



Mérida Initiative for Mexico and Central America: Funding and Policy Issues

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Summary

Increasing violence perpetrated by drug trafficking organizations (DTOs) and other criminal groups is threatening citizen security in Mexico and Central America. Drug-related violence claimed more than 6,500 lives in Mexico in 2009, and several Central American countries have among the highest homicide rates in the world. Mexican DTOs dominate the illicit drug market in the United States and are expanding their operations by forming partnerships with U.S. gangs. As a result, some of the drug-related violence in Mexico has spilled over into the United States.

On October 22, 2007, the United States and Mexico announced the Mérida Initiative, a proposed package of U.S. counterdrug and anticrime assistance for Mexico and Central America that would begin in FY2008 and last through FY2010. Congress appropriated roughly \$1.3 billion for Mexico and Central America, as well as Haiti and the Dominican Republic, in the FY2008 Supplemental Appropriations Act (P.L. 110-252), FY2009 Omnibus Appropriations Act (P.L. 111-8), and the FY2009 Supplemental Appropriations Act (P.L. 111-32). Each of these Acts contained human rights conditions on 15% of certain law enforcement and military assistance provided.

Throughout 2009, drug-related violence in Mexico and the potential threat of spillover along the Southwest border focused congressional concern on the pace of implementation of the Mérida Initiative. On December 3, 2009, the Government Accountability Office (GAO) issued a preliminary report for Congress on the status of funding for the Mérida Initiative. By the end of September 2009, GAO found that \$830 million of the \$1.3 billion in Mérida funds appropriated for Mexico and Central America had been obligated by the State Department, but only \$26 million of the funds had actually been spent. The pace of implementation has accelerated since that time, particularly in Mexico, but implementation challenges remain.

For FY2010, the Obama Administration requested \$450 million in Mérida funding for Mexico and \$100 million for Central America. On December 13, 2009, Congress passed the FY2010 Consolidated Appropriations Act (H.R. 3288/P.L. 111-117), which allows for \$210.3 million for Mexico and \$83 million for Central America under a new Central America Regional Security Initiative (CARSI). These Mexico (Mérida) and Central America (CARSI) funds are subject to the same human rights conditions as those provided in P.L. 111-8. Congress also provided \$37 million in P.L. 111-117 for a new Caribbean Basin Security Initiative (CBSI).

During its second session, the 111th Congress is likely to maintain a strong interest in how well U.S. agencies and their foreign counterparts are implementing the Mérida Initiative and the degree to which the nations involved are fulfilling their domestic obligations under Mérida. Congress may also monitor enforcement of Mérida's human rights conditions, particularly with respect to Mexico. Congress is likely to play a role in the design of post-Mérida security cooperation with Mexico, Central America, and the Caribbean Basin during its consideration of the Obama Administration's FY2011 budget request. This report provides an overview of the funding provided for the Mérida Initiative, the status of Mérida implementation, and a discussion of some policy issues that Congress may consider as it oversees the Initiative. For related information, see CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*, and CRS Report R40582, *Mexico's Drug-Related Violence*.

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Introduction

Heightened drug-related violence in Mexico, including states along the U.S.-Mexico border, and the increasing presence of Mexican drug traffickers and Central American gangs in the United States have focused congressional concern on the pace of implementation of the Mérida Initiative. To date, Congress has appropriated some \$1.3 billion to support Mérida programs in Mexico, \$248 million for Mérida and a new Central America Regional Security Initiative (CARSI) in Central America, and \$37 million for the establishment of a Caribbean Basin Security Initiative.¹ During its second session, the 111th Congress is likely to monitor how Mérida and related funds have been used, progress to date, any planned adjustments in the uses of funds, and post-Mérida plans that are being developed by the Obama Administration.

Background

Mexico is a major producer and supplier to the U.S. market of heroin, methamphetamine, and marijuana and the major transit country for cocaine sold in the United States. According to the Department of State's 2009 *International Narcotics Control Strategy Report*, as much as 90% of the cocaine entering the United States now transits through Mexico. A small number of Mexican drug trafficking organizations (DTOs), often mistakenly referred to as "drug cartels,"² control the most significant drug distribution operations along the Southwest border. Drug trafficking-related violence in Mexico has spiked dramatically in recent years as DTOs have competed for control of lucrative smuggling routes into the United States.³

Since taking office in December 2006, Mexican President Felipe Calderón has made combating the DTOs a centerpiece of his domestic policy agenda. The Calderón government has scored some significant victories against the DTOs, such as the recent killing of Arturo Beltrán Leyva and capture of Teodoro Garcia Simental.⁴ However, the government's crackdown, as well as turf wars among rival DTOs, has fueled an escalation in violence throughout the country, including states along the U.S.-Mexico border. In 2008, more than 5,100 people in Mexico were killed in drug-related violence, a 126% increase over 2007.⁵ In 2009, conservative estimates indicate that more than 6,500 people, including 35 soldiers and close to 500 police officers, died as a result of drug-related homicides, with the violence largely concentrated in five states.⁶ In many areas of

¹ Congress also appropriated \$5 million in P.L. 110-252 and again in P.L. 111-8 for Mérida-related programs in Haiti and the Dominican Republic.

² The term drug cartel remains the term used colloquially and in the press, but some experts disagree with this because "cartel" often refers to price-setting groups and it is not clear that Mexican drug trafficking organizations are setting illicit drug prices.

³ For more information, see CRS Report R40582, *Mexico's Drug-Related Violence*, by June S. Beittel

⁴ Elliot Spagat, "Mexico-U.S. Cooperation Cited in 2nd Drug Lord Arrest," *Associated Press*, January 12, 2010.

⁵ Figures for 2008 and 2009 are drawn from the Trans-Border Institute (TBI), "Drug Violence in Mexico: Data and Analysis from 2001-2009," January 2010, citing data gathered by *Reforma* newspaper. For a description as to why *Reforma* data are used instead of other sources, see p. 2-3 of the TBI report, available at: http://www.justiceinmexico.org/resources/pdf/drug_violence.pdf.

⁶ *Ibid.* According to the *Reforma* data, the states that accounted for the largest proportions of all drug-related homicides in Mexico in 2009 were Chihuahua (31%), Sinaloa (12%), Guerrero (10%), Durango (10%), and Michoacán (6%). The overall rate and number of drug-related homicides declined significantly in Baja California in 2009 as compared to the (continued...)

those states, such as Ciudad Juarez, Chihuahua, which accounted for roughly 31% of the drug-related homicides recorded in Mexico during 2009, violence has remained at elevated levels even with the presence of large numbers of federal troops and police officials.

Mexican DTOs are increasingly expanding their operations into Central America⁷, a volatile region where the governments of some countries – particularly Guatemala, El Salvador, and Honduras – are already dealing with some of the highest violent crime rates in the world.⁸ Central American officials have even less training and equipment to deal with DTOs, organized crime, and criminal gangs than their Mexican counterparts. In addition, as with Mexico, Central America continue to have problems with impunity, police corruption, and human rights abuses by security forces that have hindered the performance and reputation of their law enforcement and judicial systems.

The Development of the Mérida Initiative

Prior to 2007, neither Mexico nor any of the countries in Central America had received large amounts of U.S. counternarcotics (CN) assistance.⁹ In FY2007, for example, Mexico received \$36.7 million in CN assistance and the only Central American countries to receive CN funds were Guatemala (\$1.9 million) and Panama (\$3.3 million).

In response to the Mexican government's request for increased cooperation and assistance, in October 2007 the United States and Mexico proposed the Mérida Initiative, a package of U.S. counterdrug and anticrime assistance to Mexico and Central America.¹⁰ As proposed, the Mérida Initiative was to provide some \$1.4 billion in assistance, largely in the form of equipment and training, from FY2008 through FY2010. According to the State Department, the four primary goals of the Mérida Initiative are to: 1) break the power and impunity of criminal organizations; 2) assist the Mexican and Central American governments in strengthening border, air, and maritime controls; 3) improve the capacity of justice systems in the region; and, 4) curtail gang activity in Mexico and Central America and diminish the demand for drugs in the region. Within these over-arching goals, the State Department developed specific objectives and performance measures that can be used to evaluate the Mérida Initiative (see "Monitoring Progress").¹¹

(...continued)

previous year, although there was an uptick in violence in that state in November and December.

⁷ The Central American countries include Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.

⁸ U.N. Development Program (UNDP), "Informe Sobre Desarrollo Humano Para América Central 2009-2010: Abrir Espacios a la Seguridad Ciudadana y el Desarrollo Humano," October 2009.

⁹ For an evaluation of previous U.S. counternarcotics assistance to Mexico, see Government Accountability Office, "U.S. Assistance Has Helped Mexican Counternarcotics Efforts, but Tons of Illicit Drugs Continue to Flow into the United States," August 17, 2007.

¹⁰ The U.S. and Mexican joint statement on the Mérida Initiative highlighted counterdrug and anticrime efforts of both countries, including Mexico's 24% increase in security spending in 2007 under President Felipe Calderón and U.S. efforts to reduce weapons, human, and drug trafficking along the Mexican border. Although the statement did not announce additional funding for U.S. domestic efforts, it cited several examples of such efforts to combat drugs and crime that are already in place. Those examples included the 2007 Southwest Border Counternarcotics Strategy and the 2008 National Drug Control Strategy. See U.S. Department of State and Government of Mexico, "Joint Statement on the Mérida Initiative," October 22, 2007.

¹¹ U.S. Department of State, "FY2008 Supplemental Appropriations Spending Plan, Mexico, Central America, Haiti, and the Dominican Republic," September 9, 2008, pp. 16-39.

According to its proponents, the Mérida Initiative is more than just a foreign assistance package, it is a new kind of regional security partnership between the United States, Mexico and Central America. Analysts and U.S. officials have repeatedly said that for the Initiative to be successful, all the countries involved will have to accept their “shared responsibility” to tackle domestic problems contributing to drug trafficking and crime in the region, including U.S. drug demand.¹² Since President Calderón took office, Mexico has increased security spending, including a reported \$5 billion increase in the 2009 budget, mobilized thousands of soldiers and police to drug trafficking “hot-spots” throughout the country, and enacted judicial and law enforcement reforms.¹³ The Obama Administration has, among other measures, posted more agents from the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) and Immigrations and Customs Enforcement (ICE) along the Southwest border to help intercept arms and bulk cash flowing into Mexico.¹⁴ Central American leaders have regularly met to develop ways to better coordinate their security and counterdrug efforts through the Central American Integration System (SICA).

