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# Nicaragua: In Brief

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### Background

Nicaragua, a Central American country with the second-lowest per capita income in the Western Hemisphere, is currently governed by the authoritarian regime of President Daniel Ortega (1984-1990, 2007-present) of the Sandinista National Liberation Front (FSLN) and his wife, Vice President Rosario Murillo. Ortega is currently serving in his fifth overall, and fourth consecutive, term in office. Social welfare programs enacted soon after Ortega returned to office in 2007 helped improve many Nicaraguans' standard of living, which appears to have bolstered public support for the FSLN and Ortega's subsequent efforts to consolidate power. In April 2018, however, government-approved tax reforms that included tax increases and a reduction of social security benefits sparked mass protests. Many world leaders, including the U.S. government, condemned the Ortega administration's repressive response to these protests, which resulted in over 300 dead, thousands injured, and hundreds detained and tortured.

The erosion of democracy under the Ortega-Murillo government has strained relations with the United States and raised congressional concerns. Congress may continue to monitor U.S. Administrations' approaches to Nicaragua and could consider legislative initiatives to guide U.S. policy.

### U.S. Policy

U.S. policy toward Nicaragua generally aims to promote the reestablishment of democratic practices, including free and fair elections, support for human rights, and attention to humanitarian needs. The Biden Administration, with support from Congress, has provided foreign assistance and enhanced U.S. sanctions against certain Nicaraguan officials in an effort to advance those policy goals. U.S. foreign assistance to Nicaragua primarily supports sectors of Nicaraguan civil society seeking to restore democratic governance. In FY2023, for example, the Biden Administration allocated an estimated \$17.2 million to Nicaragua, including \$15.0 million for democracy programs and \$2.2 million in health aid. For FY2025, the Biden Administration has requested \$15.0 million for democracy programs in Nicaragua. In an effort to curb antidemocratic practices and human rights abuses, the United States also has imposed numerous targeted sanctions, including asset-blocking sanctions and visa restrictions, on members of the Nicaraguan executive, legislature, and judiciary, along with others determined to be undermining democracy and threatening stability in Nicaragua.

The political and economic situation in Nicaragua has contributed to the country becoming a top source country for U.S.-bound migrants. In FY2022, U.S. Customs and Border Protection encountered nearly 164,000 Nicaraguans at the Southwest border. Enforcement encounters declined to 138,729 in FY2023, and 91,049 in FY2024, potentially due, in part, to the implementation of a new humanitarian parole program. That program was temporarily suspended, and then restarted, in August 2024.

### Legislative Action

In the 118<sup>th</sup> Congress, the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2024 (SFOPS; P.L. 118-47, Division F) appropriated "not less than" \$15 million for democracy and religious freedom programs in Nicaragua. For FY2025, the Biden Administration has requested \$15 million for democracy programs in Nicaragua. The funds would aim to "support and build the capacities of civil society, human rights activists, independent media, and other democratic actors to protect Nicaraguans' basic rights and freedoms." Some Members of the 118<sup>th</sup> Congress also have introduced various bills related to Nicaragua. For example, the Restoring Sovereignty and Human Rights in Nicaragua Act of 2023, introduced in the House (H.R. 6954) and the Senate (S. 1881), would reauthorize and amend the Nicaraguan Investment Conditionality Act of 2018 (NICA Act; P.L. 115-335) and the Reinforcing Nicaragua's Adherence to Conditions for Electoral Reform Act of 2021 (RENACER Act; P.L. 117-54), which expired in December 2023. Other bills introduced in the 118<sup>th</sup> Congress include the No Relief for Allies of Dictators Act of 2023 (S. 1129), which would revoke current visas and restrict the issuance of new visas for individuals associated with certain Latin American governments, including the Ortega government in Nicaragua. Congress may continue to shape U.S. policy toward Nicaragua through oversight and legislative efforts.

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## Domestic Overview

Nicaragua has a long history of authoritarian governance. Members of the Somoza family ruled the country for more than four decades (1936-1979), until dictator Anastasio Somoza was ousted in 1979 by a coalition of forces led by the leftist Sandinista National Liberation Front (FSLN). Although the broad anti-Somoza coalition included business groups and other moderate factions in addition to the FSLN, the FSLN quickly consolidated its control over the government. The FSLN government pursued increasingly radical policies, establishing military ties with Cuba and the Soviet Union, redistributing land and wealth, postponing elections, and restricting civil liberties.<sup>1</sup> In 1982, opponents of the Sandinistas, known as the *contras*, launched an eight-year insurgency (1982-1990) against the government with the support of the United States.

Daniel Ortega, an FSLN leader and coordinator of the post-Somoza ruling junta, was elected to an initial six-year presidential term in 1984. He lost a bid for reelection in 1990, and power changed hands peacefully between non-Sandinista presidents following free and fair elections in 1996 and 2001. Ortega was reelected president in 2006 elections that many observers judged to be free and fair.

Many analysts assess that since returning to power in 2007, Ortega's FSLN government has increasingly manipulated democratic processes and concentrated power within Ortega's family.<sup>2</sup> The Department of State and other observers deemed Ortega's 2011 and 2016 elections to be "seriously flawed."<sup>3</sup> Observers widely condemned Ortega's most recent presidential election in 2021 (leading to his fifth overall and fourth consecutive term) as illegitimate due to the exclusion of all viable opposition candidates and parties.<sup>4</sup> Ortega's wife, Rosario Murillo, serves as the government's chief spokesperson and has been vice president since 2017; several of Ortega and Murillo's adult children are government officials. Nicaragua is scheduled to hold national elections in 2026.

