



# Latin America and the Caribbean: Illicit Drug Trafficking and U.S. Counterdrug Programs

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## Summary

Drug trafficking is viewed as a primary threat to citizen security and U.S. interests in Latin America and the Caribbean despite decades of anti-drug efforts by the United States and partner governments. The production and trafficking of popular illicit drugs—cocaine, marijuana, opiates, and methamphetamine—generate a multi-billion dollar black market in which Latin American criminal and terrorist organizations thrive. These groups challenge state authority in source and transit countries where governments are often fragile and easily corrupted. According to the Department of Justice, Mexican drug trafficking organizations (DTOs) and their affiliates “dominate the supply and wholesale distribution of most illicit drugs in the United States” and are solidifying that dominance. Drug trafficking-related crime and violence in the region has escalated in recent years, raising the drug issue to the forefront of U.S. foreign policy concerns.

Since the mid-1970s, the U.S. government has invested billions of dollars in anti-drug assistance programs aimed at reducing the flow of Latin American-sourced illicit drugs to the United States. Most of these programs have emphasized supply reduction tools, particularly drug crop eradication and interdiction of illicit narcotics, and have been designed on a bilateral or sub-regional level. Many would argue that the results of U.S.-led drug control efforts have been mixed. Temporary successes in one country or sub-region have often led traffickers to alter their cultivation patterns, production techniques, and trafficking routes and methods in order to avoid detection. As a result of this so-called “balloon effect,” efforts have done little to reduce the overall availability of illicit drugs in the United States. Former Latin American presidents and Guatemalan President Otto Perez Molina have challenged the effectiveness of the so-called “war on drugs.” Perez Molina has recently asserted that the region needs to consider legalizing the use and transport of some drugs in order to stem drug trafficking-related violence.

The Obama Administration has continued U.S. support for Plan Colombia and the Mérida Initiative, but has broadened the focus of those aid packages to focus more on citizen security and institution-building than on mainly prioritizing drug supply control efforts. Newer programs like the Caribbean Basin Security Initiative (CBSI) and the Central American Regional Security Initiative (CARSI) include an emphasis on rule of law, anti-corruption, and community and youth development programs. The Administration has appointed a coordinator within the State Department to oversee the aforementioned assistance packages, which it has termed “citizen security programs,” and is developing a comprehensive Western Hemisphere Counterdrug Strategy. In order to complement these international efforts, President Obama and his top advisers have acknowledged the role that U.S. drug demand has played in fueling the drug trade in the region and requested increased funding for prevention and treatment programs. Obama Administration officials remain opposed to legalization or decriminalization of illicit drug use.

Congress has influenced U.S. drug control policy in Latin America by appropriating certain types and levels of funding for counterdrug assistance programs and conditioning the provision of antidrug funding on the basis of human rights and other reporting requirements. Congress has also sought to ensure that counterdrug programs are implemented in tandem with judicial reform, anti-corruption, and human rights programs. The 112<sup>th</sup> Congress has held hearings evaluating drug assistance programs and related domestic initiatives and border security efforts.

This report provides an overview of the drug flows in the Americas and U.S. antidrug assistance programs in the region. It also raises some policy issues for Congress to consider as it exercises oversight of U.S. antidrug programs and policies in the Western Hemisphere.

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## **An Overview of Illicit Drugs in Latin America and the Caribbean<sup>1</sup>**

In recent decades, Latin America has played a central role in several major global illicit drug markets. Multiple aspects of the drug supply chain take place in the region, including drug crop cultivation, drug production, drug trafficking, and, ultimately, drug consumption. Today, South America is the sole producer of cocaine for the global market; Mexico and Colombia are the primary sources of opiates in the United States; Mexico and the Caribbean are major foreign sources of cannabis (marijuana) consumed in the United States; and Mexico is the primary source of foreign methamphetamine in the United States. Marijuana and methamphetamine are also produced domestically.<sup>2</sup>

Major drug crops in Latin America include coca bush, used to produce cocaine, and opium poppy, used to produce opiates, including heroin. Source zones for coca bush cover the Andean region of South America, particularly Colombia, Peru, and Bolivia. For more than a decade, Colombia has been the largest producer of coca bush. However, as Colombia's coca cultivation has declined, there have been increases in the number of hectares under cultivation in Peru and Bolivia.<sup>3</sup> Source zones for opium poppy include Mexico, Colombia, and to a lesser extent, Guatemala. Cannabis is cultivated in virtually all countries in the region, mainly for local consumption, but notable cannabis exporters include Mexico and Jamaica.

Drug processing and refining may take place in source zones as well as along transit routes. According to U.S. estimates, Peru now has the world's highest potential production of pure cocaine and the second-highest potential production of export quality cocaine.<sup>4</sup> Production is also occurring in Central America, as Honduran officials discovered a large-scale cocaine processing plant in March 2011, the first of its kind discovered in Central America.<sup>5</sup> Key chemical ingredients used to process coca bush and opium poppy into their refined, finished products, as well as those used to produce methamphetamine, are legally manufactured for legitimate industry purposes, but diverted clandestinely for use in the illegal drug trade. Precursor chemicals are also imported from third countries like India and China.<sup>6</sup>

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<sup>1</sup> Prepared by Liana Sun Wyler, Analyst in International Crime and Narcotics and (name redacted), Specialist in Latin American Affairs.

<sup>2</sup> The amount of marijuana produced in the United States is unknown. According to the U.S. Department of Justice's National Drug Intelligence Center (NDIC), however, "eradication data and law enforcement reporting indicate that the amount of marijuana produced in the United States appears to be very high, based in part on the continual increases in the number of plants eradicated nationally." NDIC, *National Drug Threat Assessment, 2010*, February 2010. Methamphetamine is also produced in the United States. According to NDIC, "rates of domestic methamphetamine production, particularly in small-scale laboratories, will remain high...even as availability of Mexico-produced methamphetamine increases." NDIC, *National Drug Threat Assessment, 2011*, August 2011. Hereinafter NDTA, 2011.

<sup>3</sup> United Nations Office on Drugs and Crime (UNODC), *World Drug Report 2011*, New York, June 2011. Hereinafter WDR, 2011.

<sup>4</sup> U.S. Department of State, *International Narcotics Control Strategy Report (INCSR)*, March 2012. Hereinafter INCSR, 2012.

<sup>5</sup> Tim Johnson, "Cocaine Lab Found in Honduras Signals Big Shift in Drug Business," *McClatchy*, April 8, 2011.

<sup>6</sup> For this reason, Mexico banned all imports of pseudoephedrine and ephedrine in 2008.

While overall drug consumption in Latin America remains low, the prevalence of cocaine use in the region is now above the global average.<sup>7</sup> According to data from the U.N. Office on Drugs and Crime (UNODC), increases in cocaine use have been reported in Venezuela, Ecuador, Brazil, Argentina, Uruguay, Guatemala, Honduras, Jamaica, and Haiti.<sup>8</sup> These countries are notably located along major cocaine transit routes. Despite increases in cocaine usage, marijuana remains the most widely used drug in the region, particularly in the Southern Cone.

According to the State Department, roughly 95 percent of Andean cocaine flowing toward the United States transits the Mexico-Central America corridor.<sup>9</sup> (see **Figure 1**). Traffickers appear to be using overland smuggling, littoral maritime trafficking, and short-distance aerial trafficking to transport cocaine from South America. Some 79% of drug flights from South America land in Honduras.<sup>10</sup> A large but unknown proportion of opiates, as well as foreign-produced marijuana and methamphetamine, also flow through the same pathways. The overwhelming use of the Central America-Mexico corridor as a transit zone represents a major shift in trafficking routes. In the 1980s and early 1990s, drugs primarily transited through the Caribbean into South Florida.

The Caribbean-South Florida route continues to be active, and although it is currently less utilized than the Central America-Mexico route, some observers have warned that activity along this route may surge once more in the near future. As U.S. counternarcotics cooperation with Venezuela has diminished since 2005, Venezuela has become a major transit point for drug flights through the Caribbean into the United States as well as to Europe. Elsewhere in the Caribbean, Jamaica is a transit country for cocaine and the Bahamas is a major transit country for both Jamaican marijuana and cocaine.

Besides going to the United States, Latin American drugs, particularly cocaine, are also shipped to Europe. Drugs destined for Europe mainly depart Latin America via Venezuela through the Caribbean or via the eastern coast of Brazil. An increasing percentage of drug shipments from Latin America to Europe now transit West Africa.<sup>11</sup> While Europe has long been the second-largest cocaine consumption market after North America, the number of European users has been increasing over the last decade as the number of North American users has declined.<sup>12</sup>

Latin America's central role in the illicit drug market stems largely from the Andean region's unique position as the world's only source region for coca and cocaine. Another major factor contributing to the region's prominence in today's drug trade is its proximity to the United States, a major drug consumption market. Underlying factors that have allowed drug trafficking to

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<sup>7</sup> WDR, 2011.

<sup>8</sup> UNODC, *World Drug Report*, 2010. Brazil and Argentina have historically been the largest consumption markets in Latin America.

<sup>9</sup> INCSR, 2012.

<sup>10</sup> Ibid.

<sup>11</sup> CRS Report R40838, *Illegal Drug Trade in Africa: Trends and U.S. Policy*, by Liana Sun Wyler and (name redacted).

<sup>12</sup> UNODC, *World Drug Report*, 2010.

**Figure I. Major Drug Trafficking Routes in Latin America and the Caribbean**



**Source:** United Nations Office on Drugs and Crime, *World Drug Report, 2010*; National Drug Intelligence Center, *2010 National Drug Threat Assessment*, February 2010; Barack Obama, Presidential Determination No. 2009-30, "Memorandum to the Secretary of State: Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2011," September 16, 2010, adapted by CRS graphics.

flourish include poverty, inequality, and a lack of viable economic opportunities for farmers and youth in many countries aside from emigration. At the same time, underfunded security forces and the failure to complete institutional reform efforts have generally left police, prisons, and judicial systems weak and susceptible to corruption. On average, fewer than 5% of murders committed in Latin America result in criminal convictions, which gives drug traffickers the freedom to act with relative impunity.<sup>13</sup> The presence of insurgent groups involved in drug

<sup>13</sup> Mark Ungar, "Democracy, Law, and Order," *Latin American Research Review*, vol. 44, no. 3 (2009).

production and trafficking in some countries has impeded antidrug efforts. Uneven political support for counterdrug efforts may also fuel drug trafficking.

## **Drug Traffickers and Related Criminal-Terrorist Actors**

Latin American drug trafficking organizations (DTOs) control various aspects of the drug supply chain and vary in terms of capabilities, organizational structures, and levels of associated violence. Some of the more sophisticated groups possess extensive paramilitary and counterintelligence capabilities that allow them to rival state security forces and operate with relative impunity through deep networks of corrupt officials in key offices. Some of the most successful groups operating today have also shifted from a hierarchical, personality-driven leadership that dominated the Pablo Escobar-type “cartels” in the 1980s and 1990s to a networked and more fluid organizational structure that is more resilient in the face of law enforcement pressure.<sup>14</sup> Still, many smaller drug trafficking organizations in the hemisphere operate in a limited territory and specialize in particular aspect of the drug trade.

The most prominent DTOs in the region are of Mexican and Colombian origin. Combined, Mexican and Colombian DTOs reportedly “generate, remove, and launder” between \$18 billion and \$39 billion in wholesale drug proceeds annually, according to the U.S. Department of Justice.<sup>15</sup> They operate not only in the Western Hemisphere, but are known to be aggressively transnational, seeking to expand their consumer markets and explore new transit routes and safe havens with low law enforcement capacity and high corruption. News and various government reports suggest that Mexican and Colombian DTOs have a presence throughout Europe, West Africa, and the Asia-Pacific regions.<sup>16</sup> They are also known to participate in a diversity of criminal enterprises and to collaborate with other organized crime and terrorist elements.

For the past several years, U.S. government reports have characterized Mexican drug trafficking organizations as representing the “greatest organized crime threat” to the United States.<sup>17</sup> Mexican drug trafficking organizations and their affiliates now “dominate the supply and wholesale distribution of most illicit drugs in the United States” and are present more than one thousand U.S. cities.<sup>18</sup> Drug trafficking-related violence has surged in Mexico since late 2006, when Mexican President Felipe Calderón began to increase security pressure against drug trafficking organizations. The brutality of the Mexican DTOs has escalated as an increasing number of groups have battled each other and the Mexican government for control of lucrative drug trafficking routes into the United States.<sup>19</sup> When President Calderón took office, the Gulf

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<sup>14</sup> Pablo Escobar (1949-1993) was a notorious Colombian drug lord and leader of the Medellín Cartel, which largely controlled the global cocaine market in the late 1980s.

<sup>15</sup> NDIC, *2009 National Drug Threat Assessment*, December 2008. Another, more recent, U.S. government study found that between \$19 billion and \$29 billion in illicit proceeds flow from the United States to Mexican DTOs each year. See U.S. Department of Homeland Security (DHS), *United States-Mexico Bi-National Criminal Proceeds Study*, June 2010.

<sup>16</sup> See for example, U.S. Department of State, Bureau for International Narcotics and Law Enforcement Affairs, and U.S. Department of Homeland Security, Immigration and Customs Enforcement, *Chair's Report: Trans-Pacific Symposium on Dismantling Transnational Illicit Networks*, February 2010; Geoffrey Ramsey, “Colombian Officials Arrest Money Launderer for ‘Chapo Guzman,’” *In Sight: Organized Crime in the Americas*, August 11, 2011.

<sup>17</sup> NDIC, *2009 National Drug Threat Assessment*, December 2008.

<sup>18</sup> NDTA, 2011.