Funding the Mérida Initiative

Mexico

FY2008 Supplemental Appropriations

In June 2008, the 110th Congress appropriated \$352 million in FY2008 supplemental assistance and \$48 million in FY2009 bridge fund supplemental assistance for Mexico in P.L. 110-252, the FY2008 Supplemental Appropriations Act (see **Table 1** for funding for Mexico by year and aid account). In contrast to the Bush Administration, which requested all Mérida funding in the International Narcotics Control and Law Enforcement (INCLE) account, Congress divided the funding for Mexico in P.L. 110-252 between the INCLE, Foreign Military Financing (FMF), and Economic Support Fund (ESF) aid accounts. Congress limited the amount of FMF and INCLE available to provide equipment to the Mexican Army/Air Force and Navy and made 15% of FMF and INCLE contingent on meeting certain human rights conditions.¹⁵ (See **Appendix A** for the final language of the human rights conditions in P.L. 110-252). Congress also earmarked \$73.5 million for judicial reform, institution building, rule of law, and anti-corruption activities.¹⁶ Congress stipulated that none of the funds may be used for budget support or as cash payments.

¹²Andrew Selee, “U.S.-Mexico Cooperation: A New Opportunity?” *Americas Quarterly*, Summer 2009; U.S. Department of State, Secretary of State Hillary Rodham Clinton, “Remarks with Mexican Foreign Secretary Patricia Espinosa After Their Meeting,” Mexico City, Mexico, March 25, 2009.

¹³ Figure cited in U.S. Department of State, “Mexico- Merida Initiative Report,” August 2009.

¹⁴ In June 2009, the U.S. Office of National Drug Control Policy (ONDCP) published the 2009 National Southwest Border Counternarcotics Strategy, which for the first time included a separate chapter on cooperation with Mexico. For information on other recent U.S. border security efforts, see: U.S. Secretary of Homeland Security, “Remarks to Border Security Conference at the University of Texas at El Paso,” El Paso, Texas, August 11, 2009.

¹⁵ The human rights conditions in P.L. 110-252 are less demanding than earlier House and Senate versions, largely because of Mexico’s objections that some of the original conditions would have violated its national sovereignty. As enacted, the measure reduced the amount of funding subject to human rights conditions, from 25% to 15% of FMF and INCLE, and removed conditions that would have required the Mexican government to try military officials accused of abuses in civilian courts and to enhance the power of its National Human Rights Commission. The legislation also softened the language concerning other conditions.

¹⁶ In addition to the broad \$73.5 million earmark, Congress earmarked \$3 million to support the creation a national (continued...)

According to the Department of State,¹⁷ which is leading Mérida Initiative implementation, the first tranche of \$400 million for the foreign aid program provided in P.L. 110-252 includes funding for the following:

- helicopters (up to five Bell 412 helicopters) and surveillance aircraft (up to two CASA maritime patrol aircraft) to support interdiction and rapid response of Mexican law enforcement agencies;
- non-intrusive inspection equipment, ion scanners, and canine units for Mexican customs, the new Mexican federal police and the military to interdict trafficked drugs, arms, cash, and persons;
- technologies and secure communications to improve data collection and storage;
- and technical advice and training to strengthen the institutions of justice in order to improve vetting for the Mexican police force, to provide case management software to track investigations through the legal process, to support offices of citizen complaint and professional responsibility, and to promote the establishment of witness protection programs.

As of late July 2009, Congress was still withholding some \$57.0 million in FY2008 supplemental INCLE and FMF funds pending submission of a State Department human rights progress report for Mexico. In early August 2009, press reports indicated that the State Department had decided to delay submission of a favorable human rights report for Mexico to Congress due to the likelihood that it would have been rejected by Senate appropriators.¹⁸ U.S. and Mexican human rights groups had urged the State Department not to issue a favorable report on the Mexican government's human rights record because they maintained that the Mexican military has failed to investigate, prosecute, or punish human rights violations committed by its forces.¹⁹ After receiving additional information from the Mexican military regarding its efforts to prosecute soldiers charged with human rights and other abuses, the State Department issued a somewhat favorable report to Congress on August 13, 2009, thereby meeting the statutory requirements in P.L. 110-252 for the release of the FMF and INCLE funds that had been on hold.²⁰

FY2009 Omnibus and Supplemental Appropriations

The Bush Administration requested \$450 million in INCLE funding for Mexico under Mérida in its FY2009 budget request, placing more emphasis on assistance to non-military agencies. In March 2009, the 111th Congress passed the Omnibus Appropriations Act, (P.L. 111-8) providing \$300 million for Mexico within the INCLE, ESF, and FMF accounts with not less than \$75 million for judicial reform, institution building, anti-corruption, and rule of law activities. The

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police registry, \$10 million for drug demand reduction programs, and \$5 million for police training programs.

¹⁷ U.S. Embassy, Mexico, "U.S.-Mexico At a Glance: The Mérida Initiative," September 2008; U.S. Department of State, "FY2008 Supplemental Appropriations Spending Plan, Mexico, Central America, Haiti, and the Dominican Republic," September 9, 2008.

¹⁸ William Booth and Steve Fainaru, "Leahy Blocks Positive Report on Mexico's Rights Record," *Washington Post*, August 5, 2009.

¹⁹ Letter from Amnesty International and Other Human Rights Groups to Secretary of State Hillary Clinton, "Human Rights Concerns to Inform the U.S. Department of State's Merida Initiative Reporting on Mexico, July 24, 2009.

²⁰ William Booth, "Mexico May Get More Anti-Drug Aid," *Washington Post Foreign Service*, August 18, 2009.

measure continues the same human rights conditions originally set forth in P.L. 110-252. In P.L. 111-8, human rights conditions apply to 15% of the total funds provided, not including assistance for judicial reform, institution building, anti-corruption, and rule of law activities.²¹ The same human rights progress report submitted to Congress in mid-August 2009 by the State Department met the statutory requirements in P.L. 111-8 for the release of roughly \$31.5 million in FMF and INCLE funds that had been on hold.

On April 9, 2009, the Obama Administration submitted a FY2009 supplemental request that included an additional \$66 million in INCLE assistance to acquire three Blackhawk helicopters, along with spare parts and support for those helicopters, for Mexico's civilian Secretariat for Public Security (SSP).²² On June 24, 2009, President Obama signed the FY2009 supplemental appropriations measure passed by Congress (H.R. 2346/P.L. 111-32) that includes \$160 million in INCLE assistance and \$260 million in FMF for Mexico, \$354 million more than the Administration's request. The \$160 million in INCLE funds can be used to supply the Mexican federal police with items such as forensics and nonintrusive inspection equipment, computers, training, and fixed and rotary wing aircraft (including the requested Blackhawk helicopters). The \$260 million in FMF funding is for expedited aviation assistance to the Mexican Navy. P.L. 111-32 also appropriates significant funds to other U.S. agencies, including the Departments of Justice and Homeland Security, to increase security on the Southwest border. Of the \$420 million in FY2009 supplemental assistance to Mexico, 15% of the \$160 million in INCLE assistance is subject to the same human rights conditions set forth in the FY2009 omnibus appropriations measure (P.L. 111-8, section 7045(e) of Division H).²³ However, the FMF funds appropriated in P.L. 111-32 are not subject to human rights conditions.

FY2010 Appropriations

For FY2010, the Obama Administration requested \$450 million in INCLE assistance for Mexico for helicopters, fixed-wing aircraft, and surveillance systems for Mexico's SSP; helicopters for the Mexican Navy; and non-intrusive inspection equipment for the SSP, the Mexican military and Customs. The Administration sought support for law enforcement training programs in investigative techniques and ethics, as well as anti-corruption training for internal watchdog units within the Attorney General's Office (PGR) and SSP. The Administration's FY2010 request also included funding for ongoing rule of law reforms.

On December 13, 2009, Congress passed the FY2010 Consolidated Appropriations Act (H.R. 3288/P.L. 111-117), which allows for \$210.3 million for Mexico in the INCLE, ESF, and FMF accounts subject to the same human rights conditions as P.L. 111-8. While Congress provided less funding for Mérida-related programs in Mexico and Central America than the Administration's FY2010 request, Congress had appropriated significantly more for Mexico than requested in the FY2009 supplemental spending measure, and considered \$254 million of this as forward funding of FY2010. In the Joint Explanatory Statement to P.L. 111-117, the conferees direct the Secretary

²¹ P.L. 111-8 also has a provision requiring that prior to the procurement or lease of aircraft, that the Director of the Defense Security Cooperation Agency, in consultation with the Secretary of State, shall submit to the Committees on Appropriations an analysis of alternatives for the acquisition of all aircraft.

²² Another \$16 million in reprogrammed Mérida Initiative funds previously appropriated in P.L. 110-252 would be used to pay for maintenance of the helicopters.

²³ These INCLE funds will be on hold until the human rights progress report for FY2010 is submitted by the State Department. Email from State Department official, January 11, 2010.

of State to submit a report to within 90 days of the enactment of the Act addressing how prior Mérida funds have been used, progress to date, any planned adjustments in the uses of funds, and post-Mérida plans. **Table 1** describes the various funding levels addressed above.

Table 1. FY2008 – FY2010 Mérida Funding for Mexico by Aid Account

(\$ in millions)

Account	FY2008 Supp. (P.L. 110-252)	FY2009 Bridge (P.L. 110-252)	FY2009 (P.L. 111- 8)	FY2009 Supp. (P.L. 111- 32)	FY2010 P.L. 111- 117)	Account Totals
ESF	20.0	0.0	15.0	0.0	15.0	50.0
INCLE	215.5	48.0	246.0	160.0	190.0	859.5
FMF	116.5	0.0	39.0	260.0	5.3	420.8
Total	352.0	48.0	300.0	420.0	210.3	1,330.3

Sources: U.S. Department of State, FY2008 Supplemental Appropriations Spending Plan, FY2009 Appropriations Spending Plan, and FY2009 Supplemental Spending Plan. FY2010 Consolidated Appropriations Act (P.L. 111-117).