During Ortega's initial presidential terms, the government's social welfare programs helped improve many Nicaraguans' standard of living, contributing to a strong support base for the FSLN that benefited Ortega's efforts to consolidate power. In 2018, however, government-approved tax reforms that included tax increases and a reduction of social security benefits sparked mass protests.<sup>5</sup> Many governments in the region, including that of the United States,

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<sup>1</sup> CRS Issue Brief IB82115, *Nicaragua: Conditions and Issues for U.S. Policy*, by Nina M. Serafino, February 21, 1990. Available to congressional clients upon request.

<sup>2</sup> Carter Center, *Study Mission Report: The November 2011 Elections in Nicaragua*, [https://www.cartercenter.org/resources/pdfs/peace/Americas/Nicaragua\\_2011\\_report\\_post.pdf](https://www.cartercenter.org/resources/pdfs/peace/Americas/Nicaragua_2011_report_post.pdf). See also Lesley Wroughton and Enrique Pretel, "U.S. Expresses Concern over Nicaragua's 'Flawed' Election," Reuters, November 7, 2016.

<sup>3</sup> U.S. Department of State, "Response to Elections in Nicaragua," November 10, 2011; U.S. Department of State, "Nicaraguan Elections," November 7, 2016.

<sup>4</sup> In 2009, the Sandinista National Liberation Front- (FSLN-) controlled Supreme Court issued a ruling allowing Ortega to run for reelection despite a constitutional prohibition. In 2013, Nicaragua's National Assembly approved constitutional changes that eliminated presidential term limits. See Organization of American States, CP/RES. 1182 (2346/21), "The Situation in Nicaragua," October 20, 2021, and Organization of American States AG/RES. 2978 (LI-O/21), "The Situation in Nicaragua," November 12, 2021.

<sup>5</sup> Inter-American Commission on Human Rights (IACHR), "IACHR Expresses Concern over Deaths in the Context of Nicaraguan Protests," April 24, 2018.

condemned the Ortega administration's repressive response, which resulted in over 300 dead, thousands injured, and hundreds detained and tortured.<sup>6</sup>

Despite domestic and international calls for greater social and political freedoms in Nicaragua, the Ortega administration has continued to engage in practices deemed by many governments, including that of the United States, antidemocratic and repressive. According to the autonomous Inter-American Commission on Human Rights, "Nicaragua has become a police state" with "no system of checks and balances, since all institutions respond to the decisions of the executive branch."<sup>7</sup> Between April 2018 and August 2024, the Ortega government canceled the legal status of more than 5,000 nongovernmental organizations focused on issues such as human rights, medical care and resources, religion, education, and civil and social matters.<sup>8</sup> The government also reportedly has closed some 37 universities since 2021, including the Jesuit-run University of Central America, seized in August 2023.<sup>9</sup> More than 700,000 Nicaraguans reportedly have emigrated for political and economic reasons since 2018.<sup>10</sup> Some of those migrants have sought asylum in neighboring Costa Rica, and some have sought entry into the United States.<sup>11</sup> Most recently, the Nicaraguan parliament approved the Ortega administration proposed constitutional reform of ascending the vice-president's position to "co-president," among other changes—a second vote, taking place in 2025, is needed if the reform is to become a law.<sup>12</sup>

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<sup>6</sup>Heather Nauert, Acting Under Secretary for Public Diplomacy and Public Affairs and Department of State Spokesperson, "Escalation of Violence in Nicaragua," U.S. Department of State, July 16, 2018. Argentina, Brazil, Colombia, Costa Rica, Ecuador, Guatemala, Honduras, Mexico, Panama, Paraguay, Peru, and Uruguay issued a joint statement against the 2018 acts of violence in Nicaragua. See, for example, Gobierno de Chile, Ministerio de Relaciones Exteriores, "Declaración Especial sobre la situación en la República de Nicaragua," July 16, 2018. See also U.S. Department of State, *2019 Country Reports on Human Rights Practices, Nicaragua*, March 11, 2020.

<sup>7</sup>"Nicaragua: Alarming Erosion of Freedom and Academic Autonomy," United Nations News, November 8, 2024

<sup>8</sup>Reuters, "In Latest Purge, Nicaragua Outlaws 1,500 Civil Society Groups," August 19, 2024.

<sup>9</sup>IACHR, *Annual Report 2023*, p. 704.

<sup>10</sup>Manuel Orozco, "A Foreign Policy Problem: Ten Facts about Migration to the U.S., May 2024," Inter-American Dialogue, June 5, 2024.

<sup>11</sup>Ibid.

<sup>12</sup>Gabriela Selser, "Nicaraguan Lawmakers Approve Reform Expanding Ortega's Power," Reuters, November 22, 2024.

