argentines associate the United States with their dictatorship era, and assume we seek to dominate the hemisphere by force. This could worsen, and Argentina could become an economically and politically important foothold for the interests of our adversaries in the region. We have already seen intense efforts by the government of the People's Republic of China (PRC) to elicit pro-China statements from the Argentine government.

Objective 1.2: Argentina provides a level playing field for trade and investment and effectively participates in regional and global markets.

Justification: Argentina imposes some of the highest import barriers of any international market and the government holds significant stakes in important domestic companies – including the largest energy company and the national airline – that create incentives for unequal treatment of those companies' foreign competitors. The government also implements intellectual property rules, import licensing restrictions, and other measures that benefit local producers. Even a modest improvement in transparency – especially in public tender processes as well as the reduction of discriminatory regulatory policies and barriers to trade – will boost investment, stimulate growth in exports, and create new investment and trade opportunities for U.S. companies. Argentina's increased participation in regional and global markets will reinforce momentum towards adopting competitive regulatory policies and create incentives for Argentina to act as a responsible leader in regional and global affairs.

Linkages: JSP – Goal 2 (Renew America's competitive advantage for sustained economic growth and job creation).

Risks: Argentina's inability to establish prudent, market-friendly economic regulations will result in continued economic stagnation, restrict new opportunities for U.S. companies, and benefit less scrupulous foreign actors that thrive in opaque, discretionary regulatory environments. The negative economic effects of the coronavirus recession will likely activate traditional protectionist policies.

Objective 1.3: Maintain and promote opportunities for U.S. investment in energy and natural resource sectors.

Justification: Argentina boasts world-class energy resources, including wind, solar, and one of the world's largest shale oil and gas basins. Most of these resources are in the early stages of development, meaning large potential opportunities for U.S. investment and, equally important, significant new contributions to regional and global energy supplies. Argentina also holds significant mineral resources and world-class agricultural productivity. Argentina's economy and its economic relationship with the United States has the potential to expand dramatically by capitalizing sustainably on the potential of these natural resources. Argentina is also, in many ways, a ripe target for courtship by our competitors. The Argentine government is vulnerable to

inducements given its massive natural resources and ongoing economic crisis of historic proportions.

Linkages: JSP – Goal 2 (Renew America’s competitive advantage for sustained economic growth and job creation).

Risks: As one of the world’s pre-eminent food producers that also possesses the potential to be a major oil and gas exporter, Argentina’s efficient and sustainable natural resource exploitation will have a significant impact on world energy and food prices, and thereby affect global productivity. U.S. companies are world leaders in unconventional oil and gas production and are uniquely situated to capitalize on the development of Argentina’s Vaca Muerta shale formation. Stagnation in Vaca Muerta, whether due to poor macroeconomic conditions, Argentina’s financial challenges, or low international prices would deprive U.S. industry of one of the single most important energy investment opportunities in the world.

Mission Goal 2: Secure Argentina’s support for democratic values and the rules-based international order, with the United States as the partner of choice.

Description: This goal supports U.S. efforts to foster a political culture in Argentina based on the democratic values our two countries share, and that aligns with U.S. government objectives. One of the greatest U.S. strategic advantages in Argentina is the high esteem both countries have for democracy, human rights, and civil liberties. Post will use this foundation to support an environment in which the rules are applied equally and promote respect for the rights of all individuals. This will make for a more open and level playing field for the Mission as we advocate for U.S. interests, as well as for U.S. firms considering investments in Argentina.

Mission Objective 2.1: Argentina reinforces its democratic values by increasing transparency and strengthening accountability of its government.

Justification: A 2018 Latinobarómetro poll found that 82 percent of Argentines believed their country was run by a small group of people serving only their own interests. While high-level corruption cases dominate the headlines, few corrupt officials ever go to prison—partly the result of weak internal controls, slow courts, and debilitated public oversight. Strengthening accountability and promoting transparency in government will ensure that Argentina plays its part as a member of the rules-based international order, and will help restore the electorate’s faith in democracy, namely that the people they vote for must serve their constituents’ interests. We will do this by promoting these values as a mission in both public and private, supporting efforts to reform and implement public ethics legislation, and by providing support and trainings to investigative authorities, professional journalists, and civil society.