Notes: ESF=Economic Support Fund; FMF=Foreign Military Financing; INCLE=International Narcotics Control and Law Enforcement.

Non-Mérida Assistance for Mexico

In addition to funding provided through the Mérida Initiative, Mexico continues to receive U.S. assistance through other State and Defense Department assistance accounts, some of which is for security and counterdrug programs. For example, in FY2009 Mexico received roughly \$0.8 million for military training programs funded through the State Department’s International Military Education and Training Account (IMET), up from \$0.4 million in FY2008. Apart from the Mérida Initiative, the U.S. Department of Defense (DOD) provided a \$13 million counterterrorism training and equipment package to the Mexican military in FY2008.²⁴ In addition, while DOD only provided some \$3.1 million in CN training assistance to Mexico in FY2008, DOD assistance expanded to roughly \$28.2 million in FY2009 in order to complement Mérida programs.²⁵ On December 16, 2009, Congress appropriated an additional \$50 million in funding for counternarcotics communication equipment for Mexico in the FY2010 Department of Defense Appropriations Act (H.R. 3326/P.L. 111-118).²⁶

²⁴ In the FY2006-FY2008 annual Department of Defense (DOD) authorization bills, Congress provided DOD with authority to train and equip foreign military forces to perform counterterrorism operations. This “Section 1206” authority, as it is known, enables DOD to use defense funds to conduct or support train and equip programs such as those usually provided under State Department security assistance authorities and budgets. U.S. Department of Defense, “Section 1206 Programs Fact Sheet.” July 29, 2009.

²⁵ Section 1022 of the National Defense Authorization Act for Fiscal Year 2008 (P.L. 110-181) extends Section 1033(b) of the National Defense Authorization Act for Fiscal Year 1998 to make available train and equip authorities to Mexico. Estimates of DOD CN support to Mexico for FY2008 and FY2009 are from U.S. Department of Defense, “Fact Sheet: Current DOD CN Support to Mexico,” July 2009.

²⁶ Funding for this equipment is listed as “Digital Communications Equipment” on p.352 of the Joint Explanatory Statement for the FY2010 Defense Appropriations Act (H.R. 3326/P.L.-111-118).

Central America

FY2008 Supplemental Appropriations

The FY2008 Supplemental Appropriations Act (P.L. 110-252) included \$60 million in Mérida funds for Central America. As with Mexico, Congress divided the funding for Central America between several different accounts (see **Table 2**). In addition to changing the account structure, Congress shifted the bulk of funding for Central America from public security and law enforcement programs to institution building, rule of law, and development programs. It did so by earmarking \$25 million in ESF funds for the creation of an Economic and Social Development Fund for Central America. Of the ESF funds provided, \$20 million are being administered by the U.S. Agency for International Development (USAID) for youth violence prevention, community policing, and community development programs in violence-prone areas. The other \$5 million in ESF funds are supporting educational and cultural exchange programs administered by the State Department. Congress also earmarked \$1 million to support the International Commission against Impunity in Guatemala (CICIG).²⁷

As with Mexico, P.L. 110-252 required that 15% of INCLE and FMF assistance be withheld until the Secretary of State reports that the Central American governments are taking steps to create police complaints commissions, reform their judiciaries, and investigate and prosecute military and police forces who have been credibly alleged to have committed human rights violations. (see **Appendix A** for the final language of the human rights conditions). The State Department submitted human rights progress reports for Belize, Costa Rica, the Dominican Republic, El Salvador, Haiti, Honduras, and Panama on April 30, 2009, and for Guatemala on August 18, 2009. The State Department was unable to report on progress made by Nicaragua, and on August 13, 2009, reprogrammed \$252,600 in FY 2008 INCLE funds withheld from Nicaragua to support efforts in Belize, Costa Rica, and Panama.

FY2009 Appropriations

The Bush Administration requested \$100 million in FY2009 funds for Central America under the Mérida Initiative. In the FY2009 Omnibus Appropriations Act, P.L. 111-8, Congress provided \$105 million in funding for Central America subject to similar human rights conditions as in P.L. 110-252. The explanatory statement to the FY2009 omnibus bill provides \$70 million in INCLE for the region. It also stipulates that \$15 million of the FMF funds appropriated must support maritime security programs and that \$12 million of the ESF appropriated must fund USAID's Economic and Social Fund for Central America. On August 27, 2009, the Secretary of State reported on progress made by Belize, Costa Rica, El Salvador, Guatemala, and Panama, meeting the 15% withholding statutory requirement. Some \$1.73M in FY 2009 INCLE funds remains withheld pending the submission of the 15% report to Congress for Honduras and Nicaragua.

²⁷ In December 2006, the United Nations and the Guatemalan government signed an agreement to establish the International Commission against Impunity in Guatemala (CICIG) to investigate illegal security groups and clandestine organizations, some of which have been tied, directly or indirectly, to the Guatemalan state. In August 2007, the Guatemalan Congress ratified the UN-Guatemala agreement allowing the creation of the CICIG. The CICIG was inaugurated on January 11, 2008.

FY2010 Appropriations

For FY2010, the Obama Administration requested \$100 million in INCLE assistance for Central America to enhance regional capability to protect citizen security, combat illegal trafficking and build stronger justice sector institutions. According to the request, funding would support U.S. anti-gang efforts, provide equipment and technical assistance for community policing and juvenile justice systems, and implement anti-corruption measures.

On December 13, 2009, Congress passed the FY2010 Consolidated Appropriations Act (H.R. 3288/P.L. 111-117), which allows for “up to” \$83 million for Central America to combat drug trafficking and organized crime, and for judicial reform, institution building, anti-corruption, rule of law, and maritime security. The Act places Central America funding into a new Central America Regional Security Initiative (CARSI), which splits Central America from the Mérida Initiative. These CARSI funds are subject to the same human rights conditions as those provided in P.L. 111-8. The Joint Explanatory Statement to P.L. 111-117 directs the Secretary of State to submit a report within 90 days of the enactment of the Act detailing the threats to be addressed, goals, and expected results of the programs that have been funded thus far in Central America (as well as Haiti and the Dominican Republic) through Mérida and CARSI.

Table 2. FY2008 – FY2010 Mérida Funding for Central America by Aid Account
(\$ in millions)

Account	FY2008 Supp. (P.L. 110-252)	FY2009 (P.L. 111-8)	FY2010 (P.L. 111-117) ^a
ESF	25.0	18.0	n/a
INCLE	24.8	70.0	n/a
NADR	6.2	0.0	n/a
FMF	4.0	17.0	n/a
Total	60.0	105.0	83.0

Source: U.S. Department of State, FY2008 Supplemental Appropriations Spending Plan, FY2009 Appropriations Spending Plan, and “Summary and Highlights, International Affairs, Function 150, Fiscal Year 2010.”

Notes: ESF=Economic Support Fund; FMF=Foreign Military Financing; INCLE=International Narcotics Control and Law Enforcement; NADR=Non-proliferation, Anti-terrorism and Related Programs.

a. P.L. 111-117 does not provide a funding breakdown for Central America by aid account.

The Caribbean

Although not included in the original Mérida request, Congress dedicated \$2.5 million in INCLE funding for Haiti and \$2.5 million for the Dominican Republic, two major drug transit countries in the Caribbean, in P.L. 110-252 and again in P.L. 111-8. In Haiti, Mérida funds are being used to install a secure communications network for the Haitian National Police (HNP), support the HNP’s drug interdiction efforts, and provide training for Haitian judicial officials. In the Dominican Republic, Mérida funds are being used to support police professionalization programs, provide logistical support to interdiction units, and train judicial authorities in implementing the new criminal procedure code. A portion of the Mérida funds for each country is also supporting the U.N. Stabilization Mission in Haiti (MINUSTAH).

For 2010, the Obama Administration did not seek Mérida Initiative funding for Haiti and the Dominican Republic in its budget request, but proposed a new security regime for the Caribbean, the Caribbean Basin Security Initiative (CBSI). The FY2010 Consolidated Appropriations Act (H.R. 3288/P.L. 111-117) provided “not less than” \$37 million for CBSI, of which “not less than” \$21 million is to be used for social justice and education programs.

Other Mérida Legislation in the 111th Congress

H.R. 2410 (Berman) Foreign Relations Authorization Act, Fiscal Years 2010 and 2011.

Introduced May 14, 2009; House Committee on Foreign Affairs held markup and ordered the bill reported. House approved June 22, 2009. Title IX, Subtitle A of the bill, as introduced, consists of actions to enhance the Mérida Initiative, including the designation of a high-level coordinator within the Department of State to implement the program; the addition of Caribbean Community (CARICOM) countries to the Mérida Initiative; the establishment and implementation of a program to assess the effectiveness of assistance provided under the Mérida Initiative; within 180 days and not later than December 1 of each year thereafter, a reporting requirement regarding the programs and activities carried out under the Mérida Initiative. Title IX, Subtitle B of the bill would require the President to establish an inter-agency task force on the prevention of illicit small arms trafficking in the Western Hemisphere; increase penalties for illicit trafficking in small arms and light weapons; and express congressional support for the ratification by the United States of the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA).

H.R. 3238 (Kirkpatrick) Introduced July 16, 2009; referred to Committees on Homeland Security and Foreign Affairs. Committee on Homeland Security held markup and ordered the bill reported November 17, 2009. The bill would require the Secretary of Homeland Security, in consultation with the Secretary of State, to submit a report on the effects of the Mérida Initiative on the border security of the United States.