<sup>19</sup> CRS Report R41576, *Mexico's Drug Trafficking Organizations: Source and Scope of the Rising Violence*, by (name redacted).



Cartel was generally considered the most powerful Mexican DTO.<sup>20</sup> Today, the Sinaloa organization, composed of a network of smaller drug trafficking groups, and Los Zetas, reported to be Mexico's most violent DTO, are competing for dominance.<sup>21</sup>

Prior to the Mexican drug trafficking organizations' rise to prominence, Colombian DTOs, primarily the Cali and Medellín drug cartels, reigned. Since their height in the late 1980s and early 1990s, several generations of DTOs have followed. Immediately following the Cali and Medellín's dismantlement, the Norte del Valle DTO emerged from the vacuum. Less hierarchical and more decentralized than its predecessors, Norte Del Valle has been described as being composed of many smaller organizations, or "baby cartels."<sup>22</sup>

In addition, by the late 1990s, left-wing insurgent groups and rightwing paramilitary groups in Colombia had become extensively involved in the drug trade. The two main left-wing insurgent groups (also State Department-designated Foreign Terrorist Organizations or FTOs<sup>23</sup>), the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN), are now primarily funded through drug production and trafficking operations. While the two groups differ in terms of size and territorial reach, both have increased their involvement in the drug trade from levying "taxes" on coca harvesters and mid-level buyers to directly controlling multiple aspects of the drug supply chain.<sup>24</sup> The FARC, in contrast to the smaller ELN, is particularly known for its international contacts and relationships with foreign terrorist groups, transnational organized crime groups, and even some state actors.<sup>25</sup>

The largest right-wing paramilitary group in Colombia (also a State Department-designated FTO), the United Defense Forces of Colombia (AUC), formed in the 1980s with the political goal of defeating leftist guerrillas, began the process of demobilization in 2003. Not all paramilitaries demobilized, however, and still others have returned to paramilitary activities since demobilizing. Former and non-disbanded paramilitary elements are increasingly involved in the drug trade, having formed new illegally armed groups broadly described by the Colombian government as *bandas criminales* (criminal gangs) or BACRIM.

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<sup>20</sup> Since then, the Gulf Cartel's primary "security enforcers," Los Zetas, originally composed of elite airborne special forces members of the Mexican Army, have split off and formed a separate drug trafficking organization.

<sup>21</sup> STRATFOR, *Polarization and Sustained Violence in Mexico's Cartel War*, January 25, 2012.

<sup>22</sup> As many as 300 "baby cartels" reportedly emerged following the demise of the Cali Cartel. See Shari Grossman, "Death and Drugs," *Harvard International Review*, Fall 2005.

<sup>23</sup> The FTO designation derives from authorities granted to the Secretary of State in the Immigration and Nationality Act, as amended by the Antiterrorism and Effective Death Penalty Act of 1996 (P.L. 104-132). The 1996 Act authorizes the Secretary of State, in consultation with the Attorney General and Secretary of the Treasury, to identify any foreign organization that engages in "premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents" (the definition of 'terrorism' as provided in §140(d)(2) of the Foreign Relations Authorization Act for Fiscal Years 1988 and 1989 (P.L. 100-204; 22 U.S.C. 2656f(d)(2)), "retains the capability and intent to engage in terrorist activity or terrorism", and "threatens the security of United States nationals or the national security of the United States." See: §219(a)(1)(B) and (C) of the Immigration and Nationality Act (P.L. 82-414; 8 U.S.C. 1189(a)(1)(B), (C)).

<sup>24</sup> See CRS Report R41004, *International Terrorism and Transnational Crime: Security Threats, U.S. Policy, and Considerations for Congress*, by John Rollins and Liana Sun Wyler.

<sup>25</sup> The U.S. Department of Treasury, for example, alleges that Hugo Armando Carvajal Barrios, the director of Venezuela's Military Intelligence Directorate, assisted the FARC by protecting its drug shipments from being seized by Venezuelan authorities. See U.S. Department of the Treasury, "Treasury Targets Venezuelan Government Officials Supporting the FARC," September 12, 2008. See also Doug Farah, *The FARC's International Relations: A Network of Deception*, NEFA Foundation, September 22, 2008.

Colombia's AUC, FARC, and ELN are not the only terrorist groups active in the Western Hemisphere. In Peru, the previously dormant *Sendero Luminoso* (Shining Path) has revived its involvement in both terrorist and drug activity, launching small-scale attacks on Peruvian police and military forces. At the same time, *Sendero Luminoso* has reestablished its relationship with Peruvian coca growers, taxing the coca industry in its area of operation in exchange for providing growers protection from drug trafficker violence and ensuring fair prices for their coca crops.<sup>26</sup>

International terrorist groups, including Hamas and Hezbollah, have also reportedly raised funding for their terrorist activities through linkages formed with DTOs in South America, particularly those operating in the tri-border area (TBA) of Brazil, Paraguay, and Argentina.<sup>27</sup> In February 2011, the Treasury Department identified the Lebanon-based Lebanese Canadian Bank (LCB) for its role in facilitating the money laundering activities of an international narcotics trafficking and money laundering network with ties to Hezbollah and imposed sanctions that effectively prohibited the bank from operating in the United States. The Treasury Department maintained that the network was involved in moving illegal drugs from South America to Europe and the Middle East via West Africa.<sup>28</sup>

Following on from the U.S. investigation of the LCB, the Department of Justice filed a federal criminal indictment against Lebanese citizen Ayman Joumaa in November 2011 for conspiring to coordinate shipments of cocaine from Colombia through Central America for sale to Los Zetas, one of Mexico's most violent drug trafficking organizations. The indictment alleged that Joumaa laundered hundreds of millions of dollars in drug trafficking proceeds from Europe, Mexico, the United States and West Africa for cocaine suppliers in Colombia and Venezuela.<sup>29</sup> A subsequent civil indictment filed by the Department of Justice in December 2011 alleged that Joumaa's drug trafficking organization operates in Lebanon, West Africa, Panama, and Colombia, and launders proceeds from illicit activities through various channels, including bulk cash smuggling operations and Lebanese exchange houses, and pays fees to Hezbollah to facilitate the transportation and laundering of the proceeds.<sup>30</sup>

## **Drug Trafficking-Related Crime and Violence**

The Latin America and the Caribbean region has among the highest crime rates, including violent crime rates, of any region in the world. In February 2010, the UNODC released an updated analysis of global homicide rates, which found that in sharp contrast to a global trend of decreasing or stabilizing homicide rates, homicides in Latin America and the Caribbean had, on

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<sup>26</sup> Kathryn Gregory, *Backgrounder: Shining Path, Tupac Amaru*, Council on Foreign Relations, August 27, 2009; "Wiretaps Reveal Peru Coca Growers' Ties to Rebels," *EFE*, December 1, 2010.

<sup>27</sup> See, for example, the statement of Anthony P. Placido, Assistant Administrator for Intelligence, United States Drug Enforcement Administration, before the House Oversight and Government Reform Subcommittee on National Security and Foreign Affairs hearing on Transnational Drug Enterprises, March 3, 2010.

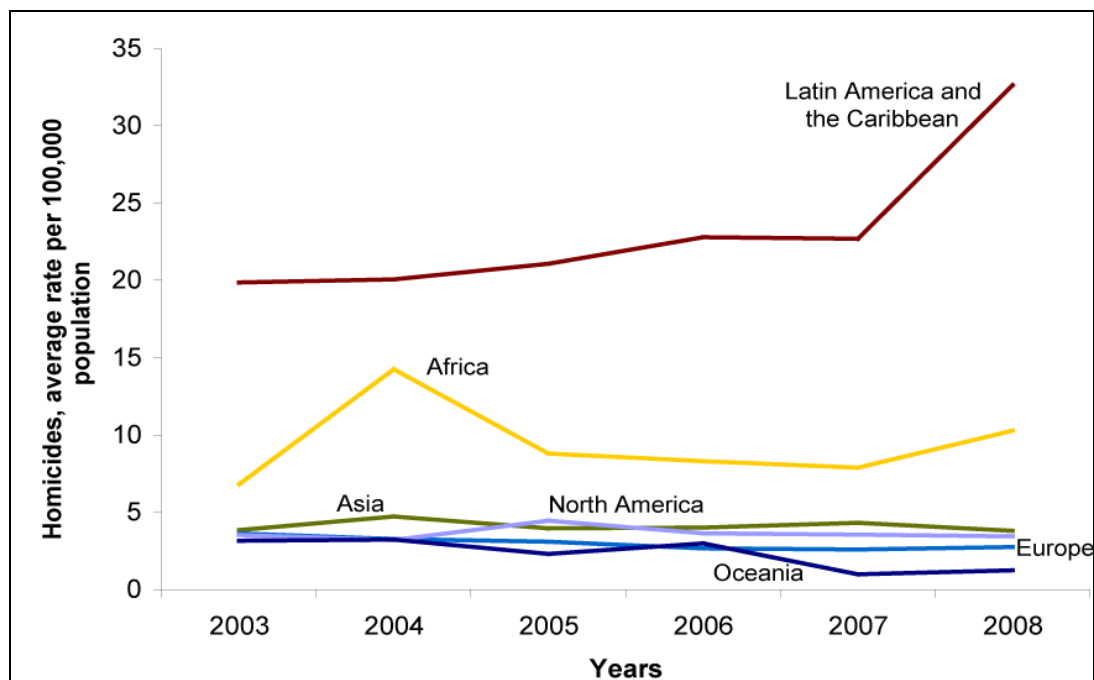
<sup>28</sup> U.S. Department of the Treasury, "Treasury Identifies Lebanese Canadian Bank Sal as a Primary Money Laundering Concern," Press Release, February 10, 2011.

<sup>29</sup> U.S. Department of Justice, U.S. Attorney's Office—Eastern District of Virginia, "U.S. Charges Alleged Lebanese Drug Kingpin with Laundering Drug Proceeds for Mexican and Colombian Drug Cartels," Press Release, December 13, 2011; Jo Becker, "Beirut Bank Seen as a Hub of Hezbollah's Financing," *New York Times*, December 14, 2011.

<sup>30</sup> U.S. Drug Enforcement Administration, "DRA News: Civil Suit Exposes Lebanese Money Laundering Scheme for Hizballah," News Release, December 15, 2011.

average, increased from 19.9 per 100,000 people in 2003 to 32.6 per 100,000 people in 2008 (see Figure 2).<sup>31</sup>

**Figure 2. Average Homicide Rates by Global Region: 2003-2008**



**Source:** U.N. Office on Drugs and Crime (UNODC), *Homicide Statistics*, February 2010.

**Notes:** Data derive from public health and police statistics. Homicide is defined as the intentional, unlawful death purposefully inflicted on a person by another person. North America includes Bermuda, Canada, and the United States. The U.N. has gathered more recent homicide data from many countries in Latin America, but not from other regions. Graphic prepared by Liana Sun Wyler, Analyst in International Crime and Narcotics.

In 2011, UNODC released a new report on global homicides that showed continued increases in homicide rates through 2010 in Mexico, Central America, the Caribbean, and parts of South America.<sup>32</sup> As a region, the report found that Latin America had a higher percentage of homicides committed with a firearm (74%) and a greater percentage of homicides attributed to organized crime and gangs (greater than 25%) than other regions where those figures were calculated. While the average percentage of homicides related to drug trafficking specifically is unknown, a number of other studies, including U.N. reports, suggest that drug trafficking continues to be a major contributing factor behind rising homicide rates in the region.<sup>33</sup>

Drug trafficking-related violence is particularly concentrated in drug production and drug transit zones, affecting the Andean region as well as the drug transit zones through Mexico, Central America, the Caribbean, Venezuela, and Brazil. Some violence is directly associated with the protection of drug trafficking routes and syndicate power struggles. Other violence occurs as drug

<sup>31</sup> UNODC, *Homicide Statistics*, released February 16, 2010.

<sup>32</sup> UNODC, *Global Study on Homicide, 2011: Trends, Contexts, Data*, 2011.

<sup>33</sup> See, for example, and the World Bank, *Crime and Violence in Central America: A Development Challenge*, 2011; U.N. Development Program (UNDP), *Caribbean Human Development Report 2012: Human Development and the Shift to Better Citizen Security*, 2012.

trafficking organizations corrupt and undermine police and criminal justice institutions. In extreme cases, Mexican DTOs have used car bombs, political assassinations, and coordinated attacks on different cities to intimidate their rivals, citizens, and the government. Criminality directly associated with the illegal drug trade has also increased the prevalence of related crimes, including kidnapping, money laundering, and arms trafficking.

In recent years, drug trafficking-related violence has surged most dramatically in Mexico, as heavily armed drug traffickers have battled each other and the Mexican government for control of drug smuggling routes into the United States.<sup>34</sup> Targets most often include rival DTO or affiliated gang members, but have also included Mexican police, military and government officials; journalists; and civilians, including Americans. Escalating violence in northern Mexico has raised concerns among some U.S. officials about the potential for “spillover violence” seeping into the United States.<sup>35</sup> While Colombia has made significant progress in reducing crime and violence since 2002, in a few parts of the country, drug-related murders have reportedly risen once more.<sup>36</sup> Central American and Caribbean countries are particularly susceptible to violent crime fueled by drug trafficking because they are geographically located between some of the world’s largest drug producing and drug consuming countries. Stepped up enforcement efforts in Mexico have led traffickers to use Central America, particularly Honduras, as a transshipment point for Andean cocaine, increasing the already endemic levels of violence in those countries.