**Figure 1. Nicaragua at a Glance**



LEADERSHIP	<b>President:</b> Daniel Ortega (Sandinista National Liberation Front) <b>Vice President:</b> Rosario Murillo-Ortega
GEOGRAPHY	<b>Area:</b> 46,883 square miles (slightly smaller than Mississippi)
PEOPLE	<b>Population:</b> 6.75 (2024, est.) <b>Religious Identification:</b> 50% Catholic, 41% Protestant, 6% Unaffiliated, 3% Other <b>Life Expectancy:</b> 74.8 years (2023)
ECONOMY	<b>Gross Domestic Product (GDP):</b> \$19.41 billion (2024 est.) <b>GDP per Capita:</b> \$2,880 (current prices, 2024 est.) <b>Real GDP Growth:</b> -1.8% (2020); 10.3% (2021); 3.8% (2022); 4.6% (2023); 4.0% (2024, est.) <b>Key Trading Partners:</b> <i>Exports:</i> United States (50.2%), Mexico (13.7%), El Salvador (6.5%) (2023). <i>Imports:</i> United States (24.8%), China (12.7%), Mexico (9.4%) (2023) <b>Top Exports:</b> apparel, precious metals and stones, electrical machinery and equipment, meat, coffee and tea <b>Poverty Rate:</b> 12.5% (2023; measured at \$3.65 per day based on purchasing power parity [2017])

**Sources:** Population, GDP, GDP per capita, and real GDP growth from the International Monetary Fund. Religious identification data from the Pew Research Center. Life expectancy data from the Pan American Health Organization. Trade data from Nicaragua Ministry of Finance and Investments and UN Comtrade (January 2021-present) via Trade Data Monitor. Poverty rate from the World Bank. Map created by CRS.

## Tensions with the Catholic Church

Although Nicaragua is a predominately Catholic country (see **Figure 1**), Ortega has taken an increasingly hard line against the Catholic Church as clergy and other members of Nicaragua’s Catholic community have criticized his government for democratic backsliding and human rights violations. Among other statements, Ortega reportedly has referred to priests as “killers,” “terrorists,” and “coup plotters” and has accused the clergy of working on behalf of “American

imperialism.”<sup>13</sup> Ortega also reportedly described the Catholic Church as the “perfect dictatorship,” given that the pope is not democratically elected.<sup>14</sup> At the same time, “the Ortega regime has turned to Evangelical pastors to rally support, exploiting tensions between them and the Catholic leadership,” according to the nongovernmental organization Freedom House.<sup>15</sup>

According to the U.S. Department of State’s *Nicaragua 2023 International Religious Freedom Report*, “A civil rights lawyer and researcher documented 667 acts of aggression against the Catholic Church and 70 against the evangelical community from April 2018 through August 2023, including arrests, detentions, robberies, desecrations, increased police and parapolice surveillance, and bans on religious processions.”<sup>16</sup> In 2023, Ortega ordered the closure of the Vatican embassy in the capital city of Managua.<sup>17</sup> In December 2023, pursuant to the International Religious Freedom Act of 1998 (P.L. 105-292), the U.S. Secretary of State designated Nicaragua as a “country of particular concern” for “having engaged in or tolerated particularly severe violations of religious freedom.”<sup>18</sup>

## Political Prisoners

According to the Mechanism for the Recognition of Political Prisoners, a federation of Nicaraguan human rights organizations, as of November 2024, 46 political prisoners reportedly remained detained in Nicaragua.<sup>19</sup> The U.S. Department of State reported that in 2023, political prisoners in Nicaragua were “severely undernourished, given no access to sunlight, and denied adequate healthcare services.”<sup>20</sup> According to the Department of State, human rights organizations also reported accounts of political prisoners “being beaten, threatened, held in solitary confinement for weeks, and suffering from poor ventilation and poisoned or contaminated food and water.”<sup>21</sup>

In February 2023, the Ortega administration released 222 political prisoners to the United States. According to the Department of State, the Ortega government “forc[ed the prisoners] to choose between immediate exile from the country or a return to prison—and subsequently stripped them of their nationality after they left the country.”<sup>22</sup> U.S. Secretary of State Antony J. Blinken asserted that the release was “a constructive step towards addressing human rights abuses in the country and opens the door to further dialogue between the United States and Nicaragua regarding issues of concern.”<sup>23</sup> President Ortega, however, maintained that the release was not the

<sup>13</sup> Al Jazeera, “Nicaragua Leader Calls Catholic Church a ‘Dictatorship,’” September 29, 2022; AP News, “Explainer: Tension Between Nicaragua and the Catholic Church,” August 12, 2022.

<sup>14</sup> Al Jazeera, “Nicaragua Leader Calls Catholic Church a ‘Dictatorship,’” September 29, 2022.

<sup>15</sup> Freedom House, *Freedom in the World 2022, Nicaragua*.

<sup>16</sup> U.S. Department of State, *Nicaragua 2023 International Religious Freedom Report*, May 2024.

<sup>17</sup> Philip Pulella, “Nicaragua Closes Vatican Embassy in Managua, Nicaraguan Embassy to Vatican,” Reuters, March 12, 2023.

<sup>18</sup> U.S. Department of State, “Secretary of State’s Determinations Under the International Religious Freedom Act of 1998 and Frank R. Wolf International Religious Freedom Act of 2016,” January 22, 2024.

<sup>19</sup> Mecanismo Para EL Reconocimiento de Personas Presas Políticas, “Lista Personas Presas Políticas Nicaragua, press release, November 7, 2024, see <https://presasypresospoliticosnicaragua.org/wp-content/uploads/2024/11/Personas-Presas-Politicas-Nicaragua-October-2024.pdf>.

<sup>20</sup> U.S. Department of State, *Nicaragua 2023 Human Rights Report*, February 2024.

<sup>21</sup> Ibid.

<sup>22</sup> U.S. Department of State, “Release of Political Prisoners from Nicaragua,” press statement, February 9, 2023; U.S. Department of State, *2023 Country Report on Human Rights Practices: Nicaragua*, April 22, 2024.