Status of Implementation

There has been increasing concern in Congress about the slow delivery of Mérida assistance. U.S. officials reportedly attributed early delays in disbursement of FY2008 funds to U.S. government contracting regulations, negotiations with Mexico and other countries about what equipment is actually needed, and the difficulty of delivering an aid package that involves so many agencies and offices.²⁸ More recent delays in Mérida implementation have also occurred because Congress did not pass an FY2009 appropriations bill until well into the 2009 fiscal year, and as a result of ongoing consultations between the State Department and congressional appropriators on the

²⁸ William Booth and Steve Fainaru, “U.S. Aid Delays in Drug War Criticized,” *Washington Post*, April 5, 2009. A cursory review of Mérida program documents indicates that at least ten U.S. agencies and offices are involved in implementing aspects of the Initiative. Those agencies and offices include, but are not limited to: the State Department; USAID; Department of Defense; ICE, Customs and Border Protection, and Coast Guard within the Department of Homeland Security; Federal Bureau of Investigation, U.S. Marshals Service, DEA, the Office of Overseas Prosecutorial Development, Assistance, and Training, and the International Criminal Investigative Training Assistance Program within the Department of Justice; the Treasury Department; and the Bureau of Alcohol, Tobacco, Firearms, and Explosives.

contents of the spending plans and human rights progress reports required by the Mérida appropriations legislation.

On December 3, 2009, the Government Accountability Office (GAO) issued a preliminary report for Congress on the status of funding for the Mérida Initiative.²⁹ By the end of September 2009, GAO found that \$830 million of the \$1.3 billion in Mérida funds appropriated for Mexico and Central America had been obligated by the State Department, but only \$26 million of the funds had actually been spent. The report attributed delays in Mérida implementation to “(1) statutory conditions on the funds, (2) challenges in fulfilling administrative procedures [required for obligation and expenditure of the funds]³⁰, and (3) the need to enhance institutional capacity on the part of both recipient countries and the United States to implement the assistance.”³¹

In a written response to the GAO report, the State Department acknowledged that implementation delays had occurred, but stated that it had devoted significant time to working with partner governments to prepare for the disbursement and coordination of future Mérida assistance. The State Department also criticized the GAO’s use of “expended funds” as its primary performance measure, since this measure did not account for ongoing programs such as the training of 3,000 Mexican federal police investigators at the new Federal Police Academy or equipment that had been ordered.³² According to data provided by the State Department, as of November 27, 2009, some \$359 million in Mérida funding was actively supporting projects in Mexico and Central America.³³

State Department officials in Mexico City have reported significant progress in Mérida implementation since the GAO reporting period ended. According to an equipment report provided by State Department officials, roughly \$77.2 million worth of equipment was delivered to Mexico by the end of December 2009, including 30 ion scanners and five Bell helicopters for the Mexican Army. Another \$135.5 million in equipment is scheduled to be delivered by June 2010, including a \$50 million CASA surveillance aircraft for the Mexican Navy and three UH-60 helicopters for the SSP. With respect to Mérida-funded training programs, 42% of training projects were reported to have achieved “significant progress” in implementation by mid-November 2009, including those involving police professionalization and continuing education, prison reform, prosecutorial capacity building, and human rights training programs.³⁴

Although the pace of implementation has quickened since the GAO reporting period ended in September 2009, some 30% of FY2008 Mérida training programs remained stalled as of mid-

²⁹ The GAO is scheduled to issue a more detailed follow-up report on Mérida implementation in the summer of 2010.

³⁰ Prior to the disbursal of INCLE funding for Mérida, for example, the State Department had to negotiate and sign Letters of Agreement with the countries that were to receive those funds. On December 3, 2008, the United States and Mexico signed a Letter of Agreement, allowing \$197 million in Mérida funds to be disbursed.³⁰ By the end of June 2009, all the Central American countries, Haiti, and the Dominican Republic had signed Letters of Agreement with the United States.³⁰

³¹ U.S. Government Accountability Office (GAO), “Status of Funds for the Mérida Initiative,” December 3, 2009, GAO 10-253R, available at: <http://www.gao.gov/products/GAO-10-253R>.

³² *Ibid*, p. 26-7.

³³ Roughly \$12.3 million of that funding was supporting programs in Central America. Data provided in an email from State Department official, January 13, 2010.

³⁴ Government of Mexico, Technical Secretariat of the National Security Council, Implementation Tracking System of Merida Initiative Projects, November 20, 2009.

November 2009.³⁵ Those programs include efforts to strengthen vetted units against money laundering and organized crime, help law schools and bar associations train lawyers in the new judicial system, and efforts to improve internal controls and citizen participation programs at the Attorney General's Office (PGR). Similarly, some 43% of FY2008 Mérida-funded equipment projects had yet to show significant progress in implementation by mid-November. Those projects would provide equipment to strengthen and modernize multi-agency organized crime and money laundering units, asset forfeiture units at the PGR, and the Financial Intelligence Unit of the Secretary of Finance (the lead agency implementing programs against money laundering).

Policy Issues

A broad consensus appears to be shared by the Administration, Congress and the policy community on the need for the United States to support neighboring governments in Mexico and Central America that are struggling to address drug-related violence. President Obama reiterated his support for President Calderón's "courageous effort" to take on the DTOs during a press conference held in Mexico after the conclusion of the North American Leaders Summit on August 10, 2009.³⁶ In 2009, Congress held numerous hearings on the heightened drug-related violence in Mexico, and its potential spillover effects on the United States. During its second session, the 111th Congress is likely to closely monitor the efficacy of assistance provided through the Mérida Initiative and compliance with Mérida's human rights conditions. Congress may also play a significant role in designing post-Mérida security cooperation with Mexico, Central America, and the Caribbean as it considers the Obama Administration's FY2011 budget request.

When Secretary of State Hillary Clinton traveled to Mexico on March 25 – 26, 2009, she commented on the importance of bilateral cooperation under the Initiative. During her trip, she acknowledged that an "insatiable demand for illegal drugs" in the United States "fuels the drug trade."³⁷ With regard to the United States as a source of the weapons that arm the drug traffickers, Clinton also acknowledged that "our inability to prevent weapons from being smuggled across the border to arm these criminals causes the deaths of police, soldiers and civilians."³⁸ Congress is likely to continue to examine how well the U.S. government is demonstrating its "shared responsibility" to tackle domestic problems contributing to drug trafficking and crime in the region, including U.S. drug demand. This section of the report raises some questions and policy issues Congress is likely to consider as it oversees implementation of the Mérida Initiative.

³⁵ Ibid.

³⁶ The White House, Office of the Press Secretary, "Press Conference by President Obama, President Calderón of Mexico, and Prime Minister Harper of Canada," Guadalajara, Mexico, August 10, 2009.

³⁷ Mary Beth Sheridan, "On Mexico Trip, Clinton Criticizes U.S. Drug Policy," *Washington Post*, March 26, 2009; and Mark Lander, "Clinton Says Demand for Illegal Drugs in the U.S. 'Fuels the Drug Trade' in Mexico," *New York Times*, March 26, 2009.

³⁸ Ibid.

Is Mérida the Right Drug Control Approach?³⁹

Unless programs like the Mérida Initiative are woven into a more holistic U.S. drug policy focusing on reducing demand as well as supply, many analysts predict that they are unlikely to have a significant impact on drug flows in the region.⁴⁰ In February 2009, a non-governmental, independent study group called the Latin American Commission on Drugs and Democracy—co-chaired by former presidents from Brazil, Colombia, and Mexico—concluded that the current international drug control model has failed and called for a new policy focused more on “harm reduction” through prevention and treatment than on criminalizing drugs. As a comparison, many studies, including an October 2008 report by the Government Accountability Office (GAO), have concluded that while Plan Colombia, a centerpiece of U.S. international drug control efforts, improved security conditions in Colombia, it did not significantly reduced the amount of drugs flowing into the United States.⁴¹

These concerns have recently been echoed by Members of Congress. The Western Hemisphere Drug Policy Commission Act of 2009, H.R. 2134 (Engel), passed by the House on December 8, 2009, would establish a commission to evaluate U.S. drug control policies and programs directed at the Western Hemisphere and to provide recommendations on how to improve U.S. international and domestic drug policies.

Early assessments of the likely impact of the Mérida Initiative varied significantly. Mérida supporters described the initiative as a security cooperation partnership against drug traffickers and organized criminal groups, rather than a foreign assistance program. They urged Congress to fully fund Mérida in order to help build the capacity of both military and civilian institutions in partner nations to carry out bilateral and regional counterdrug efforts.⁴² Others were more skeptical, maintaining that fighting the drug trade will require more than providing equipment and training for Mexican and Central American military and police forces. They asserted that Mérida needs to include more funding to address the weak civilian judicial and law enforcement institutions, as well as the underlying societal problems, such as poverty and corruption, that have allowed the drug trade to flourish in the region. They also emphasized the importance of addressing U.S. and European drug demand.⁴³

Balancing “Hard-side” and “Soft-side” Assistance

During the 110th Congress, debates emerged within Congress about the balance of security vs. institution-building funding in the Bush Administration’s FY2008 supplemental request for

³⁹ For more information on U.S. international drug control policy, see CRS Report RL34543, *International Drug Control Policy*, by Liana Sun Wyler.

⁴⁰ See, for example, International Crisis Group, “Latin American Drugs II: Improving Policy and Reducing Harm,” March 14, 2008.

⁴¹ Government Accountability Office, “Plan Colombia: Drug Reduction Goals Were Not Fully Met, But Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance,” October 2008, GAO-09-7.

⁴² American Enterprise Institute, “Five Perspectives on the Mérida Initiative: What it is and why it Must Succeed,” March 4, 2008; Heritage Foundation, “Executive Summary: Mexico, Drug Cartels, and the Merida Initiative: A Fight We Cannot Afford to Lose,” by Ray Walser, July 23, 2008.

⁴³ Washington Office on Latin America (WOLA), “The Mérida Initiative and Citizen Security in Mexico and Central America,” March 19, 2008; Council on Foreign Relations, “Task Force Report: U.S.-Latin America Relations: A New Direction for a New Reality,” May 2008.