## **U.S. Antidrug Assistance Programs in Latin America and the Caribbean<sup>37</sup>**

For at least 30 years, combating drug production and trafficking in Latin America and the Caribbean has been a major focus of U.S. international drug control efforts. Amid a broad array of policy tools available to combat drugs, the provision of U.S. counternarcotics assistance to foreign countries has been a key component of the U.S. counterdrug strategy.<sup>38</sup> The central premise of counternarcotics assistance has been to halt drug production and trafficking at the foreign source, both through assistance to eliminate drug crops or to interdict drug shipments, as well as through assistance to address related economic, social, and institutional vulnerabilities that made drug source and transit countries susceptible to the drug trade in the first place.<sup>39</sup>

While the White House Office of National Drug Control Policy (ONDCP) oversees the overall strategy related to U.S. drug control efforts, both domestically and internationally, counterdrug assistance programs in the region are funded by the U.S. Department of State, the U.S. Agency

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<sup>34</sup> CRS Report R41576, *Mexico’s Drug Trafficking Organizations: Source and Scope of the Rising Violence*, by (name redacted).

<sup>35</sup> See: CRS Report R41075, *Southwest Border Violence: Issues in Identifying and Measuring Spillover Violence*, coordinated by Kristin M. Finklea.

<sup>36</sup> See, for example, Sara Miller Llana, “Medellin, Once Epicenter of Colombia’s Drug War, Fights to Keep the Peace,” *Christian Science Monitor*, October 25, 2010.

<sup>37</sup> Prepared by (name redacted), Specialist in Latin American Affairs and Liana Sun Wyler, Analyst in International Crime and Narcotics.

<sup>38</sup> For a discussion of the full range of counterdrug policy tools, see CRS Report RL34543, *International Drug Control Policy*, by Liana Sun Wyler.

<sup>39</sup> See for example Statement by the White House Press Secretary on the issuance of Presidential Decision Directive 14 (on counternarcotics), November 3, 1993.

for International Development (USAID), and the U.S. Department of Defense (DOD). The State Department is responsible for coordinating all counterdrug assistance programs in the region and funding most aspects of those programs aside from alternative livelihood programs and some rule of law initiatives supported by USAID. DOD has its own legislative authorities to provide certain counterdrug assistance to train, equip, and improve the counternarcotics capacity and capabilities of relevant agencies of foreign governments. Additional agencies, including various aspects of the U.S. Department of Justice, as well as private contractors, implement the assistance programs. From 1980 to 2010, U.S. antidrug obligations (actual expenditures) from the State Department, USAID, and DOD to Latin America and the Caribbean totaled roughly \$16.2 billion (see **Figure 3**).<sup>40</sup> U.S. State Department appropriations for programs identified under the “counternarcotics” budget objective totaled \$425.2 million in FY2011.

U.S. drug control programs in Latin America and the Caribbean were first authorized by Congress in the mid-1970s, coinciding with national policy debates on the so-called “war on drugs.”<sup>41</sup> At that time, U.S. assistance primarily focused on the drug source countries of Colombia, Bolivia, Peru, and later Mexico, with training and equipment to eradicate illicit drug crops and strengthen counternarcotics law enforcement capabilities. Calls by many policymakers, including by Members of Congress, for the inclusion of the U.S. military in foreign anti-drug efforts began in the 1970s, spurring a lively debate on DOD’s role and mission in counternarcotics that would continue decades later. U.S. aid to the region increased gradually, albeit unevenly, through the 1980s, with increased funding provided for interdiction efforts in transit countries, particularly the Caribbean and Eastern Pacific regions. Pressure for U.S. military involvement increased throughout the 1980s, as U.S. officials grew concerned that law enforcement personnel were ill-equipped to effectively combat well-armed drug cartels and operate in conflict situations in drug source countries. Despite objections from top DOD officials, the U.S. military increasingly participated in interdiction operations in the early 1980s and became sporadically engaged in training, equipping, and transporting foreign anti-narcotics personnel in the mid- to late 1980s.

In the 1980s and 1990s under Presidents Ronald Reagan and George H. W. Bush, the threat of international drug trafficking, particularly drugs sourced in Latin America, further emerged as a national security priority for the United States. On April 8, 1986, President Reagan issued National Security Decision Directive 221 (NSDD-221), which declared narcotics trafficking a U.S. national security concern, identifying the Western Hemisphere as particularly affected. On August 21, 1989, President Bush issued National Security Directive 18 (NSD-18), which explicitly states that the “first priority of our international drug control strategy will be to enhance greatly our counternarcotics programs in the Andean region.” In addition, NSD-18 directed the Secretary of Defense to redefine the Pentagon’s mission to include counternarcotics as one of its core priorities. In the same year, President Bush launched the “Andean Initiative” to bolster counternarcotics support to Colombia, Peru, and Bolivia, and Congress provided DOD with its first major counternarcotics authority, identifying DOD as the lead federal agency for the

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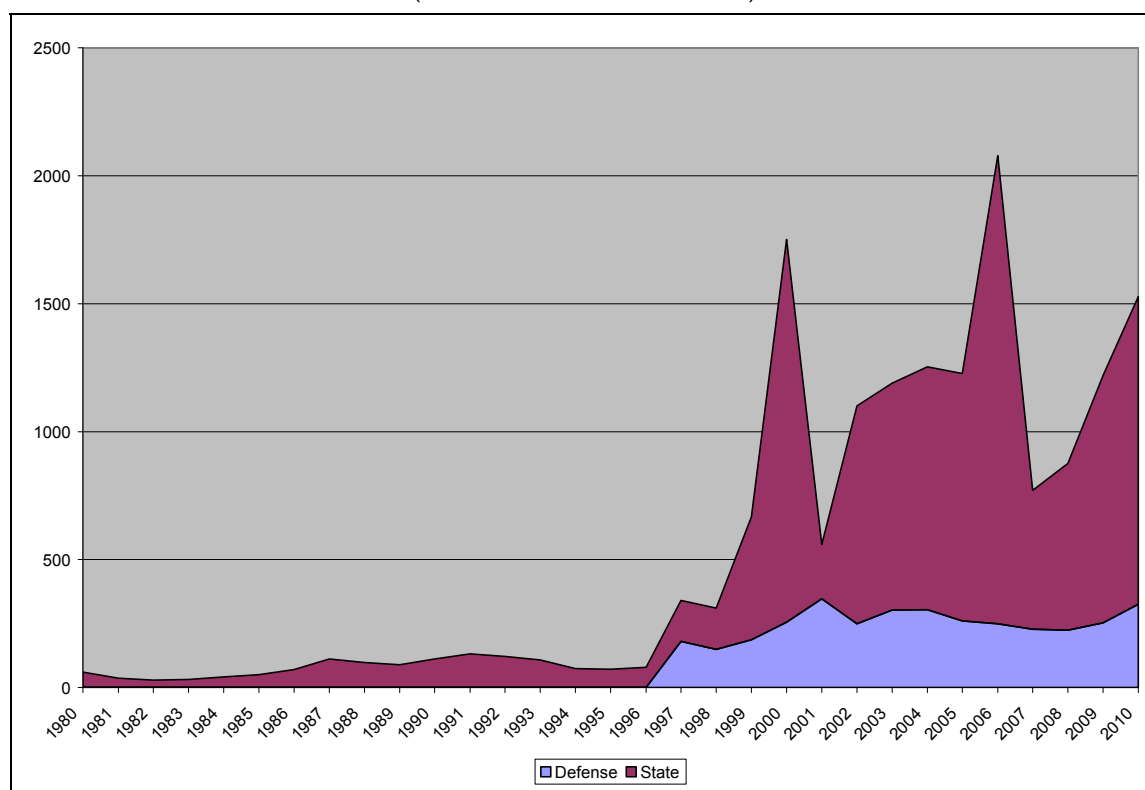
<sup>40</sup> This estimate was calculated by CRS using data from the U.S. Agency for International Development, *U.S. Overseas Loans and Grants: Obligations and Loan Authorizations, July 1, 1945-September 30, 2009*. 2009 is the most recent year available from this source.

<sup>41</sup> In 1971, Congress enacted a chapter in the Foreign Assistance Act of 1961 (FAA) to define U.S. policies and authorities relating to international narcotics control. P.L. 92-226, §109, added Ch. 8, International Narcotics Control, to the FAA (P.L. 87-195; 22 U.S.C. 2291 et seq.). Also in 1971, President Richard Nixon famously coined the term “war on drugs” and identified illicit drugs as “public enemy number one.” Such rhetoric and concepts emerged in a time when U.S. drug abuse was becoming increasingly visible in society and was manifesting itself as a priority law enforcement issue.

detection and monitoring of aerial and maritime transit of illegal drugs from abroad into the United States.<sup>42</sup> As U.S. counternarcotics engagement in the Andean region continued through the 1990s, Congress authorized DOD to provide a broad range of counternarcotics support, as well as assistance to train and equip foreign governments.

**Figure 3. U.S. Counternarcotics Obligations to Latin America and the Caribbean, FY1980-2010**

(In millions, constant 2010 \$US)



**Source:** U.S. Agency for International Development, *U.S. Overseas Loans and Grants: Obligations and Loan Authorizations, July 1, 1945-September 30, 2010*. 2010 figures are the most recent data available from this source.

**Notes:** Due to the fact that the Department of State did not include a line item specifically for counternarcotics assistance until 2006 and the need for a consistent method to compare U.S. counternarcotics assistance levels over time, the Department of State figures include all funds obligated under the International Narcotics Control and Law Enforcement (INCLE) and Andean Counterdrug Initiative (ACI) accounts; they do not include any other funds that may have been obligated for counterdrug purposes under other accounts.

In FY2000, counterdrug assistance to South America increased significantly after the Clinton Administration proposed, and Congress began funding, a multi-year assistance package to complement Colombian President Andres Pastrana's counterdrug initiative, Plan Colombia.<sup>43</sup> That aid package, then called the Andean Counterdrug Initiative (ACI), aimed to provide a broad variety of counternarcotics assistance—manual and aerial eradication, alternative development,

<sup>42</sup> §1202, P.L. 101-189; 10 U.S.C. 124.

<sup>43</sup> The first appropriations legislation for Plan Colombia was located in the Military Construction Appropriations Act, 2001 (P.L. 106-246, Title III, Chapters 1 and 2).

interdiction, and institutional capacity building and support to civilian and military institutions—for Colombia and six neighboring countries. Through ACI, Colombia, along with Peru and Bolivia, received the bulk of U.S. counterdrug aid to the region until Congress increased assistance for Mexico through the Mérida Initiative beginning in FY2008.<sup>44</sup>

U.S. State Department-funded drug control assistance programs in the Western Hemisphere are currently undergoing a period of transition. Counterdrug assistance to Colombia and the Andean region is in decline, after record assistance levels that began with U.S. support for Plan Colombia in FY2000. Conversely, antidrug funding for Mexico, Central America, and the Caribbean is significantly higher now than in the mid-2000s as a result of the Mérida Initiative and two related programs that received initial funding in FY2010, the Central American Regional Security Initiative (CARSI) and the Caribbean Basin Security Initiative (CBSI). Separately, DOD counternarcotics assistance and support continues in the region (See **Table A-1** in the **Appendix**).

The following sections provide broad overviews of the current major U.S. antidrug initiatives in Latin America and the Caribbean. Most sections contain appropriations figures through FY2012, as well as the FY2013 budget requests for each program.

## **Plan Colombia and U.S. Assistance to the Andean Region**

The Andean region has been the focus of intense counterdrug efforts by the United States for three decades. The major components of U.S. strategy have been coca crop eradication, interdiction of cocaine, and alternative development programs, all with an eye to reducing the drug supply at its source. Successful eradication and interdiction efforts in the 1980s and 1990s in Peru and Bolivia—then the largest suppliers—inadvertently pushed cultivation to Colombia. Colombia has been the largest producer of both coca leaf and cocaine for more than a decade, but Colombia's portion of the world's coca cultivation declined from about 74% in 2000 to 43% in 2009, and continued to decline in 2010.<sup>45</sup> As Colombia's coca cultivation has declined, however, the number of hectares under cultivation in Bolivia and particularly Peru has increased. Indeed, Peru's potential cocaine production of raw cocaine surpassed that of Colombia in 2010.<sup>46</sup> These changes in production from one country back to another appear to provide evidence of the aforementioned balloon effect.

Colombia's success in reducing its cultivation of coca and production of cocaine, with significant U.S. support, merits a close look. The framework for the current enforcement regime dates to 1999 when the government of President Andrés Pastrana unveiled "Plan Colombia." Plan Colombia was a strategy forged by Colombians in collaboration with U.S. advisors to end Colombia's decades-long armed conflict,<sup>47</sup> combat drug trafficking, and promote economic development. Plan Colombia also aimed to reduce cultivation, processing, and distribution of

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<sup>44</sup> The first appropriations legislation for the Merida Initiative was located in the FY2008 Supplemental Appropriations Act (P.L. 110-252).

<sup>45</sup> WDR, 2011.

<sup>46</sup> INCSR, 2012.

<sup>47</sup> The fight against drug trafficking in Colombia has been complicated by the linkage between the drug trade and terrorist organizations, particularly the armed insurgencies of the FARC and the smaller ELN that have battled the Colombian government for nearly 50 years and the right-wing paramilitaries active since the 1980s. As previously mentioned, both leftist and rightist groups in Colombia have financed their belligerent activities with drug profits.

illicit drugs by 50% over six years—a goal not met for coca and cocaine,<sup>48</sup> but met for opium and heroin, a newer, smaller, less entrenched component of the Colombian drug trade.<sup>49</sup> More recent gains have brought down coca yields and estimates of potential production.<sup>50</sup> Between FY2000 and FY2012, Congress provided more than \$8 billion in support of Plan Colombia and its follow on plans through the U.S. State Department and DOD accounts. The Obama Administration asked for an additional \$332 million in State Department funding for these programs in its FY2013 budget request. Aid to the Colombian military and police has been conditioned upon vetting requirements for trainees and meeting human rights conditions.