<sup>23</sup> U.S. Department of State, “Release of Political Prisoners from Nicaragua,” press statement, February 9, 2023.

result of past negotiations and did not portend future negotiations with the United States.<sup>24</sup> A week after the prisoner release, the Nicaraguan government stripped an additional 94 political opponents of their citizenship, describing them as “traitors to their homeland.”<sup>25</sup>

In September 2024, the Biden Administration secured the release of 135 political prisoners to Guatemala on humanitarian grounds.<sup>26</sup> Following the prisoners’ release, the Ortega-Murillo government stripped their citizenship and confiscated their property.<sup>27</sup> According to the Department of State, “these freed Nicaraguan citizens, will now have the opportunity to apply for lawful pathways to resettle to the United States or elsewhere and begin the process of rebuilding their lives.”<sup>28</sup> The prisoner release came two days after the Nicaraguan penal code had been reformed.

## Economy

According to the U.S. Agency for International Development, Nicaragua is the second-poorest country in the Western Hemisphere.<sup>29</sup> Nicaragua’s open economy depends largely on agriculture, light manufacturing, and remittances from migrant workers abroad.<sup>30</sup> The Ortega administration generally has maintained market-oriented economic policies, and annual gross domestic product (GDP) growth averaged 4.2% from 2007 to 2017, according to the International Monetary Fund (IMF). Nicaragua’s GDP contracted by 1.8% in 2020, and unemployment nearly doubled from 6.2% in 2019 to an estimated 10.3% in 2021. Economists attributed the economic downturn to the country’s political conditions and the effects of the Coronavirus Disease 2019 pandemic and two major hurricanes.<sup>31</sup>

The Nicaraguan economy began to recover with 10.3% growth in 2021, followed by 3.8% growth in 2022 and 4.6% growth in 2023. The IMF projects growth will slow to 4.0% in 2024; high consumer price inflation and interest rates, limited public sector expenditures, and slowing remittances from migrant workers abroad reportedly are contributing to the slowdown.<sup>32</sup>

## Foreign Policy

Since 2018, the Ortega administration has pursued an increasingly isolationist foreign policy, distancing itself from the United States and other governments in the region that have criticized Ortega and his government. At the same time, Nicaragua has sought to strengthen bilateral ties with governments in the Western Hemisphere that U.S. presidential Administrations have deemed

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<sup>24</sup> Carlos S. Maldonado, “Daniel Ortega: ‘No Negotiation’ with U.S. over Release of Political Prisoners,” *El País*, February 10, 2023.

<sup>25</sup> U.S. Department of State, “Nicaragua’s Move to Strip Citizenship from 94 Political Opponents,” press statement, February 16, 2023; Gabriela Selser, “Nicaragua Strips Citizenship from 94 Political Opponents,” Associated Press, February 15, 2023.

<sup>26</sup> White House, “Statement from National Security Advisor Jake Sullivan on the Release of Political Prisoners in Nicaragua,” press release, September 5, 2024.

<sup>27</sup> Gabriela Selser, “Nicaragua Strips Citizenship from 135 Prisoners Released to Guatemala,” Associated Press, September 10, 2024.

<sup>28</sup> U.S. Department of State, “Release of Political Prisoners from Nicaragua to Guatemala,” press statement, September 5, 2024.

<sup>29</sup> U.S. Agency for International Development, “Nicaragua,” accessed August 22, 2024.

<sup>30</sup> Economist Intelligence Unit, *One-Click Report: Nicaragua*, August 1, 2024.

<sup>31</sup> International Monetary Fund, “Nicaragua,” accessed August 19, 2024, <https://www.imf.org/en/Countries/NIC>.

<sup>32</sup> *Ibid.*



autocratic and largely antidemocratic, including those in Venezuela and Cuba. After Venezuela's contested July 2024 election, Ortega and Murillo were one of four leaders in the region to extend formal congratulations to Venezuelan President Nicolás Maduro.<sup>33</sup> Ortega also has pursued closer ties with the governments of China, Russia, and Afghanistan; all governments that U.S. Administrations have condemned for human rights violations and for violating other international norms (see sections below).

The Ortega administration has sought to balance a more isolationist foreign policy with attempts to maintain good relations with neighboring countries and some regional organizations, such as the Central American Bank for Economic Integration, which provides financial resources to Nicaragua.<sup>34</sup> The Ortega administration generally maintains good relations with neighboring countries in Central America, although disagreements over some issues have strained ties at times.<sup>35</sup> For example, in Costa Rica in 2019, the Migration Authority Refugee Unit, within the Directorate General of Immigration and Nationality, was overburdened by the sharply rising number of persons requesting asylum or refugee status since 2018, with the majority originating from Nicaragua due to protests and subsequent repression. More recently, Guatemalan President Bernardo Arévalo stated that “we [Guatemala] do not approve of the repressive policies that are being exercised [in Nicaragua].”<sup>36</sup>

## Relations with China

Nicaragua initially established diplomatic ties with the People's Republic of China (PRC, or China) in 1985 during Ortega's first presidential term, severing diplomatic ties with Taiwan. In 1990, a new Nicaraguan government reversed the Ortega administration's policy and reestablished diplomatic ties with Taiwan. This policy remained in place until 2021, when the Ortega administration reestablished diplomatic ties with the PRC. Analysts speculate that Nicaragua's increasing isolation from regional and global partners could have played a role in the decision.<sup>37</sup>

Upon restoring ties with China, Nicaraguan authorities seized the former Taiwanese embassy and diplomatic offices. Taiwanese diplomats reportedly attempted to donate the properties to the Roman Catholic archdiocese of Managua, but the Nicaraguan government declared that the properties “belong to China.”<sup>38</sup> Nicaragua and the PRC have since signed various bilateral agreements, including a new free-trade agreement that went into effect in January 2024. In July 2024, the Nicaraguan government—represented by Daniel Ortega's son, Laureano Ortega Murillo—signed a number of additional bilateral agreements with the PRC, including a memorandum of understanding for development cooperation for 2025-2027.<sup>39</sup>

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<sup>33</sup> *Confidencial*, “Dictaduras felicitan a Maduro, mientras países democráticos rechazan ‘fraude,’” July 29, 2024.