Mexico. Several Members of Congress opposed the request's apparent emphasis on providing expensive equipment to the Mexican military with its poor human rights record. In response, Administration officials contended that the Calderón government specifically requested security assistance from the United States because Mexican law enforcement and military forces were being outgunned by the drug cartels. They assured Members of Congress that military and police units receiving U.S. equipment and training would be properly vetted.⁴⁴

As noted above, Congress has employed a variety of measures to ensure that various "soft-side" programs receive support from the Mérida Initiative. These have included limiting the FMF and INCLE funds available to provide equipment to the Mexican military, and earmarking \$73.5 million in FY2008 supplemental funds and \$75 million in FY2009 assistance for institution building, rule of law, and anti-corruption activities in Mexico. Similarly, Congress reduced border security and counterdrug assistance for Central America in the FY2008 supplemental in order to free up \$25 million in ESF funds for an Economic and Social Development Fund for the region. Congress provided an additional \$12 million for the Economic and Social Development Fund in the FY2009 omnibus measure, but did not set aside specific money to support it in FY2010.

With respect to funding for Mexico, several studies have criticized the Mérida Initiative for focusing too much on technology transfer and not enough on capacity-building and institutional reform. In addition to increasing funding for existing rule of law, human rights, and anti-corruption programs, these studies have identified several other "soft-side" programs and approaches that could be implemented. One study urged U.S. support for the establishment of constabulary forces and community policing programs in order to improve police-community relations. Another suggested financing micro-credit, job training, and alternative livelihoods programs aimed at addressing the poverty that has led some people to collaborate with the DTOs.⁴⁵ Still another urged the United States to consider channeling a larger proportion of assistance to state and local entities, particularly initiatives aimed at improving transparency and accountability in government.⁴⁶

Monitoring Progress

U.S. and Mexican security experts have urged Congress to look at a range of indicators when evaluating the Mérida Initiative, rather than merely measuring its effects on drug seizures and flows. Congress asked the State Department to include a list of performance measures for each portion of the Mérida Initiative in its FY2008 supplemental spending plan. For example, some indicators that might indicate that Mérida is helping break the power and impunity of criminal organizations, might include trends in narcotics flows from Mexico to the United States, changes in the amount of illicit materials seized, and the number of high-profile drug traffickers arrested.⁴⁷ As previously stated, the Joint Explanatory Statement to the FY2010 Consolidated Appropriations Act directed the State Department to submit a report to congressional appropriators within 90 days on progress that has been made thus far in implementing the Mérida Initiative.

⁴⁴ Senate Foreign Relations Committee, "Hearing on Mexico and Central America Counternarcotics Aid," November 15, 2007.

⁴⁵ Hal Brands, "Mexico's Narco-Insurgency and U.S. Counterdrug Policy," Strategic Studies Institute, May 2009.

⁴⁶ See, for example, Schaefer et al., "Security in Mexico: Implications for U.S. Policy Options," RAND Corporation, 2009.

⁴⁷ For a complete list of those indicators, see U.S. Department of State, "FY2008 Supplemental Appropriations Spending Plan, Mexico, Central America, Haiti, and the Dominican Republic," September 9, 2008, pp. 16-39.

State Department officials have warned, however, that sometimes certain indicators can be misleading. For example, drug seizures in Mexico decreased in 2008 as compared to 2007. Rather than attributing a decline in seizures to some deficiency in Mexican CN efforts, U.S. law enforcement officials believe that traffickers have been forced to seek alternate routes because of better enforcement in Mexico.⁴⁸ This trend could continue with Mérida implementation.

U.S. officials also maintain that some of the most important results of Mérida thus far may be impossible to quantify, such as the increase in communication and cooperation that has developed as a result of the Initiative among U.S., Mexican, and Central American law enforcement and security officials.⁴⁹ There appears to be a particularly strong sense of co-responsibility and high level of cooperation in implementing the Mérida Initiative among high-ranking U.S. and Mexican officials. This is in sharp contrast to the past, when mutual mistrust hindered bilateral counterdrug efforts. The U.S. and Mexican governments have designed a multi-level working group structure to design and implement bilateral security efforts. By April 2010, U.S. policy-planners from the State Department's Narcotics Affairs Section (NAS), which oversees Mérida implementation, and Mexican officials from 16 partner agencies will be co-located in a new bilateral office, the first of its kind at any U.S. Embassy.

Interagency Coordination

The Mérida Initiative is a wide-ranging foreign assistance package with diverse program components that are being carried out by a wide range of U.S. agencies under the leadership of the State Department. For NAS in Mexico City, which is still in the process of hiring all of its Mérida-related positions, tracking the funding and implementation of all 43 FY2008 Mérida programs in Mexico has proven to be no small feat. (Most FY2009-funded programs have yet to commence). NAS has had to negotiate a large number of complicated inter-agency agreements to delineate funding streams and agency responsibilities for particular programs, some of which are still being finalized.

In addition, as noted in the GAO report, it has taken time for U.S. agencies charged with implementing Mérida programs to deploy “sufficient personnel to effectively manage the seven-fold increase in U.S. law enforcement-related assistance to Mexico”⁵⁰ that has occurred as a result of the Mérida Initiative. Some agencies, such as the State Department, are further along in that process than others, which has caused delays in some training programs involving expertise that can only be provided by particular U.S. agencies and offices (including training provided by the Department of Justice's Office of Overseas Prosecutorial Development, Assistance, and Training). Other agencies, like the Federal Bureau of Investigation, have had to shift their staff's focus away from strictly engaging in operations in Mexico towards planning and carrying out training programs for their Mexican counterparts.

Role of the Department of Defense

When the Mérida Initiative was first announced, analysts from across the political spectrum praised the fact that it did not appear to involve an active role for U.S. military forces in Mexico

⁴⁸ U.S. Department of State, *2009 International Narcotics Control Strategy Report*, February 27, 2009.

⁴⁹ Interview with State Department officials, July 13, 2009.

⁵⁰ GAO, December 2009, p. 14.

or Central America.⁵¹ Some were pleased that civilian officials from the Central American Integration System (SICA) and the State Department designed the Central American portion of the proposal, rather than military personnel from the Central American Armed Forces Conference (CFAC) and Southcom.⁵² Although DOD may not have taken a leadership role in designing Mérida, it is administering assistance provided to Mexico and Central America through the FMF aid account. Apart from the Mérida Initiative, DOD provided a \$13 million counterterrorism training and equipment package to the Mexican military in FY2008.⁵³ In addition, while DOD only provided some \$3.1 million in CN training assistance to Mexico in FY2008, DOD assistance expanded to approximately \$28.2 million in FY2009 in order to complement Mérida programs.⁵⁴

According to DOD officials in Mexico City, Mérida has “opened doors” for U.S.-Mexican military cooperation, and may result in increased DOD and State Department-funded training and equipment for the Mexican military. In an interview, one top DOD official predicted that the Mexican military will remain actively involved in anti-drug efforts for the foreseeable future. He also maintained that while DOD is unlikely to provide Mexico with the same *amount* of funds it has provided to Colombia, the same *variety* of programs will likely be funded, including training in how to work with police forces, conduct anti-drug operations and investigations, and pursue the leaders of drug trafficking organizations.⁵⁵

U.S. Pledges Under the Mérida Initiative

In the U.S. and Mexico joint statement announcing the Mérida Initiative, the United States government pledged to “intensify its efforts to address all aspects of drug trafficking (including demand-related portions) and continue to combat trafficking of weapons and bulk currency to Mexico.”⁵⁶ Many security experts argue that this pledge may be even more important to the success of regional counterdrug and anticrime efforts than any amount of U.S. foreign aid provided to Mexico or Central America.⁵⁷ However, Mérida was proposed and funded as a foreign assistance package without any companion legislation on the domestic side. As such, it may prove difficult for Congress to monitor the degree to which the U.S. government is fulfilling its domestic pledges under the Mérida Initiative.

⁵¹ Heritage Foundation, July 2008; WOLA, March 2008.

⁵² U.S. Department of State, Office of Language Services Translating Division, “Not All That is Gold Glitters and Not All That Glitters is Gold,” by Joel Fyke and Maureen Meyer, published in *Foreign Affairs en Español*, vol. 8, no. 1.

⁵³ In the FY2006-FY2008 annual Department of Defense (DOD) authorization bills, Congress provided DOD with authority to train and equip foreign military forces to perform counterterrorism operations. This “Section 1206” authority, as it is known, enables DOD to use defense funds to conduct or support train and equip programs such as those usually provided under State Department security assistance authorities and budgets. U.S. Department of Defense, “Section 1206 Programs Fact Sheet.” July 29, 2009.

⁵⁴ Section 1022 of the National Defense Authorization Act for Fiscal Year 2008 (P.L. 110-181) extends Section 1033(b) of the National Defense Authorization Act for Fiscal Year 1998 to make available train and equip authorities to Mexico. Estimates of DOD CN support to Mexico for FY2008 and FY2009 are from U.S. Department of Defense, “Fact Sheet: Current DOD CN Support to Mexico,” July 2009.

⁵⁵ Interview with DOD official from the Office of Defense Coordination at the U.S. Embassy in Mexico City, December 8, 2009.

⁵⁶ U.S. Department of State and Government of Mexico, “Joint Statement on the Mérida Initiative,” October 22, 2007.

⁵⁷ Brookings Institution, November 2008.

Weapons Trafficking⁵⁸

U.S. officials estimate that 90% of the firearms recovered from crime scenes in Mexico originated in the United States.⁵⁹ Mexican drug cartels and enforcer gangs are reportedly buying semiautomatic versions of AK-47 and AR-15 style assault rifles, and other military-style firearms in the United States. The cartels often obtain their weapons through “straw purchases,” whereby people who are legally qualified buy the weapons from licensed gun dealers or at gun shows in border states and sell them to smugglers who take them across the border.