The U.S.-Colombian partnership, initially focused on counternarcotics, shifted in 2002. Because narcotics trafficking and the guerrilla insurgency had become intertwined problems, the U.S. Congress granted the State Department and DOD flexibility to use U.S. counterdrug funds for a unified campaign to fight drug trafficking and terrorist groups. Congress capped the number of U.S. military personnel and civilian contractors that could be stationed in Colombia in support of that effort. President Álvaro Uribe (2002-2010) aggressively embraced Plan Colombia, and his “democratic security” policy successfully pushed back the FARC and ELN insurgencies. Uribe also negotiated an agreement with Colombia’s rightwing paramilitaries organized under the AUC that led to the group’s disbandment in 2006 after more than 31,000 of its members demobilized. The leftwing insurgencies were further weakened by numerous military, police, and intelligence operations, many of which were carried out with U.S. support. U.S. assistance also led to greater professionalization of the Colombian National Police and armed forces.<sup>51</sup>

President Uribe modified Plan Colombia in 2007, with a strategy to consolidate state presence in marginal areas where violence by illegal armed groups, poverty, and illicit crop cultivation had historically converged. In 2009, this “whole-of-government” approach was modified and renamed the National Consolidation Plan (NCP). It is a sequenced process that integrates security, eradication, interdiction, and development. The parallel U.S. program, the Colombia Strategic Development Initiative (CSDI), supports Colombia’s initiative in remote, but strategically important, areas by increasing the presence of civilian state development institutions. The National Consolidation Plan was re-launched by President Juan Manuel Santos after his inauguration in August 2010 to focus on fewer municipalities and to increase the integration of the newly consolidated areas into Colombia’s overall development plans.

In 2008, the United States began turning over operational and financial responsibility for Plan Colombia programs to the Colombians in a process of nationalization. Over the last four years, as U.S. funding for Plan Colombia has gradually declined, several programs were successfully nationalized, including the Air Bridge Denial Program<sup>52</sup> and several police and military aviation

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<sup>48</sup> U.S. Government Accountability Office (GAO), *Plan Colombia: Drug Reduction Goals Were Not Fully Met, but Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance*, GAO-09-71, October 2008.

<sup>49</sup> Vanda Felbab-Brown et al., *Assessment of the Implementation of the United State’s Government’s Support for Plan Colombia’s Illicit Crop Reduction Components*, report produced for review by USAID, April 17, 2009.

<sup>50</sup> According to the U.S. State Department, Colombia’s production of pure cocaine has decreased by 61% since 2001. INCSR, 2011.

<sup>51</sup> Peter Deshazo, Johanna Mendelson Forman, and Phillip McClean, *Countering Threats to Security and Stability in a Failing State: Lessons from Colombia*, Center for Strategic & International Studies, Washington, DC, September 2009. Hereinafter Deshazo et. al.

<sup>52</sup> The Air Bridge Denial Program is an effort to deter and interdict small aircraft from transporting drugs between Peru and Colombia.



operations. The nationalization efforts are not intended to end U.S. assistance, but rather reduce it to pre-Plan Colombia levels adjusted for inflation.<sup>53</sup>

Most analysts agree that Plan Colombia has significantly improved security conditions in Colombia. Proponents and U.S. officials say that Plan Colombia dramatically reduced violence that once threatened to undermine the state, rolled back the power of the illegally armed groups that are funded by drug profits, and reduced the role of illegal narcotics in the Colombian economy.<sup>54</sup> However, some observers, while acknowledging the gains made through manual eradication and advances against the FARC, maintain that aerial spraying has had detrimental effects. Those include the displacement of vulnerable populations, environmental damage, and the dispersal of coca cultivation.<sup>55</sup> Critics also argue that the strategy has not rigorously promoted human rights, provided sustainable economic alternatives for drug crop farmers, or reduced the amount of drugs available in the United States. According to the State Department, Colombia still produces more than 95% of the cocaine seized in the United States.<sup>56</sup>

### **Current and Future U.S. Assistance to the Andean Region**

The U.S. and Colombian governments are committed to locking in existing gains as the United States gradually transfers responsibility for security and counterdrug programs to the Colombians. The State Department maintains that two of its core goals for the Colombia program are to “pursue the ‘nationalization’ of security and counternarcotics programs, while strengthening social, economic and rule of law programs; and [to] stabilize U.S. programs at levels sufficient to sustain the progress that has been achieved.”<sup>57</sup> As overall U.S. assistance to Colombia has declined, Congress has, since 2008, sought to more evenly balance aid between security-related programs and economic and social assistance.

While the magnitude of the security challenges the country faces will likely mean that Colombia will continue to receive U.S. assistance, Colombia has also begun to provide antidrug training and technical assistance to other countries. Colombia has not yet moved to a “post conflict” phase of confronting its armed insurgencies and, as its drug trade is deeply entrenched, the country will likely remain a major drug-producing nation. Nevertheless, some observers maintain that Colombia’s improved security conditions and more limited counternarcotics successes<sup>58</sup> may provide lessons for other countries that are now confronting drug trafficking-related organized

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<sup>53</sup> U.S. Department of State, *Report on Multiyear Strategy for U.S. Assistance Programs in Colombia*, Report to Congress, April 2009. The 2009 report maintains that future assistance will support “high impact” programs such as police interdiction and eradication, support for police aviation, the rural police program and maritime interdiction.

<sup>54</sup> DeShazo et al.

<sup>55</sup> Testimony of Mark Schneider, Senior Vice President of the International Crisis Group, “Assessing U.S. Drug Policy in the Americas,” before the House Subcommittee on the Western Hemisphere, October 15, 2009.

<sup>56</sup> INCSR, 2012.

<sup>57</sup> U.S. Department of State, *Report on the Multiyear Strategy for U.S. Assistance Programs in Colombia*, Report to Congress, April 2009. The report notes that future assistance will maintain “high impact” programs such as police interdiction and eradication, support for police aviation, the rural police program and maritime interdiction.

<sup>58</sup> Colombia has achieved a marked decline in kidnappings, homicides, and terrorist attacks over the past decade. The reduction in the flow of drugs from Colombia attributed to Plan Colombia has been more controversial, although a reduction in both heroin and cocaine production has been reported by both the United Nations and the United States. See: U.S. State Department, Bureau of Western Hemisphere Affairs, “Fact Sheet: The Colombia Strategic Development Initiative (CSDI),” March 21, 2011.

crime. Colombia has shared its expertise in combating drug trafficking and reforming its institutions with officials in some 20 countries, including Mexico.

The Andean Counterdrug Program ended in FY2008, and, with the exception of assistance to Peru, U.S. bilateral antidrug aid to Andean countries has been scaled back since that time. Peru continues to receive a steady flow of U.S. assistance for eradication, interdiction, and alternative development and remains a close counternarcotics partner with the United States. There has been debate over how much emphasis to put on eradication versus alternative development in Peru. Venezuela, a major transport country for cocaine, suspended its cooperation with the U.S. DEA in August 2005, alleging that DEA agents were spies. Venezuela no longer receives U.S. antidrug assistance. U.S. assistance to Bolivia has declined dramatically since President Evo Morales shut down DEA operations in the country and sent home the U.S. Ambassador in 2008. Ecuador, wedged between Peru and Colombia, is a major transit country for both cocaine and heroin. While its counternarcotics cooperation with the United States has generally been strong, President Rafael Correa terminated a U.S. lease for a base that was used for drug monitoring and interdiction in September 2009. Given current budget constraints, U.S. assistance to the Andean region is likely to remain focused on Colombia and Peru.

## **Mérida Initiative and U.S. Assistance to Mexico<sup>59</sup>**

### **Background**

Mexico is a major producer and supplier to the U.S. market of heroin, methamphetamine, and marijuana and a major transit country for cocaine sold in the United States. According to the 2011 *National Drug Threat Assessment*, Mexican DTOs and their affiliates “dominate the supply and wholesale distribution of most illicit drugs in the United States” and are present more than one thousand U.S. cities.<sup>60</sup> While the illicit drug trade has been prevalent in Mexico for decades, an increasing number of DTOs are fighting for control of smuggling routes into the United States and resisting the Mexican government’s campaign against them. As the threat posed by the DTOs has increased, U.S.-Mexican antidrug cooperation has intensified.

In the 1970s, the United States began providing Mexico with equipment and training to eradicate marijuana and opium poppy fields, but bilateral cooperation declined dramatically after Enrique Camarena, a U.S. DEA agent, was assassinated in Mexico in 1985. From the mid-1980s through the end of the 1990s, bilateral cooperation stalled due to U.S. mistrust of Mexican counterdrug officials and concerns about the Mexican government’s overall tendency to accommodate drug leaders.<sup>61</sup> At the same time, the Mexican government was reluctant to accept large amounts of U.S. assistance due to its opposition to U.S. drug certification procedures.<sup>62</sup> The Mexican

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<sup>59</sup> For more information, see CRS Report R41349, *U.S.-Mexican Security Cooperation: The Mérida Initiative and Beyond*, by (name redacted) and Kristin M. Finklea.

<sup>60</sup> U.S. Department of Justice, National Drug Intelligence Center, *National Drug Threat Assessment: 2011*, August 2011, <http://www.justice.gov/ndic/pubs44/44849/44849p.pdf>.

<sup>61</sup> Under this system, arrests and eradication took place, but due to the effects of widespread corruption, the system was “characterized by a working relationship between Mexican authorities and drug lords” through the 1990s. Francisco E. González, “Mexico’s Drug Wars Get Brutal,” *Current History*, February 2009.

<sup>62</sup> Beginning in 1986, when the U.S. President was required to certify whether drug producing and drug transit countries were cooperating fully with the United States, Mexico usually was criticized for its efforts, which in turn led to increased Mexican government criticism of the U.S. assessment. Reforms to the U.S. drug certification process (continued...)

government also expressed opposition to the DEA and other U.S. agencies carrying out operations against DTOs in Mexican territory without authorization.

U.S.-Mexican cooperation began to improve and U.S. assistance to Mexico increased after the two countries signed a Binational Drug Control Strategy in 1998. U.S. assistance to Mexico, which totaled some \$397 million from FY2000-FY2006, supported programs aimed at interdicting cocaine; combating production and trafficking of marijuana, opium poppy, and methamphetamine; strengthening the rule of law; and countering money-laundering. In 2007, the Government Accountability Office (GAO) found that while U.S. programs had helped improve Mexico's counterdrug efforts, seizures in Mexico remained relatively low, and corruption continued to hinder bilateral efforts.<sup>63</sup>

### **The Mérida Initiative and Future U.S.-Mexican Counterdrug Cooperation**

Over the last five years, U.S.-Mexican counterdrug cooperation has increased significantly, largely as a result of the development and implementation of the Mérida Initiative. Upon taking office in December 2006, Mexican President Felipe Calderón made combating drug trafficking and organized crime a top priority of his administration. In response to the Calderón government's request for increased U.S. cooperation, in October 2007 the United States and Mexico announced the Mérida Initiative, a new package of U.S. assistance for Mexico and Central America that would begin in FY2008 and last through FY2010.<sup>64</sup>

The Mérida Initiative, as it was originally conceived, sought to (1) break the power and impunity of criminal organizations; (2) strengthen border, air, and maritime controls; (3) improve the capacity of justice systems in the region; and (4) curtail gang activity and diminish local drug demand. Initial funding requests for the Initiative focused on training and equipping Mexican security forces. As part of the Mérida Initiative, the Mexican government pledged to intensify its efforts against transnational criminal organizations and the U.S. government pledged to address drug demand and the illicit trafficking of firearms and bulk currency to Mexico. Unlike Plan Colombia, the Mérida Initiative did not include a U.S. military presence in Mexico.

With funding for the original Mérida Initiative ending in FY2010 and new initiatives underway for Central America and the Caribbean, the Obama Administration worked with the Mexican government to develop a new four-pillar strategy for U.S.-Mexican security cooperation. That strategy, adopted in March 2010, focuses on (1) disrupting organized criminal groups; (2) institutionalizing the rule of law; (3) building a 21<sup>st</sup> century border; and (4) building strong and resilient communities. The first two pillars built upon existing efforts, whereas pillars three and four broadened the scope of Mérida programs to include efforts to facilitate "secure flows" through the U.S.-Mexico border and to improve conditions in communities wracked by violence.

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(...continued)

enacted in September 2002 (P.L. 107-228) essentially eliminated the annual drug certification requirement, and instead required the President to designate and withhold assistance from countries that had "failed demonstrably" to make substantial counternarcotics efforts.

<sup>63</sup> GAO, *U.S. Assistance Has Helped Mexican Counternarcotics Efforts, but the Flow of Illicit Narcotics into the United States Remains High*, October 2007, GAO—08215T.

<sup>64</sup> In FY2008 and FY2009, the Mérida Initiative included U.S. assistance to Mexico and Central America. Beginning in FY2010, Congress separated Central America from the Mexico-focused Mérida Initiative by creating a separate Central American Regional Security Initiative (CARSI). For historical information on the Mérida Initiative, see: CRS Report R40135, *Mérida Initiative for Mexico and Central America: Funding and Policy Issues*.

The strategy also involved gradually shifting U.S. efforts from the federal to the state and local levels, including police assistance and community development programs. In terms of funding priorities, the Administration has requested less funding to provide equipment for Mexican security forces and more funding for training and technical assistance programs in Mexico.