<sup>34</sup> Desmond Butler, Paulina Villegas, and Erin Patrick O'Connor, “As Repression in Nicaragua Deepened, One Bank Kept the Money Flowing,” *Washington Post*, August 22, 2024.

<sup>35</sup> U.S. Department of State, “Costa Rica 2023 Human Rights Report,” in *2023 Country Reports on Human Rights Practices*, April 22, 2024.

<sup>36</sup> *Confidencial*, “Bernardo Arévalo: ‘We Do Not Approve of Repressive Policies’ in Nicaragua,” October 30, 2023.

<sup>37</sup> Dánae Vilchez, “Nicaragua's Flip from Taiwan to China Has Yet to Pay Off,” *Americas Quarterly*, July 24, 2024.

<sup>38</sup> Associated Press, “Nicaragua Seizes Former Taiwan Embassy to Give It to China,” December 27, 2021.

<sup>39</sup> *Tico Times*, “Nicaragua's Ortega Empowers Son to Forge China Agreements,” July 10, 2024.

## Relations with Russia

President Ortega also has sought to revitalize Nicaragua-Russia relations, which were particularly close under the Soviet-backed Sandinista government that held power from the 1979 revolution until 1990. Nicaragua is considered one of Russia's core partners in Central America and has defended Russia's invasion of Ukraine. Russia is the leading arms supplier to Nicaragua;<sup>40</sup> According to the U.S. Department of Commerce's Bureau of Industry and Security, "since 2016, [specifically,] Russia has supplied Nicaragua with military equipment and technology that provides surveillance capabilities, including satellite monitoring of telecommunications."<sup>41</sup>

Since 2017, the Training Center of the Russian Ministry of Internal Affairs (RTC) has been operating in Managua and training members of the Nicaraguan National Police (NNP). According to the U.S. Department of the Treasury, "the RTC's support of the NNP helps maintain the cycle of violent oppression in Nicaragua."<sup>42</sup> In 2022, the Nicaraguan congress renewed a decree that reportedly "authorized Russian troops, planes and ships to deploy to Nicaragua for purposes of training, law enforcement or emergency response" and would allow Russian forces to continue training in Nicaragua for the next decade.<sup>43</sup> The U.S. Department of the Treasury's Office of Foreign Assets Control imposed sanctions on the RTC in May 2024 pursuant to Executive Order (E.O.) 13851, as amended (see "U.S. Sanctions," below).

## U.S.-Nicaraguan Relations

The United States has sought to strengthen democratic institutions and practices in Nicaragua since Nicaragua initiated a transition to democracy in 1990. Current U.S. policy toward Nicaragua remains focused on promoting the reestablishment of democratic practices, including free and fair elections, support for human rights, and attention to humanitarian needs. The Biden Administration, with support from Congress, has provided foreign assistance and imposed U.S. sanctions on certain Nicaraguan officials in an effort to advance those policy goals. The 118<sup>th</sup> Congress has conducted oversight of U.S. policy toward Nicaragua and introduced legislation to curb the Ortega administration's antidemocratic backsliding.

## Foreign Assistance

The United States provides foreign assistance to Nicaragua, primarily to support democracy and sectors of Nicaraguan civil society. The Biden Administration allocated \$16.9 million for foreign assistance programs in Nicaragua in FY2022 and an estimated \$17.2 million in FY2023.<sup>44</sup> The FY2023 estimate includes \$15 million in Development Assistance (DA) for democracy programs

<sup>40</sup> U.S. Department of the Treasury, "Treasury Sanctions Nicaragua-Based Russian Institution and Gold Companies," May 15, 2024; Central Intelligence Agency, *World Factbook*, "Nicaragua, Military and Security," July 30, 2024.

<sup>41</sup> U.S. Department of Commerce, Bureau of Industry and Security, "Revisions to Export, Reexport, and Transfer (In-Country) Controls for Nicaragua Under the Export Administration Regulations," 89 *Federal Register* 18781, March 15, 2024.

<sup>42</sup> U.S. Department of the Treasury, "Treasury Sanctions Nicaragua-Based Russian Institution and Gold Companies," May 15, 2024.

<sup>43</sup> Ismael Lopez, "Nicaragua Congress Renews Russian Training Exercise Approval," Reuters, June 14, 2022; Associated Press, "Nicaragua Authorizes Entry of Russian Troop, Planes, Ships," June 11, 2022.

<sup>44</sup> U.S. Department of State, *Congressional Budget Justification, Department of State, Foreign Operations, and Related Programs, Supplementary Tables, Fiscal Year 2024*, April 2023; U.S. Department of State, *Congressional Budget Justification, Department of State, Foreign Operations, and Related Programs, Supplementary Tables, Fiscal Year 2025*, April 2024.

and \$2.2 million for Global Health Programs (see **Table 1**). The Department of State, Foreign Operations and Related Programs Appropriations Act, 2024 (SFOPS; P.L. 118-47, Division F), appropriated “not less than” \$15 million for democracy and religious freedom programs in Nicaragua.