ATF began a Southwest border initiative dubbed Project Gunrunner in FY2004 that aims to disrupt illegal flows of weapons from the United States into Mexico. In FY2006 and FY2007, around 100 ATF special agents and 25 industry operations investigators were dedicated to Project Gunrunner, while by March 2009, the numbers had increased to 148 special agents and 59 industry operations investigators.⁶⁰ From FY2004 through June 2009, ATF referred 882 cases for prosecution involving more than 1,838 defendants, including almost 415 cases for firearms trafficking involving more than 1,135 defendants and almost 13,382 guns.⁶¹

In addition to these efforts in the United States, ATF received \$4.5 million in Mérida funds and \$4.5 million in asset forfeiture funds from the Department of the Treasury for the deployment of eTrace firearms tracking technology to U.S. Consulates in Mexico to combat arms trafficking.⁶² In FY2008, Mexico submitted more than 7,500 recovered guns for tracing, showing that most originated in Texas, Arizona, and California.⁶³

The Department of Homeland Security, especially ICE and CBP, are also involved in taking action to stop the southbound flow of weapons to Mexico. Both ICE and CBP have the authority to enforce export provisions of the Arms Exports Control Act. In collaboration with Mexican law enforcement authorities, ICE launched a new bilateral program against weapons smuggling in June 2008 known as Operation *Armas Cruzadas*. Among other activities, the program involves intelligence sharing and joint law enforcement efforts with vetted Mexican units. As DHS reported in March 2009, the operation has resulted in more than 100 criminal arrests, 42 convictions, and the seizure of more than 400 weapons.⁶⁴

⁵⁸ For more information, see CRS Report R40733, *Gun Trafficking and the Southwest Border*, by Vivian S. Chu and William J. Krouse

⁵⁹ U.S. Embassy, Mexico City, Mexico, “U.S.-Mexico, “U.S.-Mexico at a Glance: Combating Illicit Firearms,” February 2009.

⁶⁰ Department of Justice (DOJ), Statement of William Hoover, Assistant Director for Field Operations, ATF, and Anthony P. Placido, Assistant Administrator for Intelligence Division, DEA, before Senate Committee on the Judiciary, Subcommittee on Crime and Drugs, March 17, 2009.

⁶¹ DOJ, Statement of Anthony P. Placido, Assistant Administrator for Intelligence Division, DEA, and Bill McMahon, Deputy Assistant Director, ATF, before the House Homeland Security Committee, Subcommittee on Border, Maritime, and Global Counterterrorism, July 16, 2009.

⁶² Ibid.

⁶³ U.S. Department of Justice, “Department of Justice Announces Resources for Fight against Mexican Drug Cartels,” Fact Sheet, March 24, 2009.

⁶⁴ U.S. Department of Homeland Security, “Statement of Mark Koumans, Deputy Assistant Secretary, Office of International Affairs,” before House Committee on Appropriations, Subcommittee on Homeland Security, March 10, 2009.

According to DHS, the Mexican government began a pilot program in February 2009 to screen incoming vehicles to look for guns, bulk cash, and other contraband, and planned to expand the program across the entire border.⁶⁵ In addition, under the Mérida Initiative, the United States will be providing non-intrusive inspection equipment that will assist Mexican officials to prevent arms and cash smuggling from the United States.⁶⁶

Some analysts have suggested that the U.S. government could further expand its efforts against gun trafficking to Mexico. They have advocated for, among other things, improving regulations to combat “straw purchases,” better regulating how weapons that are particularly attractive to criminal groups (such as “vest-buster” handguns and anti-armor rifles) are marketed, and enacting an effective assault weapons ban.⁶⁷

Others have called for the U.S. Senate to act on a pending treaty, the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials.⁶⁸ According to the Department of State, the convention will help shut down the illicit transnational arms market that fuels the violence associated with drug trafficking, terrorism, and international organized crime. The treaty, which was signed by the United States in 1997, entered into force in July 1998. It was submitted to the Senate for its advice and consent in June 1998.⁶⁹

Drug Demand

U.S. drug demand fuels a multi-billion dollar illicit industry that has enhanced the power of DTOs and other allied gangs and organized criminal groups. In 2007, more than 35 million people in the United States reported using illicit drugs or abusing prescription drugs. Some studies have suggested that addressing drug demand through a combination of treatment programs for heavy users and prevention programs is more successful and cost-effective than supply reduction programs.⁷⁰ Nevertheless, the U.S. drug control budget has continued to emphasize supply-side programs, including drug crop eradication in source countries, interdiction, and domestic law enforcement efforts, rather than demand reduction efforts. From FY2002 through the FY2009 budget request, funding for supply-side programs reportedly increased by almost 57%, whereas support for demand reduction efforts increased by less than 3%.⁷¹ Supply reduction efforts now account for nearly two-thirds of the federal drug control budget.

⁶⁵ Ibid.

⁶⁶ U.S. Department of State, “Statement of David T. Johnson, Assistant Secretary of State, Bureau of International Narcotics and Law Enforcement Affairs,” before the House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, March 18, 2009.

⁶⁷ Tom Diaz, Violence Policy Center, “Disrupting Arms Trafficking to Mexico,” October 17, 2008.

⁶⁸ Peter DeShazo and Johnna Mendelson Forman, “A treaty that can help stem drug violence in Mexico,” *Washington Times*, February 24, 2009.

⁶⁹ U.S. Department of State, “The Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials,” Fact Sheet, March 25, 2009.

⁷⁰ P. Rydell and S. Everingham, “Controlling Cocaine Supply Versus Demand Programs,” RAND: Santa Monica, C.A., 1994; David Boyum and Peter Reuter, *An Analytic Assessment of U.S. Drug Policy*, Washington, D.C.: American Enterprise Institute, 2005.

⁷¹ “FY02-FY09 Budget Emphasizes Least Effective Ingredients of Drug Policy,” Carnevale Associates, February 2008.

U.S. pledges to intensify domestic demand reduction efforts in order to complement the Mérida Initiative have yet to be reflected in new budgetary priorities. The FY2010 federal drug control request submitted by the Obama Administration included slightly less funding for demand reduction programs (-0.8%) than what was enacted in FY2009.⁷² Ongoing debates about the proper balance of funding for supply reduction vs. demand reduction programs are likely to continue in the 111th Congress.⁷³

Bulk Cash Smuggling

Interrupting the flow of money from drug sales in the United States to Mexico, estimated to range from \$15 billion to \$25 billion annually,⁷⁴ may be one of the most effective ways to disrupt the activities of the Mexican DTOs. A portion of this money is used to buy weapons in the United States to arm the DTOs and their drug enforcers. Other drug proceeds are used to corrupt law enforcement and public officials enabling the DTOs to continue to operate with impunity. Some analysts believe that the U.S. Treasury is doing a good job of making it difficult to launder money within financial institutions. Therefore, the preferred mode to transfer drug proceeds by the Mexican DTOs is through shipments of bulk cash.⁷⁵

In order to address the problem of bulk cash smuggling, the DEA has carried out bulk cash seizures with the FBI, ICE, and CBP. In 2005, ICE and CBP launched a program known as “Operation Firewall,” which increased operations against bulk cash smuggling in the U.S.-Mexico border region. Since 2005, Operation Firewall has resulted in 583 arrests and the seizure of more than \$282 million.⁷⁶ Many operations have been carried out in coordination with Mexican customs and the Mexican money laundering vetted unit. In 2008, ICE created a Trade Transparency Unit (TTU) in Mexico. Mexican TTU representatives are receiving training and technical support from ICE officials in how to identify cross-border trade anomalies that could be indicative of bulk cash smuggling.

Mexico Policy Issues

As the U.S. Congress oversees implementation of the Mérida Initiative, it is likely to maintain an interest in what the Mexican government is doing to combat the drug cartels and reform its law enforcement and judicial systems. Congress may want to ensure that U.S. and Mexican counternarcotics programs are complementing, rather than duplicating each other’s efforts. Congress may also want to monitor the Mexican government’s anti-corruption efforts, as well as its ability to hold police and military forces accountable for human rights abuses.

⁷² U.S. Office of National Drug Control Policy, *National Drug Control Strategy: FY2010 Budget Summary*, May 7, 2009, p. 13.

⁷³ For more information on U.S. domestic drug policy, see CRS Report RL32352, *War on Drugs: Reauthorization and Oversight of the Office of National Drug Control Policy*, by Mark Eddy.

⁷⁴ Woodrow Wilson International Center for Scholars Mexico Institute, *The United States and Mexico: Towards a Strategic Partnership*, January 2009.

⁷⁵ Testimony of Andrew Selee, Director of the Mexico Institute, Woodrow Wilson Center before the House Subcommittee on National Security and Foreign Affairs of the Committee on Oversight and Government Reform, March 12, 2009.

⁷⁶ U.S. Department of Homeland Security, Statement of John T. Morton, Assistant Secretary, ICE, before the House Appropriations Subcommittee on Homeland Security, November 19, 2009.

Domestic Counterdrug Efforts and Strategy

President Calderón has made combating drug trafficking and organized crime a top priority of his administration. He increased Mexico's security budget from roughly \$2 billion in 2006 to a reported \$9.3 billion for 2009.⁷⁷ He has mobilized thousands of soldiers and federal police to arrest drug traffickers, establish check points, burn marijuana and opium plants, and interdict drug shipments. President Calderón has also used extradition as a major tool to combat drug traffickers, extraditing 95 individuals in 2008 and a record 107 individuals in 2009.⁷⁸ These efforts, combined with increased collaboration with U.S. law enforcement agencies, have resulted in some significant government victories against the DTOs – including the recent killing of Arturo Beltrán Leyva and capture of Teodoro Garcia Simental.⁷⁹

Despite these victories, the persistent and increasingly brazen violence committed by the drug traffickers, which has occurred partially in response to government pressure, has led to increasing criticism of Calderón's aggressive anti-drug strategy.⁸⁰ Academics and human rights groups have added to this criticism by asserting that Calderón's increasing reliance on military forces to perform public security functions has exposed the military to corruption and resulted in a growing number of human rights violations by security forces.⁸¹ Mexican officials are reportedly revising their military-led strategy in Ciudad Juarez, and recently deployed 2,000 federal police to set up checkpoints and patrol the city. The Mexican government may also increase funding for social and economic development programs to address the root causes of violence in Juarez and other border communities.⁸² U.S. officials have pledged to reprogram FY2009 Mérida funding to complement Mexican government efforts. To that end, a high-level bilateral assessment team traveled to Tijuana/San Diego in early December and Ciudad Juarez/El Paso in mid January 2010.