Linkages: JSP – Objective 2.3 (Advance U.S. economic security, combatting corruption); JSP – Objective 3.1 (Further Values and Policy Goals in Int’l For a); JSP – Objective 3.3 (Increase Partnerships with Private Sector and Civil Society); JRS – WHA Objective 2.1 (Foster Growth Through Fair and Reciprocal Trade and Investment); JRS – WHA Objective 2.2 (Improve Climate

for U.S. Businesses); JRS – WHA Objective 2.3 (Counter Predatory Behavior by China); JRS –WHA Objective 3.1 (Support Efforts to Restore Democracy Where Threatened); JRS – WHA Objective 3.2 (Counter Corruption and Impunity and Strengthen Democratic Institutions); JRS – WHA Objective 3.3 (Strengthen Rule of Law and Judicial Systems); JRS – WHA Objective 4.1 (Engage Publics and Influence Opinion to Advance U.S. Policies and Values); JRS – WHA Objective 4.2 (Bolster support for U.S. Positions Working with Hemispheric Institutions); JRS – WHA Objective 4.3 (Expand connections between U.S. and foreign institutions, organizations, businesses, and people).

Risks: Should this objective not be achieved, we risk Argentina drifting towards other great powers who dismiss the value of democracy and human rights. Should that occur, both the Embassy and U.S. organizations would find it harder to operate in Argentina. Transparency International ranked Argentina 66 out of 180 countries in 2019 on its corruption perceptions index – lower than Cuba and tied with Belarus. Argentina has made strides in recent years, but its position is precarious. Post is mitigating this risk by increasing its work with civil society and the free press in order to ensure that Argentina has independent advocacy groups and watchdogs fighting for transparency, while bolstering our voice and building grassroots support for accountability and democratic norms.

Mission Objective 2.2: Develop open and effective channels of communication with the Argentine public to build lasting support based on shared values for U.S. policies.

Justification: Argentina’s media environment is highly fragmented, politicized, and susceptible to disinformation. Public skepticism of the media is rife and there are no trusted arbiters of truth across the political spectrum. By building the capacity and professionalism of the Argentine media across the board – including outlets historically skeptical of the United States – we can improve the institutions central to helping Argentines recognize and resist disinformation and malicious meddling of third-party actors. To do this, we will utilize long-standing exchange programs, offer technical assistance, and perform extensive public outreach. In doing so, we will promote the U.S. goal of opening democratic space in the region and cultivate an environment where we can more effectively promote a positive and accurate perception of the United States and U.S. policy.

Linkages: JSP – Objective 1.4 (Increase capacity and strengthen resilience of our partners to deter coercion and malign influence by state and non-state actors); JSP – Objective 2.2 (Promote healthy, educated and productive populations to drive inclusive and sustainable development); JSP – Objective 3.3 (Increase partnerships with private sector and civil society); JRS – WHA Objective 4.1 (Engage publics and influence opinion to advance U.S. policies and values); JRS – WHA Objective 4.3 (Expand connections between U.S. and foreign institutions, organizations, and people).

Risks: Argentina’s media environment risks growing even more divided and divisive, and the reporting it produces less accurate. Rather than informing the population and reporting timely

facts, it risks becoming a proving ground and a battlefield for political messaging – including, potentially, by third countries and non-state actors.

Mission Goal 3: Protect U.S. citizens, promote regional security, and strengthen rule of law.

Description: The Argentine and U.S. governments have worked to rebuild historically close cooperation on law enforcement and develop the capacity of the military and security forces to combat Transnational Criminal Organizations (TCOs) and protect Argentine and U.S. citizens from the threats of crime, terrorism, pandemics, natural disasters, and the proliferation of nuclear material. Policy makers and experts concur that organized criminal activity, both domestic and transnational, is progressively undermining the rule of law in Argentina. The TCOs that control networks of illicit activity – crime, drug trafficking, money laundering – pose a threat to both Argentina and the United States.