For FY2025, the Biden Administration has requested \$15 million in DA for democracy programs in Nicaragua.<sup>45</sup> The funds would aim to “support and build the capacities of civil society, human rights activists, independent media, and other democratic actors to protect Nicaraguans’ basic rights and freedoms.”<sup>46</sup> The request includes

- \$3.0 million to advance democratic institutions and values in Nicaragua through advisory services to prodemocratic groups and actors;
- \$9.5 million to support civil society organizations, including youth-led groups, to promote civic engagement and democratic culture in preparation for a return to democracy; and
- \$2.5 million to support independent media by supporting access to equipment, content production, and networks of in-country journalists and citizen reporters working with media outlets in exile.<sup>47</sup>

Congress has not concluded action on FY2025 appropriations. The House-passed version of the FY2025 Department of State, Foreign Operations, and Related Programs (SFOPS) bill, H.R. 8771, would appropriate “not less than” \$15 million for democracy and religious freedom programs in Nicaragua. The SFOPS bill reported in the Senate, S. 4797, would not stipulate a funding level for Nicaragua.

**Table 1. U.S. Foreign Assistance to Nicaragua by Account: FY2018-FY2024**

(appropriations in thousands of current U.S. dollars)

Account	FY2019	FY2020	FY2021	FY2022	FY2023 (Estimate)	FY2024 (Enacted)	FY2025 (Requested)
DA	11,610	10,000	10,000	15,000	15,000	15,000	15,000
ESF			1,000 <sup>a</sup>				
GHP (State)		1,323	1,592	1,960	2,209		
<b>Total</b>	<b>11,610</b>	<b>11,323</b>	<b>12,592</b>	<b>16,960</b>	<b>17,209</b>	<b>15,000</b>	<b>15,000</b>

**Sources:** U.S. Department of State, Congressional Budget Justification, Department of State, Foreign Operations, and Related Programs, Supplementary Tables, Supplementary Tables—Foreign Operations, for FY2020-FY2025.

**Notes:** DA = Development Assistance; ESF = Economic Support Fund; GHP = Global Health Programs.

a. Supplemental assistance allocated for Nicaragua from funds appropriated in the American Rescue Plan Act of 2021 (P.L. 117-2).

<sup>45</sup> U.S. Department of State, *Congressional Budget Justification, Department of State, Foreign Operations, and Related Programs, Supplementary Tables, Fiscal Year 2025*, April 2024.

<sup>46</sup> U.S. Department of State, *Congressional Budget Justification, Foreign Operations, Appendix 2, Fiscal Year 2025*, April 2024.

<sup>47</sup> Ibid.

## U.S.-Bound Migration

Many analysts assess that Nicaragua's loose entry requirements make it an attractive transit country for irregular migration to the United States.<sup>48</sup> From May 2023 to May 2024, more than 1,000 charter flights—mainly from Haiti and Cuba—reportedly arrived in Nicaragua carrying migrants who allegedly paid representatives of the Nicaraguan government for passage, often without a paper trail.<sup>49</sup> Planes reportedly also carried passengers from the Dominican Republic, El Salvador, Suriname, Libya, Morocco, Uzbekistan, India, and Tajikistan, among other countries.<sup>50</sup> These charter flights to Managua could ease the journey to the U.S.-Mexico border for many, enabling migrants to avoid the treacherous journey through the Darién Gap, located between Panama and Colombia. Some observers estimate that in 2023, the Ortega administration collected approximately \$43.5 million in fees (i.e., landing fees, entry fees) from third-country migrants destined for the United States, accounting for 64.3% of the revenues received by Nicaragua's General Directorate of Migration and Immigration.<sup>51</sup>

Nicaragua is a source country for U.S.-bound migrants. In FY2022, U.S. Customs and Border Protection encountered nearly 164,000 Nicaraguans at the Southwest border. Enforcement encounters declined to 138,729 in FY2023, and 91,049 in FY2024, potentially, potentially due, in part, to the implementation of a new humanitarian parole program—Processes for Cubans, Haitians, Nicaraguans, and Venezuelans (CHNV).<sup>52</sup> From January 2023 to June 2024, more than 96,000 Nicaraguans were vetted and authorized for travel and 86,101 Nicaraguans arrived lawfully in the United States and were granted parole under the CHNV program.<sup>53</sup> In early August 2024, the Biden Administration temporarily suspended the CHNV program due to fraud concerns, but the Administration restarted the program at the end of the month.<sup>54</sup> Congress may assess these developments as part of its ongoing oversight of U.S. immigration policy.

## Sanctions

U.S. sanctions policy toward Nicaragua aims to curb democratic backsliding and eliminate human rights abuses. Currently, the U.S. government maintains asset-blocking sanctions; U.S. visa restrictions; and trade, export, investment, and finance controls on Nicaragua. The Trump and Biden Administrations have imposed targeted sanctions on members of the Nicaraguan executive, legislature, judiciary, and others for undermining democracy and other infractions, particularly since the second half of 2018. As of December 2024, the Department of the Treasury had imposed asset-blocking sanctions on 47 individuals and 15 entities pursuant to the Nicaragua sanctions

<sup>48</sup> Wilfredo Miranda Aburto, "Nicaragua's Daniel Ortega Profits Handsomely from Vulnerable Haitian Migrants," *El País*, November 8, 2023.

<sup>49</sup> Wilfredo Miranda Aburto, "Ortega Regime Turns Nicaragua into Gateway for Irregular Migration to the United States," *El País*, June 22, 2024; Megan Janetsky, "Nicaragua Is 'Weaponizing' U.S.-Bound Migrants as Haitians Pour in on Charter Flights, Observers Say," Associated Press, October 24, 2023; Wilfredo Miranda Aburto, "Nicaragua's Daniel Ortega Profits Handsomely from Vulnerable Haitian Migrants," *El País*, November 8, 2023.