The 112<sup>th</sup> Congress is continuing to fund and oversee the Mérida Initiative as well as related domestic initiatives. From FY2008-FY2012, Congress appropriated more than \$1.9 billion in Mérida assistance for Mexico. The Obama Administration asked for an additional \$234.0 million in Mérida assistance for Mexico in its FY2013 budget request. Congress has been closely monitoring Mérida implementation. As of December 31, 2011, some \$896.0 million worth of assistance had been provided to Mexico. Congress has also debated how to measure the impact of Mérida Initiative programs, as well as the extent to which Mérida has adequately evolved to respond to security conditions in Mexico. Another issue of congressional interest has involved whether human rights conditions placed on Mérida Initiative funding are appropriate or sufficient.

As previously mentioned, the Mérida Initiative was designed in response to the Calderón Administration's request for specific U.S. equipment, training, and technical assistance. Increased U.S. operational support for Mexico's struggle against organized crime has recently included, among other things, the deployment of U.S. unmanned aerial vehicles to gather intelligence on DTO activities. This support has only occurred in accordance with requests by the Mexican government.<sup>65</sup> As such, while the Mérida Initiative's broad four-pillar strategy may remain in place, the specific type of assistance and the depth of U.S. involvement, as requested by Mexico, may change over time, particularly after the July 1, 2012, Mexican elections.

## **Mérida Initiative/Central American Regional Security Initiative (CARSI)<sup>66</sup>**

Counternarcotics efforts in Colombia and Mexico have put pressure on drug trafficking organizations in those countries. As a result, many DTOs have increased their operations in Central America, a region with fewer resources and weaker institutions with which to combat drug trafficking and related criminality. In September 2011, President Obama identified every Central American country as a major drug transit country, with Belize and El Salvador making their first appearance on the "drug majors" list. Increasing flows of narcotics through Central America are contributing to rising levels of violence and the corruption of government officials, both of which are weakening citizens' support for democratic governance and the rule of law.

In contrast to the wide range of programs funded in Mexico, U.S. counterdrug programs in Central America have traditionally focused on interdiction, with some anti-money laundering programs in Panama. Prior to the Mérida Initiative, the vast majority of U.S. counterdrug assistance to Central America had gone to Guatemala and Panama, traditionally the two primary drug transit countries in the region. A 2008 GAO report found that although U.S. assistance had helped Guatemala, Panama, and six other transit countries participate in antidrug operations and

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<sup>65</sup> Ginger Thompson and Mark Mazzetti, "U.S. Drones Fly Deep in Mexico to Fight Drugs," *New York Times*, March 16, 2011.

<sup>66</sup> This section was drawn from CRS Report R41731, *Central America Regional Security Initiative: Background and Policy Issues for Congress*, by (name redacted) and (name redacted).

prosecute drug-related cases, a lack of political will, budget constraints, and corruption in recipient countries hindered the sustainability of U.S. efforts.<sup>67</sup>

The impetus for increased U.S.-Central American cooperation on security issues stemmed from a trip by then-President George W. Bush to Central America and Mexico in March 2007. Concerns over an increase in narcotics flows and the rapid escalation of crime and violence in the region reportedly dominated the President's conversations with his counterparts, as well as follow-on consultations between U.S., Central American, and Mexican officials. As previously mentioned, in October 2007 the Bush Administration requested funding for a security assistance package known as the Mérida Initiative. Congress split the Central America portion of Mérida into a separate Central America Regional Security Initiative (CARSI) in FY2010. Officials from nearly every Central American nation maintain that the region was not sufficiently involved in the formulation of Mérida/CARSI, and that the initiative could be more responsive to host government priorities.<sup>68</sup>

As currently formulated, CARSI provides equipment, training, and technical assistance to build the capacity of Central American institutions to counter criminal threats. In addition, CARSI supports community-based programs designed to address underlying economic and social conditions that leave communities vulnerable to those threats. The five primary goals of CARSI are to:

1. create safe streets for the citizens of the region;
2. disrupt the movement of criminals and contraband within and among the nations of Central America;
3. support the development of strong, capable, and accountable Central American governments;
4. establish effective state presence and security in communities at risk; and
5. foster enhanced levels of security and rule of law coordination and cooperation among the nations of the region.<sup>69</sup>

Since FY2008, Congress has appropriated \$466.5 million for the countries of Central America under what was formerly known as the Mérida Initiative-Central America and is now known as CARSI. The Administration requested an additional \$107.5 million for CARSI for FY2013.

In addition to supporting ongoing efforts under CARSI, the Obama Administration has sought to ensure that broader U.S. initiatives in Central America complement Central American government efforts and those being supported by other donors. In 2010, international donors (including the United States) formed a Group of Friends of Central America<sup>70</sup> that worked with the Central American governments and the Security Commission of the Central American

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<sup>67</sup> GAO, *Cooperation with Many Major Drug Transit Countries Has Improved, but Better Performance Reporting and Sustainability Plans Are Needed*, July 2008, GAO-08-784.

<sup>68</sup> CRS interviews with Central American embassy officials, October 27, November 2, 3, and 9, 2010.

<sup>69</sup> U.S. Department of State, Bureau of Public Affairs, "The Central America Regional Security Initiative: Citizen-Safety—A Shared Partnership," Fact Sheet, January 26, 2011.

<sup>70</sup> The Group of Friends of Central America originally included Canada, Spain, the United States, the European Commission, the Inter-American Development Bank (IDB), the Organization of American States (OAS), the United Nations, and the World Bank.

Integration System (SICA) to revise an existing regional security plan that had never been implemented. The 2007 plan was revised to prioritize fewer initiatives and to address new security threats that have emerged in the last few years. SICA convened a donors' conference in Guatemala City on June 22-23, 2011, at which donors pledged roughly \$1.1 billion in new funding for specific projects and ongoing support for the regional security strategy.<sup>71</sup> The extent to which the United States and other bilateral and multilateral donors will now refocus their existing efforts to align better with Central America's top priorities still remains to be seen.

## **Caribbean Basin Security Initiative (CBSI)<sup>72</sup>**

Because of their geographic location, many Caribbean nations are transit countries for illicit drugs from South America and the Caribbean destined for the U.S. and European markets. Currently, of the 15 countries in the Caribbean region, President Obama identified four—the Bahamas, the Dominican Republic, Haiti, and Jamaica—as major drug-producing or drug-transit countries in September 2011 pursuant to annual legislative drug certification requirements.<sup>73</sup> Many other Caribbean nations, particularly in the Eastern Caribbean, are also vulnerable to drug trafficking and associated crimes because of their geographic location.

The United States has provided antidrug assistance to Caribbean countries through bilateral assistance programs, USAID's Caribbean Regional Program, and the State Department's Western Hemisphere Regional Program. The Bahamas has cooperated extensively with the United States on interdiction efforts through Operation Bahamas and Turks and Caicos (OPBAT), a multinational interdiction effort first established in 1982. In 1999, the United States began utilizing forward operating locations in the Dutch territories of Curaçao (formerly part of the Netherlands Antilles, which officially dissolved in 2010) and Aruba, both located just off the coast of Venezuela, for U.S. military aircraft to conduct counternarcotics detection and monitoring flights. Although not included in the original Mérida Initiative request, Congress dedicated \$2.5 million in funding each for Haiti and the Dominican Republic for FY2008 and again for FY2009.

In April 2009, at the Fifth Summit of the Americas held in Trinidad and Tobago, President Obama announced that he would engage with Caribbean Community (CARICOM) member states and the Dominican Republic in a strategic security dialogue to address challenges such as transnational crime, illicit trafficking, and citizen security. This engagement, later dubbed the Caribbean Basin Security Initiative (CBSI), was in response to increased crime and violence in the Caribbean in recent years and in anticipation of a potential balloon effect of narcotics trafficking through the

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<sup>71</sup> See: U.S. Department of State, "Joint Press Statement of Support for the Central American Security Strategy," press release, June 21, 2011, and "Central America Gets More Than Expected to Spend on its Public Security Strategy," *Latin American Security and Strategic Review*, June 2011.

<sup>72</sup> Prepared by (name redacted), Specialist in Latin American Affairs.

<sup>73</sup> Also determined to be a major drug transit country was Belize, an English-speaking nation located in Central America. While traditionally Belize has had stronger linkages with the Caribbean and belongs to Caribbean regional organizations, in recent years it has strengthened ties with Spanish-speaking Central America, including for anti-drug cooperation, and it participates in U.S. counternarcotics programs for Central America, including the Central America Regional Security Initiative (CARSI). For these reasons, it is not included among the Caribbean countries examined in this memorandum, although it should be noted that Belize has participated in the annual Caribbean-U.S. Security Dialogue. White House, "Memorandum for the Secretary of State, Presidential Determination on Major Illicit Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2012," Presidential Determination No. 2011-16, September 15, 2011.

region resulting from counternarcotics efforts funded by the Mérida Initiative for Mexico. In May 2010, U.S. and Caribbean representatives held the inaugural Caribbean-U.S. Security Cooperation Dialogue in Washington, DC, and approved a declaration of principles, a framework for engagement, and a broad action plan.

Caribbean countries and the United States pledged to work together on three strategic priorities:

- to substantially reduce illicit trafficking in the Caribbean (including measures to counter and reduce narcotics trafficking, trafficking in small arms and light weapons, trafficking in persons, and money laundering);
- to advance public safety and security (including measures to deal with crime and violence, organized gangs and gang-related activities, border security, illegal undocumented migration, human smuggling, terrorism threats, criminal deportees, and natural disasters); and
- to further promote social justice (including crime prevention, justice sector reform, and anti-corruption measures).

The second annual Caribbean-U.S. Security Cooperation Dialogue was held in the Bahamas in November 10, 2011, and featured a keynote address by Secretary of Homeland Security Janet Napolitano, who reiterated the Obama Administration's support to the security of the Caribbean Basin and the main goals of the CBSI—to reduce illicit trafficking, increase public safety and security, and promote social justice.<sup>74</sup> Caribbean nations and the United States issued a joint statement at the end of the dialogue in which nations reaffirmed their commitment to the CBSI partnership.<sup>75</sup>

U.S. funding for the CBSI amounted to almost \$62 million in FY2010, \$77 million in FY2011, and an estimated \$64 million will be provided in FY2012. The Administration asked for \$59 million for CBSI in its FY2013 budget request. Funding for the program is part of the State Department's Western Hemisphere Regional program, and has included assistance in the following five areas:<sup>76</sup>

1. ***Maritime and Aerial Security Cooperation***, with equipment and training to enable Caribbean countries to carry out maritime and aerial operations, and support for improvement in radar coverage in strategic locations;
2. ***Law Enforcement Capacity Building***, with support for police professionalization, anti-corruption training, community-based policing, and the sharing of regional ballistics and fingerprint information;
3. ***Border/Port Security and Firearms Interdiction***, with technical support and training for intercepting smuggled narcotics, weapons, bulk cash, and other

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<sup>74</sup> U.S. Department of Homeland Security, "Readout of Secretary Napolitano's Remarks at the Caribbean Basin Security Initiative Dialogue and Meeting with Bahamian Prime Minister Hubert Ingraham," Press Release, November 10, 2011.

<sup>75</sup> CARICOM Secretariat, "Caribbean Basin Security Initiative Joint Statement Second Caribbean United States Security Cooperation Dialogue," Press Release 419/2011, November 14, 2011. (Note: the joint statement was issued November 10, 2011.)

<sup>76</sup> U.S. Department of State, "The Caribbean Basin Security Initiative," Factsheet, November 2, 2011.

- contraband at commercial airports and seaports as well as support for firearms interdiction and secure management of weapons and ammunition stockpiles;
4. ***Justice Sector Reform***, with support to reform and strengthen juvenile justice systems, provide technical assistance to judges and prosecutors, address critical crime issues, and support prison assessments and training to alleviate overcrowding and improve prison conditions; and
  5. ***Crime Prevention and At-risk Youth***, with support for educational opportunities and job training for at-risk youth as well as training for drug treatment and rehabilitation professionals.

## **DOD Counternarcotics Assistance Programs<sup>77</sup>**

The U.S. Department of Defense provides a broad range of counterdrug support to Latin America and the Caribbean, including training and equipping assistance for security forces engaged in counterdrug efforts. Although DOD is a provider of international counterdrug assistance, the Foreign Assistance Act of 1961, as amended, vests responsibility for coordinating all U.S. counterdrug assistance with the Secretary of State.<sup>78</sup> As a result, DOD counterdrug programs generally complement existing foreign assistance programs run mainly by the State Department. However, due to its independent authorities and counterdrug missions, DOD programs are not necessarily integrated into the policy planning and the budgeting process for State Department-led counterdrug assistance programs. Within DOD, the Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats is the primary source of counternarcotics policy. Two regional combatant commands bear responsibility for DOD operations in the Western Hemisphere: the U.S. Southern Command (SOUTHCOM), which covers Latin America, and the U.S. Northern Command (NORTHCOM), which includes Mexico and the Bahamas.<sup>79</sup>

Since Latin America has been the source of most illicit drugs arriving into the United States, DOD's role in the hemisphere has been long-standing. In FY1990, Congress mandated that DOD be the lead federal agency for the detection and monitoring of aerial and maritime transit of illegal drugs into the United States.<sup>80</sup> DOD's lead agency responsibilities extend to support for foreign law enforcement agencies in the detection and monitoring of drugs flowing toward the United States.<sup>81</sup> Support in its current form has evolved over time to include not only detection and monitoring, but also U.S. military deployments, infrastructure support, intelligence support, and operational support.<sup>82</sup> Two legislative authorities define the types of foreign assistance support that DOD can provide for counternarcotics purposes—Section 1004 of P.L. 101-510, the

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<sup>77</sup> Prepared by Liana Sun Wyler, Analyst in International Crime and Narcotics.

<sup>78</sup> §481, P.L. 87-195, as amended (22 U.S.C. 2291).