Police Reform and Anti-Corruption Efforts

Instances of corruption of law enforcement and government officials have been a significant problem that has made the campaign against drug cartels more difficult. In October 2008, an elite unit within the federal Attorney General's office for Special Investigations of Organized Crime (SIEDO) was implicated in a scandal involving payoffs for sensitive information about antidrug activities, with at least 35 officials fired or arrested.⁸³ In November 2008, the former head of SIEDO was arrested and accused of accepting bribes from a drug cartel. The former investigative agency within the PGR, the Federal Agency of Investigations (AFI), which was created in 2001, was also widely criticized for corruption by 2005 and largely disbanded in June 2009.⁸⁴

⁷⁷ Steve Fainaru and William Booth, "As Mexico Battles Cartels, The Army Becomes the Law," *Washington Post*, April 2, 2009.

⁷⁸ Email from Mexican Embassy in Washington D.C., January 12, 2010.

⁷⁹ Elliot Spagat, "Mexico-U.S. Cooperation Cited in 2nd Drug Lord Arrest," *Associated Press*, January 12, 2010.

⁸⁰ José de Cordoba and Joel Millman, "Mexico Ramps up Drug War With a Surge on Rio Grande," *Wall Street Journal*, December 22, 2009; Jorge C. Castañeda, "What's Spanish for Quagmire?" *Foreign Policy*, January/February 2010.

⁸¹ Jorge Rocha Quintero, "Public Security and Human Rights," in *Police and Public Security in Mexico*, edited by Robert A. Donnelly and David A. Shirk. San Diego, CA: University Readers, 2009.

⁸² This review has since been reported in the media. See: William Booth and Steve Fainaru, "Mexico Questions its Drug Strategy; Violence in Juarez Prompts Officials to Admit Military Failure," *Washington Post*, December 27, 2009.

⁸³ Tracy Wilkinson, "Mexico Under Siege: Elite Police Tainted by Drug Gang," *Los Angeles Times*, October 28, 2008.

⁸⁴ Donnelly and Shirk, p. 228.

Corruption has also plagued federal, state, and municipal police forces. In a particularly egregious example of DTO infiltration at the municipal level, 10 local police in Michoacán have been arrested and charged with murdering 12 federal anti-drug agents in July 2009.⁸⁵

President Calderón has taken steps to reform the country's federal, state, and municipal police forces and to crack down on corruption within the police and other government institutions. Calderón has reorganized the two federal police agencies under a single commander, established a new police training institute, and created a national database through which police can share information and intelligence.⁸⁶ President Calderón initially proposed the creation of one unified Federal Police force under the SSP, but two laws passed in May 2009 creating a Federal Police force under the SSP and a Federal Ministerial Police force under the PGR to replace the discredited AFI, both with some investigative functions. His government has begun to test the competency of state and local police forces and to reward units whose officers meet certain standards with higher budgets. President Calderón has also purged hundreds of corrupt police officers and government officials at all levels of government.

The State Department's 2008 human rights report, issued in March 2009, recognized the Mexican government's efforts to reform and professionalize the police force, although it highlighted that corruption and impunity, particularly at the state and local levels, remain endemic problems. Some security experts have also praised his federal police reform efforts, but expressed concern that "advances in police reform are being undermined by the slow pace of judicial reform."⁸⁷ Analysts have suggested that the Calderón government consider implementing other reforms, including, but not limited to, strengthening police professionalization programs, establishing a career track within federal and state police forces, encouraging community-oriented policing, and developing internal and external review mechanisms for police performance.

Implementation of Judicial Reforms

The Mexican judicial system has been widely criticized for being opaque, inefficient, and corrupt. It is plagued by long case backlogs, a high pre-trial detention rate (some 40% of Mexican inmates are simply awaiting trials), and an inability to secure convictions. In June 2008, President Calderón signed a judicial reform decree after securing the approval of Congress and Mexico's states for an amendment to Mexico's Constitution. Under the reform, Mexico has eight years to replace its trial procedures, moving from a closed door process based on written arguments to a public trial system with oral arguments and the presumption of innocence until proven guilty. In addition to oral trials, the judicial system is expected to adopt additional means of alternative dispute resolution, which should help make it more flexible and efficient.

Implementing these judicial reforms has brought with it significant challenges, which include the need to update law school curricula, retrain current legal professionals, build new courtrooms, improve forensic technology, and encourage the use of alternative dispute resolution. Many observers hope that the federal government can learn how to identify and overcome those challenges by looking at the experiences that states such as Chihuahua and Oaxaca have had with support from USAID, in adopting an accusatorial justice system.⁸⁸ Others predict that progress "is

⁸⁵ Ken Ellingwood, "Mexico Tackles Legacy of Corrupt Police Force," *Chicago Tribune*, November 18, 2009.

⁸⁶ Eric L. Olson, "Police Reform and Modernization in Mexico, 2009" Woodrow Wilson Center, September 2009.

⁸⁷ *Ibid.*, p. 7.

⁸⁸ David Shirk and Louna M. Márquez-Carrasquillo, "Border Brief: State Level Judicial Reform Initiatives in (continued...)"

likely to be very slow as capacity constraints and entrenched interests in the judicial system delay any changes.”⁸⁹ Still others have echoed the concerns expressed in the previously cited Woodrow Wilson Center briefing paper, which argued that “the Calderón government is devoting more of its political and economic capital to modernizing the police...[than to] strengthening the independence and capacity of the justice system [including the PGR].”⁹⁰

Protection of Human Rights

Both the Mexican police and military have poor human rights records. According to the State Department’s most recent human rights report, there were credible reports of police involvement in extrajudicial killings, kidnappings for ransom, and torture. There has been increasing concern that the Mexican military, which has had less human rights training and is less accountable to civilian authorities than the police, is committing more human rights abuses as it is increasingly tasked with carrying out public security functions.⁹¹ According to Mexico’s Human Rights Commission (the CNDH), complaints of human rights abuses by the Mexican military increased from 182 in 2006 to 1,230 in 2008.⁹² Amnesty International released a new report in December 2009 on alleged cases of human rights abuses committed by Mexican military forces engaged in counterdrug efforts that occurred between October 2008 and August 2009.⁹³

In addition to expressing concerns about current human rights abuses being committed, Mexican and international human rights groups have criticized the Mexican government for failing to hold military and police officials accountable for past abuses. On July 13, 2009, Human Rights Watch issued a statement asserting that “Mexican military courts...have not convicted a single member of the military accused of committing a serious human rights violation.”⁹⁴ The head of the Mexican military’s human rights office held a press conference on July 23, 2009, to dispute those assertions, but reportedly did not provide details on particular cases that had been successfully prosecuted in the military justice system.⁹⁵

Human rights organizations generally lauded the inclusion of human rights conditions (described in **Appendix A**) in Mérida Initiative appropriations legislation. In the summer of 2009, U.S. and Mexican human rights groups urged the State Department not to issue a favorable report on the Mexican government’s human rights record. They maintained that the Mexican military has failed to investigate, prosecute, or punish human rights violations committed by its forces.⁹⁶

(...continued)

Mexico,” February 21, 2008.

⁸⁹ “Mexico Risk: Legal and Regulatory Risk,” *Economist Intelligence Unit-Risk Briefing*, January 8, 2010.

⁹⁰ Olson, p. 7.

⁹¹ See testimony by Joy Olson, Washington Office on Latin America, and Lisa Haugaard, Latin America Working Group, before the House Committee on Appropriations, Subcommittee on State, Foreign Operations, and Related Programs, hearing on the Mérida Initiative, March 10, 2009.

⁹² Statistics are available in annual reports of Mexico’s Human Rights Commission, available at <http://www.cndh.org.mx>.

⁹³ Amnesty International, “Mexico: New Reports of Human Rights Violations by Military,” December 2009.

⁹⁴ Human Rights Watch, “Mexico: U.S. Should Withhold Military Aid: Rights Conditions in Merida Initiative Remain Unmet,” July 13, 2009, available at: <http://www.hrw.org/en/news/2009/07/13/mexico-us-should-withhold-military-aid>.

⁹⁵ Booth and Fainaru, August 5, 2009.

⁹⁶ Letter from Amnesty International and Other Human Rights Groups to Secretary of State Hillary Clinton, “Human Rights Concerns to Inform the U.S. Department of State’s Merida Initiative Reporting on Mexico, July 24, 2009.

On August 13, 2009, the State Department submitted its human rights progress report for Mexico to Congress, thereby meeting the statutory requirements for FY2008 supplemental and FY2009 regular funds that had been on hold to be released. While acknowledging that serious problems remain, the report outlines steps that the Mexican government has made to improve police transparency and accountability, consult with Mexican human rights organizations and civil society on the Mérida Initiative, investigate and prosecute allegations of human rights abuses by security forces, and prohibit the use of torture. The report acknowledges that human rights complaints against the Mexican military have “increased almost six-fold” since the beginning of the Calderon government. It also states that “the opaqueness of the [Mexican] military court system makes it difficult to analyze the nature and type of complaints filed, the status of cases against members of the military alleged to have violated human rights, or the results of the military prosecution.”⁹⁷ Human rights groups have sharply criticized the State Department’s assessment of Mexico’s human rights progress.⁹⁸

Beyond the Mérida Initiative

U.S.-Mexican Security Cooperation

With the arrival of U.S. Ambassador Carlos Pascual in August 2009 and as part of the FY2011 budget preparation process, U.S. and Mexican officials began to revise the strategic framework underpinning U.S.-Mexican security cooperation. The U.S. and Mexican Ambassadors have since publicly stated that they anticipate future funding requests associated with that cooperation to focus more on institution-building, including law enforcement training, than on equipment.⁹⁹ In interviews, NAS officials confirmed that the post-Mérida bilateral security cooperation strategy is likely to focus on four pillars: 1) disrupting the operational capacity of organized crime, 2) institutionalizing Mexico’s capacity to sustain the rule of law (police and judicial reform), 3) creating a 21st century border structure, and 4) building strong and resilient communities.