<sup>50</sup> Wilfredo Miranda Aburto, "Ortega Regime Turns Nicaragua into Gateway for Irregular Migration to the United States," *El País*, June 22, 2024.

<sup>51</sup> *Ibid.*

<sup>52</sup> U.S. Citizenship and Immigration Services (USCIS), "Completing an Unprecedented 10 Million Immigration Cases in Fiscal Year 2023, USCIS Reduced Its Backlog for the First Time in over a Decade, February 9, 2024, at <https://www.uscis.gov/EOY2023>.

<sup>53</sup> U.S. Customs and Border Protection (CBP), "CBP Releases August 2024 Monthly Update," September 16, 2024.

<sup>54</sup> Elliot Spagat, "U.S. Homeland Security Halts Immigration Permits from 4 Countries amid Concern About Sponsorship Fraud," Associated Press, August 2, 2024. See also U.S. Citizenship and Immigration Services, "Processes for Cubans, Haitians, Nicaraguans, and Venezuelans," <https://www.uscis.gov/CHNV>.

program.<sup>55</sup> Sanctioned individuals include Vice President Murillo; four Ortega-Murillo children; and numerous other government officials, including the national security adviser, defense minister, commander in chief of the Nicaraguan army, and vice minister of finance and public credit. Entities designated for economic restrictions include the Government of Nicaragua, the NNP, the Nicaraguan Petroleum Distributor, the state-owned mining company *Empresa Nicaraguense de Minas*, the General Directorate of Mines, and the Russian police training center in Nicaragua.

In November 2018, then-President Donald Trump issued E.O. 13851, which declared a national emergency to address the threat to U.S. national security and foreign policy posed by “the Ortega regime’s systematic dismantling and undermining of democratic institutions and the rule of law, its use of indiscriminate violence and repressive tactics against civilians, as well as its corruption leading to the destabilization of Nicaragua’s economy.”<sup>56</sup> E.O. 13851 directed the Secretary of the Treasury, in consultation with the Secretary of State, to impose asset-blocking sanctions on persons contributing to democratic backsliding in Nicaragua; the order also suspended sanctioned individuals’ entry into the United States.

In October 2022, President Joe Biden issued E.O. 14088, which amended E.O. 13851 to address corrupt and/or antidemocratic actions related to the mining sector.<sup>57</sup> E.O. 14088 expands U.S. authorities to impose sectoral sanctions, further restrict trade, impose export controls on certain items, and limit new investment in sectors of the Nicaraguan economy, including the gold sector. The United States also has used sanctions authorities such as the Global Magnitsky Human Rights Accountability Act (P.L. 114-328, Title XII, Subtitle F, as implemented through E.O. 13818) to designate Nicaraguan individuals.<sup>58</sup>

### Arms Export Restrictions

On March 14, 2024, the Biden Administration added Nicaragua to the list of countries subject to a U.S. arms embargo under the International Traffic in Arms Regulations. The Administration imposed restrictions on the import and export of U.S.-origin defense articles and defense services destined for or originating in Nicaragua. Consistent with the U.S. Department of State’s arms embargo, the U.S. Bureau of Industry and Security (BIS) also amended the Export Administration Regulations to apply additional restrictions on certain dual-use exports, reexports to, and in-country transfers within Nicaragua. BIS cited increased human rights abuses and concerns in Nicaragua. Nicaragua also was added to the list of countries subject to stringent licensing policies outlined in U.S.C. § 742.4, “National Security,” the U.S. policy “that restrict[s] the export and reexport of items that would make a significant contribution to the military potential of any other destination or combination of destinations that would prove detrimental to the national security of the United States.”

**Sources:** U.S. Department of Commerce, Bureau of Industry and Security (BIS), “Revisions to Export, Reexport, and Transfer (In-Country) Controls for Nicaragua Under the Export Administration Regulations,” March 15, 2024 and U.S. Arms Restrictions on Nicaragua, press statement, March 14, 2024.

The Biden Administration has sought to counter exploitative migration practices in Nicaragua by imposing visa restrictions on individuals and companies involved in such practices. In November 2023, the Department of State launched a new visa restriction policy “targeting individuals

<sup>55</sup> Office of Foreign Assets Control, Specially Designated Nationals and Blocked Persons List, accessed December 2, 2024.

<sup>56</sup> President Donald Trump, “Executive Order 13851 of November 27, 2018, Blocking Property of Certain Persons Contributing to the Situation in Nicaragua,” 83 *Federal Register* 61505, November 29, 2018.

<sup>57</sup> President Joseph Biden, “Executive Order 14088 of October 24, 2022, Taking Additional Steps to Address the National Emergency with Respect to the Situation in Nicaragua,” 87 *Federal Register* 64685, October 24, 2022.