<sup>79</sup> According to SOUTHCOM's 2012 posture statement before Congress, primary asymmetric threats emanating from the Western Hemisphere include primarily the illicit activities transnational organized crime on national and international security as well as citizen and regional security. General Douglas M. Fraser (USAF), U.S. Southern Command, Posture Statement before the 112<sup>th</sup> Congress, House Armed Services Committee, March 6, 2012.

<sup>80</sup> §1202 of P.L. 101-189, as amended (10 U.S.C. 124).

<sup>81</sup> §1088 of P.L. 102-190 (U.S.C. 124).

<sup>82</sup> See Paul Wolfowitz, Deputy Secretary of Defense, Memorandum on Department of Defense International Counternarcotics Policy, October 3, 2003, Appendix C, Department International Counternarcotics Support, in House Committee on Government Reform, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, Hearing on DOD Counternarcotics: What is Congress Getting for its Money?, April 21, 2004, Serial No. 108-208.



National Defense Authorization Act (NDAA) of 1991 as amended through FY2014, and Section 1033 of P.L. 105-85, the NDAA of 1998 as amended through FY2013, which allows DOD to provide additional support to certain countries.<sup>83</sup>

**Legislative Authorities Regarding DOD's Role in Providing Counterdrug Assistance**

Under Section 1004 of P.L. 101-510, the National Defense Authorization Act (NDAA) of 1991 as amended through FY2014, DOD can provide assistance for (1) transporting U.S. and foreign personnel for the purpose of facilitating counterdrug activities within or outside the United States; (2) establishing and operating bases of operations or training facilities for the purpose of facilitating counterdrug activities within or outside the United States; (3) training law enforcement personnel from foreign countries in how to conduct counterdrug efforts; (4) aerial and ground reconnaissance and detection, monitoring, and communication of air, sea, and surface trafficking en route to the United States; (5) construction of roads and fences and installation of lighting to block drug smuggling corridors across international boundaries of the United States; and, (6) the provision of linguist and intelligence analysis services.

Under Section 1033 of P.L. 105-85, the NDAA of 1998 as amended through FY2013, DOD can provide support to certain countries through the (1) transfer of nonlethal protective and utility personnel equipment; (2) transfer of, as well as repair and parts for, nonlethal specialized equipment, including navigation equipment, communications equipment, photo equipment, radar equipment, and night vision systems; (3) transfer of nonlethal components, accessories, attachments, parts (including ground support equipment), firmware, and software for aircraft or patrol boats, and related repair equipment; transfer of riverine patrol boats; and, maintenance and repair of equipment of the government that is used for counterdrug activities.

See CRS Report RL34543, *International Drug Control Policy*, by Liana Sun Wyler.

Colombia has historically been the focus of most DOD counterdrug efforts in the region, providing the military aspect of U.S. support for Plan Colombia. DOD counterdrug assistance to Colombia has included training and equipping of both the Colombian military and police, including the Colombian Army's Counternarcotics Brigade, assisting the Colombian Ministry of Defense with the development of a modern budget and logistics organizations, assisting the Colombian government with demobilization programs, and providing humanitarian assistance to local populations affected by the drug situation. Since FY2002, Congress has given DOD a country-specific authority to pursue a "unified campaign" against narcotics trafficking and against designated terrorist organizations operating in Colombia—the FARC, ELN, and AUC.<sup>84</sup>

DOD is gradually shifting away from concentrating most of its counternarcotics assistance programs in Colombia and planning on how to absorb budget cuts. In FY2012, for example, Mexico is likely to receive slightly more DOD funding than Colombia.<sup>85</sup> (See **Table A-1** in the **Appendix** for an overview of DOD assistance to the region from FY2005-FY2013). Future assistance levels may require adjustment as DOD absorbs a potential reduction of about \$490 billion in planned programs through FY2021 as a result of the discretionary spending limits enacted through the Budget Control Act of 2011 (P.L. 112-25). SOUTHCOM, for example, began

<sup>83</sup> In Latin America, DOD is authorized to provide §1033 counterdrug assistance to: Peru and Colombia (§1033, P.L. 105-85); Bolivia and Ecuador (§1021, P.L. 108-136); Guatemala, Belize, and Panama (§1022, P.L. 109-364); Mexico and the Dominican Republic (§1022, P.L. 110-181); El Salvador, and Honduras (§1024, P.L. 110-417); and Jamaica and Nicaragua (§1006, P.L. 112-81).

<sup>84</sup> §305, P.L. 107-206; while this authority was not granted for FY2003, it was subsequently reauthorized in FY2004 in §1023, P.L. 108-136, as amended through FY2010.

<sup>85</sup> DOD response to CRS request, February 17, 2012.

implementing cost-saving measures in 2011, including reductions in joint foreign military exercises, discretionary travel, and “certain lower-priority portfolios.”<sup>86</sup>

## Foreign Assistance Prohibitions and Conditions<sup>87</sup>

In addition to defining the authorities by which the State Department and DOD fund counterdrug efforts and determining the types and levels of funding to appropriate for those efforts, Congress requires that the provision of that assistance be conditioned on certain counterdrug-related performance measures. Such aid conditions are intended to discourage aid recipients from shirking their commitments to combating drugs, as well as to ensure that they are cooperating with the U.S. government on related foreign policy priorities, including human rights and anti-corruption efforts.

## Annual Drug Certification Process

Beginning in 1986 (P.L. 99-570), Congress introduced an annual procedure to withhold certain types of bilateral foreign assistance, not including counternarcotics assistance, to major drug producing and major drug transit countries worldwide, commonly termed the “drug majors.”<sup>88</sup> In the past, this certification process had generated both criticism for the severity of its penalties as well as praise for its ability to improve political will internationally to combat drugs. Today, however, it is widely viewed as having lost much of its strength as a diplomatic tool.<sup>89</sup>

The President is required annually to issue a presidential determination to identify which countries are to be included in the list of drug majors for the following fiscal year. For FY2012, President Barack Obama identified 22 drug majors—77% of which are countries in the Western Hemisphere.<sup>90</sup> Twelve of the Latin American and Caribbean countries identified this year have

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<sup>86</sup> General Douglas M. Fraser (USAF), U.S. Southern Command, Posture Statement before the 112<sup>th</sup> Congress, House Armed Services Committee, March 6, 2012.

<sup>87</sup> Prepared by Liana Sun Wyler, Analyst in International Crime and Narcotics.

<sup>88</sup> Drug majors are statutorily defined in §481 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 1191(e)) as a country in which (1) 1,000 hectares or more of illicit opium or coca is cultivated or harvested during a single year; (2) 5,000 hectares or more of illicit cannabis is cultivated or harvested; (3) there is a significant direct source of illicit narcotic or psychotropic drugs or other controlled substances significantly affecting the United States; or (4) drugs or other controlled substances are transiting.

<sup>89</sup> Current law provides two certification procedure options from which the President can choose in order to determine which countries will be sanctioned. The selection of which certification procedure to use is widely understood to have implications on the severity and strength of this counterdrug policy tool. In the original procedure, codified at 22 U.S.C. 2291j, the President was required to decertify all drug majors that had not proven to “cooperate fully” in international efforts to combat drug trafficking. Beginning in FY2002, subsequently codified at 22 U.S.C. 2291j-1, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (P.L. 107-115) allowed for the suspension of the prior certification procedures and their replacement with a new set of procedures. In place of the “cooperate fully” threshold, the new certification procedure allows the President to designate and withhold assistance from only the worst-offending drug majors—those that were determined by the President as having “failed demonstrably” to make substantial efforts to combat drugs. The change in standards from whether a country had “cooperated fully” to “whether it had “failed demonstrably” effectively shifted the “burden of proof to an assumption that foreign nations were cooperating with the United States and had to be proven otherwise to trigger the restrictions” in foreign assistance.

<sup>90</sup> Barack Obama, Presidential Determination No. 2011-16, “Memorandum to the Secretary of State: Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2012,” September 15, 2011.

been on the drug majors list for at least the past decade, including the Bahamas, Bolivia, Colombia, the Dominican Republic, Ecuador, Guatemala, Haiti, Jamaica, Mexico, Panama, Peru, and Venezuela. Three countries—Costa Rica, Honduras, and Nicaragua—were added to the drug majors list in FY2011. Two are new to the list: Belize and El Salvador.

The drug majors are then evaluated on the basis of their efforts to combat drugs and cooperate with the U.S. government on drug policy issues. The President must accordingly “certify” to Congress that drug majors have either “cooperated fully” or have “failed demonstrably” in U.S. and international counternarcotics efforts. If the President does not certify a drug major country, it is “decertified” and ultimately subject to possible sanction from receiving certain types of bilateral assistance. Decertification can have implications for country eligibility for other assistance programs, including eligibility for debt relief. For FY2012, three drug majors were “decertified” after the President determined that they “failed demonstrably” at cooperating with the U.S. government and international community on counternarcotics measures. Two of the three are countries in the Western Hemisphere: Bolivia and Venezuela.

The President, however, reserves the discretion to waive the foreign assistance prohibition that decertification triggers if it is of vital national interest that U.S. aid continue to those countries. In the case of both Bolivia and Venezuela, President Obama waived the aid sanctions, thus allowing for bilateral assistance to continue in the case of Bolivia and assistance related to democracy promotion programming to continue in Venezuela.

## **Conditions on Counternarcotics Assistance**

Several conditions on counternarcotics assistance exist in current law, including general and country-specific prohibitions on providing aid to security forces (potentially including counterdrug forces) and drug eradication-related conditions. In order for the counterdrug funding to be released, these conditions require the Secretary of State to certify that the countries in question have achieved certain performance criteria. These assistance restrictions have been variously viewed as either supplements to the drug certification process, providing additional diplomatic pressure to support counternarcotics and related foreign policy goals, or additional bureaucratic obstacles to overcome. In the case of aid conditions on counternarcotics assistance for Mexico through the Mérida Initiative, for example, the delay of funds has been a source of policy frustration.<sup>91</sup>

## **Human Rights Prohibitions on Assistance to Security Forces**

Congress has taken measures to ensure that U.S. security assistance not be provided to foreign security forces that have been associated with gross human rights violations. Human rights conditions restrict foreign assistance to security forces authorized under the Foreign Assistance Act of 1961 (FAA), as amended, and the Arms Export Control Act (AECA), as amended. Specifically, units of a foreign country’s security forces are prohibited from receiving assistance if the Secretary of State receives “credible evidence” that such units have committed “a gross

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<sup>91</sup> The GAO identified “statutory conditions on the funds” as one of three factors that have slowed down implementation of the Mérida Initiative. U.S. Government Accountability Office (GAO), *Status of Funds for the Mérida Initiative*, December 3, 2009, GAO 10-253R.

violation of human rights.”<sup>92</sup> In response to these provisions, the State Department has developed vetting procedures for potential security force trainees. A modified and non-codified, but similar, provision restricts DOD training of foreign security forces in cases where the Secretary of Defense receives “credible information” that units of foreign security forces have committed “a gross violation of human rights.”<sup>93</sup> While the term “security forces” is not defined in the FAA, AECA, or the FY2012 Consolidated Appropriations Act (P.L. 112-74), in practice these provisions often affect assistance to foreign counternarcotics units, among others.

In addition to human rights vetting requirements, there are restrictions on assistance provided through State Department accounts to the security forces of certain countries that are designed to encourage the governments to address human rights concerns. In FY2012, Congress conditioned the provision of certain counterdrug-related aid to countries in Latin America on the Secretary of State reporting to congressional appropriators on a range of human rights issues. The countries included: Colombia, Guatemala, Honduras, and Mexico. DOD aid, which often dwarfs State Department security assistance, is generally not subject to the same human rights conditions.

### **Drug Eradication-Related Provisions**

Colombia, the only country in the world to which the U.S. government provides assistance for eradicating drug crops through the aerial application of herbicide, is also subject to some aerial eradication-related conditions (§7045(a) of P.L. 112-74). Funds for aerial eradication are not made available unless alternative development programs are being implemented by USAID, the Colombian government, or another organization, where security permits, for small growers and communities targeted by aerial eradication. Funds may not be used for aerial eradication in Colombia's national parks or reserves unless the Secretary of State certifies to the Committees on Appropriations that there are no effective alternative eradication methods and the eradication is in accordance with Colombian laws.

## **Issues for Congress<sup>94</sup>**

Congress is playing a role in shaping the design of U.S. antidrug programs in Latin America at a time when regional support for U.S. counternarcotics policy appears to be at a crossroads. The United States enjoys sustained counterdrug partnerships with countries like Peru and Colombia in South America and multilateral support from the U.N. and Organization of American States,<sup>95</sup> as well as expanding relationships on drug issues with Mexico, Central America, and the Caribbean through the Mérida Initiative, CARSI, and CBSI. While many governments continue to support

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<sup>92</sup> §620J of the Foreign Assistance Act of 1961, re-designated as §620M and amended in P.L. 112-74. This aid condition originated in a provision first introduced by Senator Patrick Leahy as an amendment to the 1997 Foreign Operations Appropriations Act (P.L. 104-208) restricting International Narcotics Control assistance to foreign security forces found to have committed gross violations.

<sup>93</sup> §8058 of P.L. 112-74.

<sup>94</sup> Prepared by Liana Sun Wyler, Analyst in International Crime and Narcotics and (name redacted), Specialist in Latin American Affairs.

<sup>95</sup> For recent information on the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States (OAS), see: Betty Horwitz, "The role of the Inter-American Drug Abuse Control Commission (CICAD) in Confronting the Problem of Illegal Drugs in the Americas," *Latin American Politics and Society*, vol. 52, no. 2 (Summer 2010).