Thus far, the Calderón government has focused much of its efforts on dismantling the power of the DTOs (pillar one), but many security experts believe that the government, with U.S. support, needs to focus more on addressing the country’s weak judicial institutions (pillar two). With impunity rates hovering around 98%¹⁰⁰, many experts maintain that it is crucial for Mexico to implement the judicial reforms passed in the summer of 2008 and focus on fighting corruption at all levels of government. In order for Mexico to transition to an accusatorial system with oral trials by 2016, some argue that U.S.-funded judicial training programs, some of which are just getting started, may have to be significantly expanded. Federal police reform is well underway, but serious questions remain as to when and how the federal police will take over the anti-drug functions currently being carried out by the Mexican military. It also remains to be seen how federal reform efforts (and U.S. efforts to support them) will be expanded to include state and

⁹⁷ U.S. Department of State, “Mexico- Merida Initiative Report,” August 2009.

⁹⁸ Fundar et al., “Obama Administration’s Alleged Release of Mérida Funds: A Violation of U.S. Law That Will Encourage Serious Human Rights Violations in Mexico,” August 2009.

⁹⁹ Remarks by U.S. Ambassador to Mexico Carlos Pascual and Mexican Ambassador to U.S. Arturo Sarukhan, *US Fed News*, September 28, 2009.

¹⁰⁰ This figure is widely cited. See, for example, a recent report by the Center of Research for Development (CIDAC), “Índice de Incidencia Delictiva y Violencia 2009,” August 2009, p. 9.

municipal police forces. Security experts have also identified improving police-community relations, respect for human rights, and the prevention and punishment of street crime in Mexico as important issues that need to be addressed.

Pillar three focuses on making the U.S.-Mexican border more secure and more efficient, as well as helping Mexico better patrol its southern border with Guatemala and Belize. It involves programs aimed at improving border management, infrastructure, and technology, as well as enhancing country and bilateral efforts to stop northward flows of drugs and southward flows of cash and weapons.

Pillar four of the aforementioned strategy would be a new focus for U.S.-Mexican cooperation, and may include targeted efforts to assist at-risk youth and curb unemployment and other social problems in communities plagued by drug trafficking and violence. The types of programs under consideration are not unlike those that have been recommended by some critics of the Mérida Initiative's initial emphasis on training and equipping Mexican security forces.¹⁰¹ In many ways, some resemble the types of programs that have been implemented by USAID in gang-infested communities in Central America, as well as violent cities in Colombia and Brazil.

Cooperation with Central America and the Central American Regional Security Initiative (CARSI)

A number of policy issues have emerged involving the Central American portion of the Mérida Initiative, which, as of FY2010, has been split away from the Mérida Initiative into a new Central American Regional Security Initiative (CARSI). According to H.Rept. 111-187, addressing drugs and crime in Central America requires a longer term commitment than the three-year Mérida program. Some analysts specializing in Central American security issues hope that by splitting Central America away from U.S.-Mexican security cooperation programs, the sub-region will receive more focus, funding, and attention from Congress and the Administration. Others disagree, asserting that it is important to have an integrated approach to counterdrug and anti-crime programs in Mexico and Central America, as the Mérida Initiative was initially designed to do. Some policy issues that have emerged during congressional consideration of the Central American portion of the Mérida Initiative include:

- **Funding:** When the Mérida Initiative was announced, Central American leaders and some Members of Congress expressed concerns about the funding disparity between the Mexican and Central American portions of the Initiative.¹⁰² Lingering questions remain about the adequacy of the funds provided, as well as how much of those funds should be spent on regional programs versus bilateral programs in the seven Central American countries.
- **Type of Funds Provided:** In the FY2008 Supplemental Appropriations Act, Congress reduced the funds appropriated for law enforcement programs in Central America in order to increase funding for institution-building, rule of law,

¹⁰¹ Some have suggested financing micro-credit, job training, and alternative livelihoods programs aimed at addressing the poverty that has led some people to collaborate with the DTOs. See, for example, Hal Brands, "Mexico's Narco-Insurgency and U.S. Counterdrug Policy," Strategic Studies Institute, May 2009.

¹⁰² Manuel Roig-Franzia, "Central Americans See Peril in Bush's Anti-Drug Priorities," *Washington Post*, November 29, 2007.

and development programs. Members have and will likely continue to debate how funding should be balanced between the various program components, particularly how much funding should support law enforcement programs and drug interdiction efforts versus institution-building and rule of law activities.

- **Pace of Implementation:** As previously stated, the December 2009 GAO report on the status of Mérida funding has raised serious concerns among Members of Congress about the slow pace of implementation. While the pace of implementation in Mexico has quickened, many projects in Central America continue to be stalled.
- **Instability in Particular Countries:** As a result of the June 2009 ouster of President Zelaya, some Mérida assistance for Honduras has been put on hold. The issue of how to deal with instability in particular countries is likely to arise again during Mérida and CARSI implementation.
- **Interagency Coordination:** Debates are likely to continue concerning what U.S. agency is best equipped to carry out Mérida and CARSI programs, including the issue of whether there is a role for the U.S. Southern Command in anticrime efforts, and how U.S. programs should be coordinated with those funded by other donors.
- **Anti-gang Policies:** There is ongoing disagreement over the level and combination of preventive and suppressive policies that should be used in Central America to address the gang problem. Proponents of law enforcement solutions maintain that Central American law enforcement officials lack the capacity and resources to target gang leaders effectively, share data, and conduct thorough investigations that lead to successful prosecutions. Human rights groups tend to emphasize the importance of prevention and rehabilitation programs.
- **U.S. Deportation Procedures:** Congress may also maintain an interest in how U.S. deportation procedures for individuals with criminal records might be improved and whether U.S. assistance should be provided to help receiving governments reintegrate deportees.

The Caribbean Basin Security Initiative¹⁰³

The Obama Administration did not include Haiti and the Dominican Republic in its FY2010 request for Mérida. Instead, the Administration requested \$45 million in initial funding for projects that are being developed as part of a new security dialogue with Caribbean Community (CARICOM) member states¹⁰⁴ and the Dominican Republic. When President Obama announced the new security cooperation plan, the Caribbean Basin Security Initiative (CBSI), at the Summit of the Americas in April 2009, he said that it would likely involve increased U.S. assistance to help the region address such challenges as transnational crime, illicit trafficking, and maritime and aviation security.

¹⁰³ This section was drafted by Mark P. Sullivan, Specialist in Latin American Affairs.

¹⁰⁴ Currently 14 independent Caribbean Basin countries are CARICOM members: Antigua and Barbuda, the Bahamas, Barbados, Belize, Dominica, Grenada, Guyana, Haiti, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines, Suriname, and Trinidad and Tobago.

Initial U.S.-Caribbean meetings were held in Suriname, Barbados, and the Dominican Republic in 2009, and a ministerial meeting is expected to take place in Washington early this year where a political declaration, action plan, and framework for the Caribbean Basin Security Initiative will be adopted. As described in the State Department's FY2010 Congressional Budget Justification for Foreign Operations, the CBSI would have three components: 1) assistance for air and maritime assets and command, control, and communications architecture; 2) assistance for social justice and economic development projects, with programs targeted at youth development and training; and 3) assistance for programs to enhance the rule of law and anti-crime efforts. The CBSI is being developed through a process of dialogue with Caribbean nations, which are expected to establish complementary programs with their own funding.

Rather than appropriating Mérida funds for Haiti and the Dominican Republic, as in FY2008 and FY2009, Congress provided "not less than" \$37 million in P.L. 111-117 for the CBSI, of which "not less than" \$21 million should be for social justice and education programs.

Appendix A. Conditions on FY2008 Supplemental Assistance for Mérida

Mexico

The FY2008 Supplemental Appropriations Act (P.L. 110-252), which includes the first tranche of funding provided for the Mérida Initiative, has softer human rights conditions than earlier House and Senate versions, in large part because of Mexico's objections that some of the conditions would violate its national sovereignty. The Secretary of State, after consultation with Mexican authorities, is required to submit a report on procedures in place to implement Section 620J of the Foreign Assistance Act (FAA) of 1961. That section of the FAA "prohibits assistance to any unit of the security forces of a foreign country if the Secretary of State has credible evidence that such unit has committed gross violations of human rights." An exception to this prohibition is provided in Section 620J if the Secretary of State determines and reports to Congress that the government of such country is taking effective measures to bring the responsible members of the security forces unit to justice.

In P.L. 110-252, human rights conditions require that 15% of INCLE and FMF assistance be withheld until the Secretary of State reports in writing that Mexico is taking action in four human rights areas:

- improving transparency and accountability of federal police forces;
- establishing a mechanism for regular consultations among relevant Mexican government authorities, Mexican human rights organizations, and other relevant Mexican civil society organizations, to make consultations concerning implementation of the Mérida Initiative in accordance with Mexican and international law;
- ensuring that civilian prosecutors and judicial authorities are investigating and prosecuting, in accordance with Mexican and international law, members of the federal police and military forces who have been credibly alleged to have committed violations of human rights, and the federal police and military forces are fully cooperating with the investigations; and
- enforcing the prohibition, in accordance with Mexican and international law, on the use of testimony obtained through torture or other ill-treatment.

Central America, Haiti and the Dominican Republic

P.L. 110-252 includes similar conditions on assistance provided to Central America, Haiti and the Dominican Republic. As with Mexico, The Secretary of State is required to submit a report on procedures in place to implement Section 620J of the Foreign Assistance Act (FAA) of 1961 in order for Mérida funding to be released.

Other human rights conditions require that 15% of INCLE and FMF assistance be withheld until the Secretary of State reports in writing that the governments of the countries in Central America, Haiti, and the Dominican Republic are taking action in three areas:

- establishing police complaints commissions with authority and independence to receive complaints and carry out effective investigations;
- implementing reforms to improve the capacity and ensure the independence of the judiciary; and
- investigating and prosecuting members of the federal police and military forces who have been credibly alleged to have committed violations of human rights.

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