<sup>58</sup> Three Nicaraguans are currently designated under the Global Magnitsky sanctions program. U.S. Department of the Treasury, Office of Foreign Assets Control, “Sanctions List Search,” accessed August 9, 2024, <https://sanctionssearch.ofac.treas.gov/>.

running charter flights into Nicaragua designed primarily for irregular migrants.”<sup>59</sup> The Department of State expanded the visa restriction policy in February 2024 to target “owners, executives, and senior officials of charter flight, ground, and maritime transportation companies providing transportation services designed for use primarily by persons intending to migrate irregularly to the United States.”<sup>60</sup> In June 2024, the United States imposed visa restrictions on an unnamed “executive of a charter flight transportation company for facilitating irregular migration to the United States via Nicaragua from outside the Western Hemisphere.”<sup>61</sup>

Some Nicaragua-related sanctions authorities established by Congress through the Nicaragua Human Rights and Anticorruption Act of 2018 (P.L. 115-335) and the United States-Northern Triangle Enhanced Engagement Act (P.L. 116-260, Division FF, Section 353), as amended by the Reinforcing Nicaragua’s Adherence to Conditions for Electoral Reform Act of 2021 (RENACER Act; P.L. 117-54) expired in December 2023. These included provisions for certain targeted asset-blocking sanctions, visa restrictions, and limitations on the use of U.S. funds for international financial institution-provided assistance for Nicaragua.<sup>62</sup> The incoming U.S. Administration may continue to impose asset-blocking sanctions and/or visa restrictions on Nicaraguan individuals and entities under E.O. 13851, E.O. 14088, the Immigration and Nationality Act, and the Global Magnitsky sanctions program, among other authorities.

## Congressional Action

Some Members of Congress have criticized antidemocratic practices and human rights violations perpetrated by the Ortega government and have expressed broader concern about negative repercussions for U.S. interests in the region, especially with respect to migration and relations with U.S. adversaries and competitors. The 118<sup>th</sup> Congress has used various tools to seek to bolster democratic practices and advance U.S. interests in relations with Nicaragua, including introducing legislation, holding Nicaragua-related hearings, and conducting oversight of Administration policies. Congress may opt to continue shaping U.S. policy toward Nicaragua through oversight and legislative. On a bipartisan basis, some Members of Congress have called on the U.S. government to use all available tools to curb the Ortega government’s human rights violations, religious repression, and antidemocratic actions, among other stated infractions.<sup>63</sup> In a February 2024 letter to Secretary of State Blinken, nine Senators expressed the following,

It is clear that such efforts [the release of political prisoners and targeted sanctions] alone have been insufficient to deter an ongoing, systemic pattern of state repression targeting all opposition actors in the country. Amid other worsening conflicts around the globe, it is imperative that the United States continue to expose the atrocities committed by the Ortega-Murillo regime and ensure the plight of the Nicaraguan people is not forgotten. To this end,

<sup>59</sup> U.S. Department of State, “Visa Restriction Policy for Flight Operators Facilitating Irregular Migration,” press statement, November 21, 2023.

<sup>60</sup> U.S. Department of State, “New Visa Restriction Policy for Transportation Operators Facilitating Irregular Migration to the United States,” February 21, 2024.

<sup>61</sup> U.S. Department of State, “Visa Restrictions on Executive of a Charter Flight Company Facilitating Irregular Migration to the U.S.,” June 13, 2024.

<sup>62</sup> The Reinforcing Nicaragua’s Adherence to Conditions for Electoral Reform Act of 2021 (P.L. 117-54) amended the Nicaragua Human Rights and Anticorruption Act of 2018 (P.L. 115-335) to read as the Nicaragua Investment Conditionality Act of 2018.

<sup>63</sup> See, for example, U.S. Representative Chris Smith, “Smith, Salazar Introduce New Legislation with Robust Economic Sanctions to Combat Ortega’s Crackdown on Religious Freedom in Nicaragua,” January 11, 2024. See also Senate Foreign Relations Committee, “Chair Cardin, Rubio, Durbin, Cassidy, Kaine, Schmitt, Merkley, Cruz, Welch Lead Bipartisan Effort Urging Accountability of Ortega-Murillo Regime,” February 29, 2024.

we urge you to fully use all available legislative authorities and diplomatic tools at your disposal to mobilize a robust, coordinated international response to advance a diplomatic solution to restore democracy in Nicaragua.<sup>64</sup>

As Congress continues to oversee and shape U.S. relations with Nicaragua and the Ortega government, Members may consider the following Nicaragua-related legislation introduced in the 118<sup>th</sup> and 117<sup>th</sup> Congresses:

- The Restoring Sovereignty and Human Rights in Nicaragua Act of 2023, introduced in the House (H.R. 6954) and the Senate (S. 1881), would reauthorize and amend the Nicaraguan Investment Conditionality Act of 2018 (P.L. 115-335) and the RENACER Act. Among other provisions, the bills would seek to enhance sanctions on sectors of the economy that generate revenue for the Ortega family and expand the activities that trigger the imposition of targeted sanctions.
- The No Relief for Allies of Dictators Act of 2023 (S. 1129), introduced in the Senate in March 2023, would revoke current visas and restrict the issuance of new visas for individuals associated with certain Latin American governments, including the Ortega government in Nicaragua.
- The Nicaragua Political Prisoner Support Act, introduced in the House (H.R. 4352) and the Senate (S. 2165), would provide various immigration-related benefits to certain Nicaraguan nationals who are in the United States as part of a political prisoner release.
- The Nicaragua Free Trade Review Act of 2021 (H.R. 3964), introduced in the 117<sup>th</sup> Congress, would have required the U.S. Trade Representative to report to Congress on the extent to which Nicaragua is complying with the Dominican Republic-Central America-United States Free Trade Agreement (DR-CAFTA). Some observers have called for the United States to expel Nicaragua from DR-CAFTA in response to Ortega's increasing authoritarianism. Others have suggested alternative means of limiting the Ortega government's resources.

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<sup>64</sup> “Chair Cardin, Rubio, Durbin, Cassidy, Kaine, Schmitt, Merkley, Cruz, Welch Lead Bipartisan Effort Urging Accountability of Ortega-Murillo Regime,” Senate Foreign Relations Committee, February 29, 2024.

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