

U.S.-Panama Security Cooperation

November 21, 2024

U.S. policymakers view Panama as critical to U.S. security and economic interests, in part due to the country's control of the Panama Canal and strategic location between North and South America and between the Atlantic and Pacific Oceans. Successive U.S. Administrations have sought to work with Panamanian authorities to address potential threats to U.S. interests, particularly those related to migration, drug trafficking, and security of the Panama Canal. U.S. and Panamanian officials participate in an annual High-Level Security Dialogue focused on joint border, citizen, cyber, and maritime security efforts; the most recent dialogue occurred in February 2024.

The Biden Administration affirmed its support for bilateral cooperation to new Panamanian President-elect José Raúl Mulino in May 2024, and U.S. military and homeland security officials have indicated support for pursuing continued security cooperation. Congress may assess the results of ongoing U.S.-Panama security efforts and consider whether to enhance cooperation with the Mulino administration as it appropriates funding and considers other potential legislation.

(See also CRS In Focus IF10430, *Panama: Country Overview and U.S. Relations*.)

Figure 1. Map of Panama



Source: CRS.

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Key Areas of Security Cooperation

Migration. Large-scale northward migration through the Darién Gap (see **Figure 1**), a stretch of dense rainforest along the Colombia-Panama border, has become a humanitarian and security concern for Panama and the broader region. Panamanian officials estimate more than 520,000 migrants entered through the Darién in 2023, more than 60% of whom were Venezuelan nationals fleeing political repression and economic crisis. Although total crossings into Panama for the period January to October 2024 were 37.5% lower than for the same period in 2023, the scale of migration has challenged Panama's National Border Service (SENAFRONT).

President Mulino campaigned on closing the Darién Gap to irregular migration and has demonstrated a willingness to expand U.S.-Panama cooperation to stem northward migration. On Mulino's inauguration day, his government signed a Memorandum of Understanding on Assistance and Cooperation in Migration Matters with U.S. Secretary of Homeland Security Alejandro Mayorkas. In the arrangement, the U.S. government committed to funding a foreign assistance program that supports safe, effective, and humane Panamanian repatriation operations for those without a legal basis to remain in Panama. The first repatriation flight took place on August 20, 2024, and migrants reportedly have been returned to their countries of origin. Panama and the United States also collaborate with Colombia to address irregular migration in the region.

Drug Trafficking. The Darién region and Caribbean coast of Panama are hubs for criminal activities, including drug trafficking. In September 2024, the Biden Administration renewed its inclusion of Panama on a list of countries designated as either major drug transit or illicit drug producing countries. The State Department's 2023 *International Narcotics Control Strategy Report* found that up to 40% of northward-bound cocaine produced in Colombia reportedly passes through Panama's exclusive economic zone.

Panama Canal. The United States uses the Panama Canal more than any country in the world, with 72% of canal transits going to or from U.S. ports. The canal is a key "security chokepoint" for U.S. Coast Guard and Department of Defense vessels. Traffickers also use shipping containers transiting the canal to smuggle drugs and illicit goods.

Various U.S. government agencies and departments work with Panamanian security forces to strengthen their capacity by training and equipping them with skills and technologies. Examples include the following:

- The Department of Homeland Security (DHS) supports Panama's use of the DHS Biometric Identification Transnational Migration Alert Program, which can provide migration trends and intelligence information to Panamanian officers.
- The State Department's Bureau of International Narcotics and Law Enforcement provides training, equipment, and logistical support to SENAFRONT and other security forces to improve interdiction practices, access remote areas, and enhance border controls.
- The 1st Security Force Assistance Brigade—a specialized U.S. Army unit supporting operations with allied and partner countries—maintains a presence in Panama, providing training and technical assistance for counternarcotics operations and maritime and border security programs.
- PANAMAX is a training exercise sponsored by U.S. Southern Command for U.S. and Panamanian forces—along with personnel from other partner countries—aimed at countering possible threats in the Panama Canal and ensuring the free flow of commerce.
- Panama participates in the U.S. National Guard State Partnership Program with the Missouri National Guard, supporting U.S. interests, including maintaining Panama Canal access and combatting drug and human trafficking.

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Foreign Assistance and Congressional Considerations

Congress oversees bilateral security ties with Panama and appropriates funding for State Department-managed security assistance and Defense Department-managed security cooperation programs.

For FY2022-FY2024, the Biden Administration requested \$1.2 million annually in bilateral security assistance for Panama and Congress opted not to specify funding levels for Panama in annual Department of State, Foreign Operations, and Related Programs (SFOPS) appropriations legislation (P.L. 117-103, P.L. 117-324, and P.L. 118-47). Instead, U.S. agencies implemented activities in Panama using a portion of the funds Congress appropriated for regional programs and global foreign assistance accounts. For example, U.S. agencies obligated at least \$54.3 million in FY2023. Panama receives additional U.S. economic and humanitarian assistance to support migration management efforts.

As Congress continues to debate FY2025 appropriations, it may consider whether to specify funding for particular activities in Panama. The Biden Administration requested \$1.2 million in bilateral security assistance funds for Panama. H.Rept. 118-554, accompanying the House-passed FY2025 SFOPS bill (H.R. 8771), would designate \$2 million in Foreign Military Financing for Panama. It also identifies Panama as among the Latin American countries that are “carrying heavy burdens” from migration crises and merit more U.S. support. The Senate-reported FY2025 SFOPS measure (S. 4797/S.Rept. 118-200) does not specify a bilateral funding level for Panama.

Congress may continue to monitor U.S.-Panama security cooperation and assess options for addressing potential threats. The Senate-reported version of a National Defense Authorization Act for FY2025 (S. 4638) would require the Secretary of Defense to submit a report to the Armed Services Committees on Panama Canal security (§1051) and would authorize the U.S. Armed Forces to engage in training with Panama’s national security forces through 2030 (§1210).

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