Mission Objective 3.1: Protect and assist U.S. citizens by providing direct consular assistance and supporting GoA actions that combat terrorist and Transnational Criminal Organizations (TCOs).

Justification: TCOs and terrorist groups operate networks of illicit activity in Argentina that threaten the safety and security of U.S. and Argentine citizens. Supporting GoA activities will help mitigate these threats to Argentina, protect our citizens, and facilitate safe and productive trade and travel between our countries.

Linkages: JRS – WHA Objective 1.1 (Counter TCOs and Illicit Networks); JRS – WHA Objective 1.4 (Counter Terrorism Threats).

Risks: Not achieving this objective could endanger the safety and livelihood of Argentine citizens, U.S. citizens residing in or temporarily present in Argentina, and those in the United States that are exposed to nodes of illicit activity executed by TCOs present in Argentina.

Mission Objective 3.2: Support GoA initiatives that build the capacity, professionalism, and independence of the security services, judicial actors, the military, and other relevant actors.

Justification: Argentina will be a more effective partner in combatting common threats with support from the United States. If we do not work proactively to find areas of mutual concern and cooperation with Argentina, we risk ceding this territory to our competitors.

Linkages: JRS – WHA Objective 1.1 (Counter TCOs and Illicit Networks); JRS – WHA Objective 1.4 (Counter Terrorism Threats).

Risks: If the Argentine security forces lack capacity, they will not be effective partners in protecting U.S. and Argentine citizens from crime, global health crises, natural disasters, terrorism, armed conflict, and corruption. Through training, Argentine judicial actors gain a better understanding of international best practices, increasing their competency to investigate

and prosecute complex crimes and also improving their responsiveness to Argentine citizens. Failure to achieve this objective could reduce effectiveness and increase susceptibility to political coercion that could threaten the due process rights of U.S. citizens.

4. Management Objectives

Management Objective 1: Build an agile management support platform that cost-effectively meets the needs of the U.S. government presence in Argentina.

Justification: Mission Argentina's ICS goals demand a strong and agile management support platform. Historically, the effectiveness of Embassy Buenos Aires' mission support platform has lagged behind other posts in WHA, as evidenced in the Annual ICASS Customer Satisfaction Survey. Improving the effectiveness of mission's management support platform will enable the achievement of our ICS goals. Applying the principles of the Department's Collaborative Management Initiative (CMI), the Embassy Quality Team (QT) will enable the Management Section to improve performance and efficiency by measuring its activities against uniform service standards and other metrics. This will eliminate non-value-added steps and processes and redirect resources to where they are most needed.

Linkages: JRS-WHA Management Sub-Objectives (Ensure efficient management of resources to support overseas and domestic operations; manage growth and ensure proper staffing and accountability to execute our goals efficiently and effectively).

Risks: The ongoing inflationary crisis in Argentina could make LE Staff salaries uncompetitive on the local job market, limiting the Mission's ability to attract and retain qualified employees. Meanwhile, the Mission's switch to teleworking due to the COVID-19 pandemic could impede the ability of the QT to measure performance and efficiency against uniform metrics. To mitigate these risks, the Mission should continue basing its LE Staff salaries in U.S. dollars and implement effective telework options, respectively.

Management Objective 2: Create a work environment that allows personnel to achieve Mission goals safely and securely.

Justification: Achieving the first management objective requires a physical and digital infrastructure that provides sufficient workspace, promotes operational efficiency, meets safety requirements, and is environmentally efficient. Embassy Buenos Aires' chancery was completed in 1976 and no longer meets OBO standards nor the needs of 21st century diplomacy. A planned \$250 million OBO rehabilitation was scrapped in lieu of a new embassy compound (NEC) that will take more than ten years to materialize. Our current facilities require upgrading until a NEC is completed.

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Linkages: JRS-WHA Management Sub-Objective (Provide modern and secure infrastructure, operational facilities, and administrative services to support diplomacy and assistance programs).

Risks: A lack of funding to upgrade infrastructure or to purchase land for a NEC will impact the Mission's ability to meet this objective. Mission leadership must maintain consistent communication with OBO and WHA to ensure adequate funds are made available.

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