U.S. drug control efforts, some policymakers in the region have concluded that the current U.S.-led counterdrug approach needs to be re-evaluated. Criticism of U.S. drug activities has translated into a reduction in U.S. participation in counternarcotics efforts in certain countries, particularly Bolivia and Venezuela, as well as a growth in support in some countries for a range of alternative drug policy approaches, including drug decriminalization.<sup>96</sup>

There has also been increasing criticism of U.S. drug policy coming from prominent observers, as well as former and, more recently, current leaders in countries that have been key partners in the struggle against illicit drug trafficking. Newly inaugurated Guatemalan President Otto Perez Molina recently asserted that the region needs to consider legalizing the use and transport of drugs. He argues that the United States has failed to curb illegal drug consumption, and that his country has no choice but to seek alternatives to the current “war on drugs” in order to stem violence related to drug trafficking.<sup>97</sup> Other leaders have agreed that a debate concerning the effectiveness of current efforts in the region is warranted. Perez Molina’s arguments echo the conclusions of a report issued by a group of prominent world leaders, including former presidents of Brazil, Colombia, and Mexico, which argues that supply reduction and incarceration strategies are ineffective and that government resources would be better spent on demand and harm reduction efforts.<sup>98</sup> These recommendations are similar to some of the suggestions that have been made by U.S. drug policy experts.<sup>99</sup> During a recent visit to Mexico, Vice President Biden reportedly stated that while alternative drug policies are worth discussing, “there is no possibility the Obama/Biden Administration will change its policy on [drug] legalization.”<sup>100</sup>

Congress has influenced aspects of U.S. counterdrug assistance programs in Latin America and related domestic efforts in oversight hearings, legislation, and through the appropriations process. Thus far, the 112<sup>th</sup> Congress has convened hearings on the President’s requests for foreign assistance programs in Latin America (including regional security initiatives); citizen security in the Americas; the Mérida Initiative, CARSI, and CBSI; and on bulk cash smuggling along the Southwest border.<sup>101</sup> The Senate has approved legislation that would create new penalties to deter the construction and use of border tunnels to smuggle drugs into the United States (S. 1236) and to establish penalties for chemical producers from other countries that illegally ship precursor chemicals into the United States knowing these chemicals will be used to make illegal drugs (S. 1612). Congress is likely to consider several questions as it continues to fund, oversee, and evaluate U.S. drug control programs in Latin America and the Caribbean. Some of these questions might include what, if anything does the growing regional support for alternatives to the current counterdrug policy mix suggest in terms of U.S. drug policy priorities and strategies? How might the U.S. government better plan, implement, and evaluate counterdrug assistance programs in Latin America? What should be the future of eradication and alternative development

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<sup>96</sup> “Drug Policy Reforms in the Americas,” *Reuters*, January 29, 2010.

<sup>97</sup> Romina Ruiz-Goiriena, “Guatemala President Weighs Drug Legalization, Blames US For Not Reducing Consumption,” *Associated Press*, February 14, 2012.

<sup>98</sup> Global Commission on Drug Policy, *War on Drugs: Report of the Global Commission on Drug Policy*, June 2011, <http://www.globalcommissionondrugs.org/Report>.

<sup>99</sup> See, for example, International Crisis Group, *Latin American Drugs II: Improving Policy and Reducing Harm*, March 14, 2008; Peter Hakim, *Rethinking U.S. Drug Policy*, Inter-American Dialogue, February 2011.

<sup>100</sup> “Biden Meets with Mexican Presidential Candidates, Says U.S. Remains Opposed to Drug Legalization,” *AP*, March 5, 2012.

<sup>101</sup> For a complete list of hearings in the 112<sup>th</sup> Congress, see the Appendix of CRS Report R42360, *Latin America and the Caribbean: U.S. Policy and Key Issues for Congress in 2012*.

programs in the Andes? To what extent are U.S. domestic drug policy efforts complementing counterdrug assistance programs in Latin America?

## **An Integrated Approach to Counternarcotics in the Region?**

Some Members of Congress have raised questions regarding whether there is the need for a more integrated approach to counternarcotics policies in the region. Members have expressed concern that the overall effectiveness of hemispheric counterdrug efforts has been hindered by “fragmented management, unclear reporting chains, and duplicative and overlapping agendas” among the agencies charged with implementing aspects of antidrug programs in the region.<sup>102</sup> Some Members have argued that a more integrated effort might include having the State Department develop a multi-year drug strategy for the region that would seek to avoid the so-called “balloon effect” in which successful efforts in one area drive drug-related activities to another area.<sup>103</sup> Members have also urged the Administration to establish a coordinator within the State Department to oversee the planning and implementation of the various counterdrug assistance programs in Latin America.<sup>104</sup>

The Obama Administration has taken steps to better coordinate the country and regional antidrug programs previously discussed, and to ensure that U.S.-funded efforts complement the efforts of partner governments and other donors. The Administration has appointed a coordinator within the State Department to oversee the planning and implementation of the aforementioned regional security assistance packages. The Office of National Drug Control Policy (ONDCP) is also working with other federal agencies, as well as independent policy experts, to develop a Western Hemisphere Counterdrug Strategy that is scheduled to be published later this year. According to ONDCP, the strategy will emphasize “interdiction and disrupting transnational criminal organizations, institutional strengthening, building strong and resilient communities, and drug demand reduction.”<sup>105</sup> The Administration is encouraging countries that have received U.S. assistance in the past—particularly Colombia—to share technical expertise with other countries in the region, a strategy that analysts have recommended. Colombia and Mexico are supporting the implementation of the Central American Security Strategy adopted at a donor’s conference in Guatemala in June 2011 as part of the Group of Friends of Central America.

Another aspect of developing a more integrated approach to counterdrug efforts in Latin America involves ensuring that non-aid programs related to drug policy complement the goals of U.S. counterdrug assistance programs.<sup>106</sup> Those include:

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<sup>102</sup> Office of Senator Robert Menendez, “Press Release: Menendez-Kerry Bill to Strengthen Counternarcotics Cooperation in the Americas,” March 26, 2010.

<sup>103</sup> The FY2010 Supplemental Assistance Act (P.L. 111-212) contained a condition on assistance provided to Mexico requiring the Secretary of State to submit a report to the Appropriations Committees containing a “multi-year, interagency strategy to address the causes of drug-related violence and other organized criminal activity in Central and South America, Mexico, and the Caribbean.”

<sup>104</sup> See, for example, the Opening Statement of Chairmen Eliot L. Engel at a Subcommittee on the Western Hemisphere hearing on “Assessing U.S. Drug Policy in the Americas,” October 15, 2009; “Rep. Connie Mack: We Must Examine U.S. Drug Policy in Latin America From All Angles,” *U.S. Fed News*, October 19, 2009.

<sup>105</sup> Testimony of R. Gil Kerlikowske, Director of the Office of National Drug Control Policy (ONDCP), before the Senate Committee on Foreign Relations, Subcommittee on Western Hemisphere, Peace Corps, and Global Narcotics Affairs, March 31, 2011.

<sup>106</sup> For more information on the programs highlighted below, see: CRS Report RL34543, *International Drug Control* (continued...)

- **Drug Kingpin Sanctions:** The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) targets and blocks financial assets, subject to U.S. jurisdiction, of drug kingpins and related associates and entities. First instituted in 1995 to block assets owned by principal figures of the Colombia's Cali Cartel (E.O. 12978), a second, expanded sanctions program was later introduced in 1999, which has a global scope (Foreign Narcotics Kingpin Designation Act). Targets from Latin America and the Caribbean are a central focus of both programs, with traffickers centered in Colombia constituting the entirety of E.O. 12978 and Latin American and Caribbean kingpins representing the majority of all listed kingpins since 2000.
- **International Trade Incentives to the Andes:** Through the 1991 Andean Trade Preference Act (ATPA) and its subsequent replacement, the 2002 Andean Trade Preference and Drug Eradication Act (ATPDEA), as amended, the U.S. government has historically sought to offer trade benefits to four partner nations in the Andes—Colombia, Ecuador, Peru, and Bolivia—as part of a broader effort to combat drug production and trafficking in the region. The program was suspended for Bolivia in December 2008, because it failed to meet one of the eligibility requirements for the program. Specifically, the President determined that Bolivia “failed demonstrably” to make substantial efforts to uphold its international commitments to combat drugs. The benefits to Peru expired at the end of 2010 and were not renewed because Peru has entered into a free trade agreement with the United States, which was implemented in February 2009. The most recent extension of ATPA for Colombia and Ecuador took place on October 12, 2011, when the 112th Congress enacted implementing legislation for the U.S.-Colombia Trade Promotion Agreement (P.L. 112-42). As part of the free trade agreement implementing legislation, ATPA was renewed for Colombia and Ecuador until July 31, 2013.<sup>107</sup>
- **Intelligence and Law Enforcement Activities:** U.S. efforts to identify and dismantle drug networks include intelligence and law enforcement activities that are not categorized as foreign assistance. DOD plays a key role in collecting, analyzing, and sharing intelligence on illegal drug flows through its regional operational assets, including the Joint Interagency Task Force-South (JIATF-South), which coordinates multi-agency drug intelligence; and Cooperative Security Locations (CSLs), where drug interdiction aircraft can be deployed close to drug production sources and transit zones. International drug interdiction efforts in the Western Hemisphere account for approximately 81% of all cocaine interdictions worldwide. The U.S. Drug Enforcement Administration (DEA) maintains 37 country or regional DEA offices at U.S. embassies in Latin America and the Caribbean. DEA, with the support of other law enforcement agencies, use a variety of legal tools to ensure that international criminals are prosecuted to the fullest extent of the law, including extradition and extra-territorial law enforcement authorities to investigate and prosecute drug offenses overseas. DEA

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(...continued)

*Policy*, by Liana Sun Wylér.

<sup>107</sup> See: CRS Report RS22548, *ATPA Renewal: Background and Issues*, by (name redacted).

reportedly also provides training and operational support, in conjunction with foreign law enforcement units, for counternarcotics missions.<sup>108</sup>

These non-foreign aid programs have figured prominently in U.S. counterdrug efforts in Latin America for some time. Yet it remains a challenge for policymakers to evaluate how such programs—conducted by a variety of U.S. agencies and offices, with separate budgets, planning procedures, and priorities and missions—may improve, detract from, or prove ineffective in the overall U.S. approach to combating drugs in the region. As Congress evaluates U.S. drug policy towards Latin America, it may choose to consider whether it is feasible and desirable to incorporate non-foreign assistance programs into a counterdrug strategy for the region.

The ability to monitor progress and make adjustments in programs that are not achieving their intended results has been identified as another key component of a well-integrated drug policy. Supply control programs have traditionally been evaluated by calculating the acreage of crops eradicated, drugs interdicted, or DTO leaders arrested, or by examining the price and purity of drugs in the United States. These measures, though important, can sometimes fail to capture progress that has taken place in terms of advancing bilateral or regional cooperation on anti-drug efforts and/or problems in existing policies. Measuring the effects of institution-building and development programs may prove to be even more difficult, particularly in the short term. Across the U.S. government, there has historically been a tendency to calculate the impact of particular programs by measuring “outputs,” such as the number of individuals trained by a justice sector program or served by a particular development program. The GAO and others have urged U.S. officials, particularly those carrying out so-called “soft-side” institution-building and development programs, to develop performance indicators that attempt to measure the societal “outcomes” that occur as result of U.S. efforts.<sup>109</sup> Congress may suggest new ways for the Administration to assess the effectiveness of drug control programs across different agencies, funding streams, and jurisdictions. Congress might also consider including more funding for program evaluations in foreign appropriations measures.

## **The Future of Drug Eradication and Alternative Development in the Andes<sup>110</sup>**

In recent years, Congress has increased funding for drug interdiction programs in Mexico, Central America and the Caribbean, but has gradually reduced funding for eradication and alternative development programs in the Andean region. Eradication has been a long-standing but often controversial U.S. drug control tool, particularly in Latin America. As recently as 2008, the State Department had asserted that “drug crops are the weakest link in the drug production chain” and that source-zone eradication remained “the cornerstone of U.S. supply reduction strategy.”<sup>111</sup> More recently, some U.S. officials have argued that there are certain situations, including in conflict or post-conflict environments like the current situation in Afghanistan, in which

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<sup>108</sup> Charlie Savage, “D.E.A. Squads Extend Reach of Drug War,” *New York Times*, November 6, 2011.

<sup>109</sup> GAO, *Cooperation with Many Major Drug Transit Countries Has Improved, but Better Performance Reporting and Sustainability Plans Are Needed*, GAO-08-784, July 2008.

<sup>110</sup> For more analysis on eradication, see CRS Report RL34543, *International Drug Control Policy*, by Liana Sun Wylar; CRS Report RL33163, *Drug Crop Eradication and Alternative Development in the Andes*, by (name redacted) and (name redacted).

<sup>111</sup> INCSR, March 2008. More recent INCSR reports have not placed as much of an emphasis on crop eradication.



eradication might be ineffective, or even counterproductive. When the late Ambassador Richard Holbrooke, then the Obama Administration's Special Representative for Afghanistan and Pakistan, halted U.S.-funded eradication programs in Afghanistan, he echoed the arguments made by many Andean drug policy experts regarding the importance of having "alternative livelihoods"<sup>112</sup> and some level of security conditions in place before eradication programs are undertaken.<sup>113</sup> Without those conditions in place, analysts have warned that eradication programs, particularly of an involuntary nature, risk alienating poor farmers and peasants and driving them into the hands of insurgent groups like the FARC in Colombia and the Shining Path in Peru.<sup>114</sup> In some parts of Colombia and Peru, anti-government groups continue to provide security and protection to peasant farmers growing illicit drug crops, while in others, farmers have sought government assistance for alternative crop cultivation so as to free their communities from the influence of drug traffickers and allied criminal groups.<sup>115</sup> Given these concerns, Congress is likely to continue evaluating the amount of foreign assistance devoted to eradication in the Andes and the circumstances under which eradication programs are carried out, as well as how eradication efforts should be sequenced with alternative development programs.

Eradication of drug crops occurs through manual removal, which involves the physical up-rooting and destruction of crops, mechanical removal, which involves the use of tractors and all-terrain vehicles to harrow the fields, or by aerial spraying, which involves the spraying of fields with herbicide mixture. Eradication can be conducted with the voluntary agreement of growers, or involuntarily. The United States supports programs to eradicate coca, opium, and marijuana in several countries in Latin America, primarily in Colombia, but also in Bolivia, Peru, Guatemala, and Mexico. Manual eradication is the preferred method for eradicating in areas where illicit plants have been interspersed with licit crops, such as in national parks. Aerial eradication is only permitted in Colombia, where proponents of the practice say it remains the safest and most effective means to defoliate large areas being used for drug crop cultivation. U.S. officials have credited years of repeated aerial spraying with reducing the productivity of coca plants and fields in Colombia.<sup>116</sup> However, since 2006, the percentage of illicit crops eradicated through aerial spraying in Colombia has declined vis-à-vis the percentage eradicated by manual eradication.

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<sup>112</sup> This term is often used to describe programs geared at providing alternatives to drug crop cultivation for farmers in source countries. U.S.-funded alternative development programs, most of which are administered by USAID, began in the 1970s in Bolivia and the 1980s in Peru as relatively simple crop substitution programs. As a result of the limited effects of those efforts, alternative development programs gradually evolved into broader initiatives aimed at expanding roads, infrastructure, healthcare, and other government services in coca-growing areas, many of which were poor and isolated. Francisco E. Thoumi, *Illegal Drugs, Economy, and Society in the Andes*, Baltimore: The John Hopkins University Press, 2003.

<sup>113</sup> In July 2009, Ambassador Holbrooke, the Obama Administration's Special Representative for Afghanistan and Pakistan, announced that the U.S. government would no longer participate in eradication efforts in Afghanistan. Holbrooke called Western eradication policies in Afghanistan "a failure" and stated that the United States has "wasted hundreds and hundreds of millions of dollars" funding them. At the heart of Holbrooke's argument was the concern that eradication policies, particularly in conflict zones and in the absence of viable alternative livelihood options, can alienate poor farmers and peasants and drive them into the hands of insurgent and rebel groups, in turn providing such anti-government movements a lucrative and consistent source of funding. Richard C. Holbrooke, "Holbrooke's Briefing on Trip to Pakistan, Afghanistan, and Brussels, July 2009," July 29, 2009. For more information, CRS Report RL32686, *Afghanistan: Narcotics and U.S. Policy*, by (name redacted).

<sup>114</sup> Testimony of Vanda Felbab-Brown, Fellow, the Brookings Institution, before the House Oversight and Government Reform Domestic Policy Subcommittee, April 14, 2010.

<sup>115</sup> See, for example, UNODC, *Peru: Coca Cultivation Survey*, June 2009, which describes the success that alternative development programs supported by the Peruvian government and USAID have had in the San Martin area of Peru.

<sup>116</sup> INCSR 2010, p. 206.

Despite eradication's perceived benefits, it has also been a subject of long-standing criticism. Manual eradication requires significant time and human resources and aerial application of herbicide is not legal or feasible in many countries and is expensive to implement where it is permitted. Eradication remains a high-risk activity, as spray planes and manual eradication crews are often targeted by drug traffickers. Critics have also asserted that aerial spraying in Colombia has caused negative human, animal, and environmental damage.<sup>117</sup> However, a series of reports produced by the Inter-American Drug Abuse Control Commission of the Organization of American States have concluded that the herbicide chemical used for aerial fumigation in Colombia has not caused damage to humans or wildlife.<sup>118</sup> The Secretary of State has reported similar findings to Congress.

In the case of eradication in Colombia, results have been mixed. Crop eradication efforts provided short-term instances of success in the early 2000s when aerial spraying was first permitted. In the following years, however, farmers adapted to eradication efforts through a variety of strategies that essentially involved farmers moving cultivation locations or growing practices, but not reducing the overall harvest size.<sup>119</sup> Some of these coping strategies included replanting or pruning back coca plants after spraying and increasing the number of harvest cycles per season. Other coping strategies, such as interspersing licit crops with coca crops and growing coca plants under dense foliage as well as in national parks, proved to make detection much more difficult. Nevertheless, both U.S. and U.N. estimates since 2008 have shown declines in overall coca cultivation and cocaine production projections in Colombia.

In the absence of the credible threat of eradication, critics question what alternative strategies exist to effectively deter drug producers from cultivating drug crops in the first place. The development of licit livelihood options in drug producing areas is often raised as an alternative option to eradication. Essentially, such a strategy would provide a positive incentive for farmers to abandon their drug crops, rather than serve as a negative deterrent. However, policymakers have been challenged to find viable income alternatives in often remote, underdeveloped regions for impoverished peasants who lack basic skills. In conflict regions, where insecurity prevails, alternative development may not even be an option. In best case scenarios, alternative development can take years to show results, rendering it an ineffective short-term solution.

Alternative development need not be a zero-sum drug policy option. With regard to Colombia, for example, recent studies have found that the combination of jointly implemented eradication, alternative development, and interdiction is more effective than the independent application of any one of these three strategies.<sup>120</sup> In La Macarena, Colombia, for example, the Colombian government has had success by focusing its efforts on improving security conditions and government services in that area and by coordinating eradication with food security for farmers and then with alternative livelihoods projects.<sup>121</sup> As previously mentioned, many analysts have

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<sup>117</sup> See, for example, Washington Office on Latin America (WOLA), *Chemical Reactions*, February 29, 2008.

<sup>118</sup> The most recent CICAD reports were published in August 2009. They are available at <http://www.cicad.oas.org/en/glifosateFinalReport.pdf>.

<sup>119</sup> Vanda Felbab-Brown, *Shooting Up: Counterinsurgency and the War on Drugs*, Washington, DC: Brookings Institution, 2010.

<sup>120</sup> Vanda Felbab-Brown, Joel M. Jutkowitz, Sergio Rivas, et al. *Assessment of the Implementation of the United States Government's Support for Plan Colombia's Illicit Crop Reduction Components*, report produced for review by USAID, April 17, 2009.

<sup>121</sup> USAID Front Lines, "Colombia Increases Security, Services in La Macarena to Overturn Coca and Conflict," press release, June 2009.

suggested that the likelihood of success would increase if there were modifications in the sequencing of eradication and alternative development strategies, implementing alternative development programs first and eradication programs later.<sup>122</sup> Others have urged Andean governments, as well as USAID, not to disqualify an entire community from participating in an alternative development project if a few families are found to be producing coca.<sup>123</sup>

## **U.S. Domestic Initiatives to Counter Drug Demand**

Congress has also taken some interest in the extent to which U.S. domestic initiatives to counter drug demand affect counterdrug assistance efforts in Latin America. Drug demand in the United States fuels a multi-billion dollar illicit industry. In 2010, about 22.6 million individuals were current (past month) illegal drug users, representing 8.9% of individuals aged 12 and older.<sup>124</sup> Obama Administration officials and experts alike have acknowledged that U.S. domestic demand for illegal drugs is a significant factor driving the global drug trade, including the drug trafficking-related violence that is occurring in source and transit countries in Latin America.<sup>125</sup>

In July 2011, the Administration released its 2011 National Drug Control Strategy, which continues to emphasize the need to reduce U.S. drug demand.<sup>126</sup> The Strategy includes a five-year goal of cutting drug use among youth by 15%. Drug policy experts have praised the Administration's focus on reducing consumption, but criticized the Administration for requesting relatively modest budget increases in funding for treatment programs.<sup>127</sup> Some have questioned whether the federal government allocates enough of the drug budget to adequately address the demand side. In FY2011, the Administration dedicated \$10 million to drug demand reduction programs.<sup>128</sup> Nevertheless, the FY2012 drug budget and FY2013 drug budget request continue to spend a majority of funds on supply reduction programs including drug crop eradication in source countries, interdiction, and domestic law enforcement efforts.<sup>129</sup> In addition to federal efforts, however, many state, local, and nonprofit agencies also channel funds toward demand reduction.

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<sup>122</sup> WOLA, *Development First: A More Humane and Promising Approach to Reducing Cultivation of Crops for Illicit Markets*, December 8, 2009.

<sup>123</sup> Testimony of Vanda Felbab-Brown, Fellow, the Brookings Institution, before the Senate Foreign Relations Committee, March 31, 2011.

<sup>124</sup> See the National Survey on Drug Use and Health, an annual survey of approximately 67,500 people, including residents of households, non-institutionalized group quarters, and civilians living on military bases. The survey is administered by the Substance Abuse and Mental Health Services Administration of the U.S. Department of Health and Human Services and is available at <http://www.samhsa.gov/data/NSDUH/2k10Results/Web/HTML/2k10Results.htm#Ch2>.

<sup>125</sup> See, for example, testimony of R. Gil Kerlikowske, Director, Office of National Drug Control Policy, before the U.S. Congress, House Committee on Oversight and Government Reform, Subcommittee on National Security and Foreign Affairs, Transnational Drug Enterprises (Part II): U.S. Government Perspectives on the Threat to Global Stability and U.S. National Security, 111th Cong., 2nd sess., March 30, 2010. See also "U.S. Secretary of State Hillary Rodham Clinton Remarks With Mexican Foreign Secretary Patricia Espinosa After Their Meeting," March 23, 2010.

<sup>126</sup> That strategy is available at <http://www.whitehousedrugpolicy.gov/strategy/>. For more information on the National Drug Control Strategy and the Office of National Drug Control Policy (ONDCP), see CRS Report R41535, *Reauthorizing the Office of National Drug Control Policy: Issues for Consideration*, by (name redacted) and Kristin M. Finklea.

<sup>127</sup> See, for example, Testimony of John T. Carnevale, President, Carnevale Associates, before the House Oversight and Government Reform Subcommittee on Domestic Policy, April 14, 2010.

<sup>128</sup> INCSR, 2012.

<sup>129</sup> ONDCP, *National Drug Control Budget: FY2013 Funding Highlights*, February 2012, (continued...)

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<http://www.whitehouse.gov/ondcp/the-national-drug-control-budget-fy-2013-funding-highlights>.

## Appendix. DOD Support to Latin America and the Caribbean

**Table A-1. DOD Counternarcotics Support to Latin America and the Caribbean, FY2005-2013**

estimates in current US\$ thousands

Country	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Argentina	184	192	173	434	452	583	384	557	1,791
Bahamas	1,525	4,722	6,427	12,645	9,935	6,502	4,661	5,396	5,573
Barbados	180	150	148	145	155	130	130	134	2,634
Belize	202	282	1,896	869	1,416	5,133	13,114	6,100	4,225
Bolivia	5,604	3,942	1,967	1,414	431	2,300	82	0	0
Brazil	649	967	734	1,997	709	583	1,012	1,032	1,523
Caribbean Region	53,134	58,878	114,232	115,733	154,853	74,637	93,022	98,000	91,183
Chile	433	165	142	151	477	782	604	783	3,244
Colombia	155,313	140,522	129,406	119,862	127,872	129,367	110,398	97,933	85,632
Costa Rica	742	623	819	2,452	830	1,604	2,714	1,577	2,715
Dominican Republic	875	663	841	1,033	1,115	7,090	5,682	3,309	5,621
Ecuador	21,085	23,764	21,765	20,397	20,064	11,713	6,274	4,813	9,828
El Salvador	6,575	6,083	1,139	1,035	1,538	4,291	7,462	6,710	7,450
Guatemala	661	1,378	1,865	2,479	2,478	9,152	19,331	9,443	6,379
Haiti	102	105	90	93	101	110	110	113	117
Honduras	598	639	1,091	3,629	3,824	2,357	8,500	4,853	4,424
Jamaica	1,415	592	481	649	769	1,165	774	551	927
Latin America Region	142,426	107,034	61,709	71,035	78,594	61,301	66,844	67,591	63,430
Martinique	0	0	25	30	31	20	20	21	21
Mexico	9,650	15,166	15,508	12,171	34,164	89,749	84,690	100,361	75,321
Netherlands Antilles/Curacao	16,672	16,315	18,539	19,460	25,550	25,677	22,603	23,426	26,606
Nicaragua	485	517	2,984	2,655	5,034	1,367	3,258	1,982	1,475
Panama	912	925	2,372	3,640	2,616	4,413	7,987	4,531	7,288
Paraguay	488	1,215	1,619	2,361	1,313	1,710	384	722	5,214
Peru	7,260	11,937	7,984	8,386	8,908	18,830	8,892	8,426	12,040
Suriname	0	85	73	82	290	477	384	474	487
Trinidad and Tobago	116	108	118	126	136	130	130	134	316

Country	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Uruguay	225	241	227	121	131	110	110	113	523
Venezuela	772	526	529	540	544	329	330	340	350
Total	428,283	397,736	394,903	405,621	484,330	461,612	469,866	449,425	426,337

**Source:** FY2005-FY2010 figures are from a DOD response to CRS request, DOD response to CRS request, March 21, 2011. FY2011-FY2013 figures are from a DOD response to CRS request, February 17, 2012.

**Notes:** These data reflect non-budget quality estimates of DOD counternarcotics support provided or efforts in these nations/regions; DOD does not budget counternarcotics programs by regions/countries, but by program. These figures reflect both “direct” support to those countries (e.g., training, equipment, information sharing, infrastructure and other categories) and “indirect” support via DOD and other U.S. Government counterdrug operations with regard to those countries (e.g., transportation, communications, intelligence analysis, radar, air and maritime patrol, liaison personnel, and other categories) as well as operation of Forward Operating Locations.

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