



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

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## Summary

Increasing violence perpetrated by drug trafficking organizations (DTOs) and other criminal groups is threatening citizen security in Mexico and Central America. Drug-related violence claimed more than 5,600 lives in Mexico in 2008, and several Central American countries have among the highest homicide rates in the world. Mexican DTOs dominate the illicit drug market in the United States and are expanding their operations by forming partnerships with U.S. gangs. As a result, some of the drug-related violence in Mexico has spilled over into the United States.

On October 22, 2007, the United States and Mexico announced the Mérida Initiative, a multi-year proposal for \$1.4 billion in U.S. counterdrug and anticrime assistance to Mexico and Central America. In June 2008, the 110<sup>th</sup> Congress appropriated \$400 million for Mexico and \$65 million for Central America, Haiti, and the Dominican Republic in the FY2008 Supplemental Appropriations Act, (P.L. 110-252). The human rights conditions in P.L. 110-252 are less demanding than earlier versions of the bill, largely because of Mexico's objections that some of the original conditions would have violated its national sovereignty. Congress has released almost all of the FY2008 funds for Central America, and has just released \$60 million in FY2008 funds for Mexico that were being withheld pending the submission of a human rights progress report by the State Department.

The 111<sup>th</sup> Congress has demonstrated a strong interest in addressing the spiraling drug trafficking violence in Mexico through Mérida and related domestic programs. In March 2009, the 111<sup>th</sup> Congress appropriated \$300 million for Mexico and \$110 million for Central America, Haiti and the Dominican Republic in the 2009 Omnibus Appropriations Act, (P.L. 111-8). In June 2009, Congress passed a supplemental appropriation (P.L. 111-32) that included \$420 million in Mérida assistance for Mexico, substantially higher than the Administration's \$66 million request. With the 2009 supplemental, total funding appropriated for Mérida to date is roughly \$1.3 billion. The FY2009 regular and supplemental appropriations bills also contain human rights conditions.

For FY2010, the Obama Administration requested \$450 million for Mexico and \$100 million for Central America. On July 9, 2009, the House passed H.R. 3081, the FY2010 State Department/Foreign Operations Appropriations Act, which includes security-related assistance of \$235.8 million for Mexico, \$83 million for Central America under a new Central America Regional Security Initiative, and \$37 million under a new Caribbean Basin Security Initiative. The Senate Appropriation's Committees version of the FY2010 State Department/Foreign Operations Appropriations bill, S. 1434, would provide \$115 million for Mexico and \$90 million for Central America, Haiti, and the Dominican Republic under the Mérida Initiative. While both the House and the Senate would provide less than the Administration's FY2010 request, Congress had appropriated significantly more for Mexico in the FY2009 supplemental spending measure.

Policy issues that have emerged in consideration of Mérida include what levels and types of funding should be provided; how well U.S. agencies and their foreign counterparts are implementing the Initiative; and the degree to which the nations involved are fulfilling their domestic obligations under Mérida. Congress has expressed a keen interest in enforcement of Mérida's human rights conditions, particularly with respect to Mexico. This report provides an overview of the funding provided for the Mérida Initiative, the status of Mérida implementation, and a discussion of some policy issues that Congress may consider as it oversees the Initiative. For related information, see CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*, and CRS Report R40582, *Mexico's Drug-Related Violence*.

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## Background

Mexico is a major producer and supplier to the U.S. market of heroin, methamphetamine, and marijuana and the major transit country for cocaine sold in the United States. According to the Department of State's 2009 *International Narcotics Control Strategy Report*, as much as 90% of the cocaine entering the United States now transits through Mexico. A small number of Mexican drug trafficking organizations (DTOs), often referred to as "drug cartels,"<sup>1</sup> control the most significant drug distribution operations along the Southwest border. Drug trafficking-related violence in Mexico has spiked dramatically in recent years as DTOs have competed for control of lucrative smuggling routes into the United States.<sup>2</sup>

Since taking office in December 2006, Mexican President Felipe Calderón has made combating the DTOs a centerpiece of his domestic policy agenda. In 2008, the Calderón government's crackdown on the cartels, as well as turf wars among Mexico's drug cartels, fueled an escalation in violence throughout the country, including states along the U.S.-Mexico border. In 2008, more than 5,600 people in Mexico were killed in drug-related violence, a 110% increase over 2007.<sup>3</sup> Among those murdered were some 522 Mexican military and law enforcement officers.<sup>4</sup> The violence has continued in 2009, even in areas where large contingents of federal military and police have been deployed. In Ciudad Juarez, a border town across from El Paso, TX, some 900 people were killed in the first six months of 2009 as compared to 800 over the same period in 2008; another 244 people were reportedly killed in July alone.<sup>5</sup>

Mexican DTOs are increasingly expanding their operations into Central America<sup>6</sup>, a region in which security officials have even less training and equipment to deal with DTOs and criminal gangs than their Mexican counterparts.<sup>7</sup> According to the U.N. Office on Drugs and Crime, Guatemala and El Salvador are internationally among the most violent countries for which standardized data has been collected. Whereas homicide rates in Colombia, historically the most violent country in Latin America, have fallen in the past few years, homicides have increased in El Salvador, Guatemala, and Honduras.<sup>8</sup> In addition, Mexico and Central America continue to

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<sup>1</sup> The term drug cartel remains the term used colloquially and in the press, but some experts disagree with this because "cartel" often refers to price-setting groups and it is not clear that Mexican drug trafficking organizations are setting illicit drug prices.

<sup>2</sup> For more information, see CRS Report R40582, *Mexico's Drug-Related Violence*, by June S. Beittel

<sup>3</sup> "Mexico-U.S.: The Drugs War—Dissecting the threat perceived in Washington," *Latin American Security & Strategic Review*, January 2009.

<sup>4</sup> Testimony of David T. Johnson, Assistant Secretary, U.S. Department of State, Bureau of International Narcotics and Law Enforcement (INL) Affairs, before the Subcommittee on State, Foreign Operations, Related Programs of House Committee on Appropriations, March 10, 2009.

<sup>5</sup> "Army Feeble as Murders Surge in Mexico Drug War City," *Reuters*, July 8, 2009; Alfredo Corchado, "Mexican Officials Defend Drug War Strategy as Deaths Rise," *Dallas Morning News*, August 2, 2009.

<sup>6</sup> The Central American countries include Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.

<sup>7</sup> Sara Miller Llana, "Mexico's Drug War Seeps Southward," *Christian Science Monitor*, June 14, 2009.

<sup>8</sup> No standardized CTS data are available for Honduras, but police statistics indicate that it also has a serious murder problem. See United Nations Office on Drugs and Crime (UNODC), *Crime and Development in Central America: Caught in the Crossfire*, May 2007, available at [http://www.unodc.org/pdf/research/central\\_america\\_study.pdf](http://www.unodc.org/pdf/research/central_america_study.pdf). For recent estimates of homicide rates in Central America, see Observatorio Centroamericano Sobre Violencia, available at <http://www.ocavi.com/index.php>.

have problems with impunity, police corruption, and human rights abuses by security forces that have hindered the performance and reputation of their law enforcement and judicial systems.<sup>9</sup>

## **The Development of the Mérida Initiative**

Prior to 2007, neither Mexico nor any of the countries in Central America had received large amounts of U.S. counternarcotics (CN) assistance.<sup>10</sup> In FY2007, for example, Mexico received \$36.7 million in CN assistance and the only Central American countries to receive CN funds were Guatemala (\$1.9 million) and Panama (\$3.3 million).

In response to the Mexican government's request for increased cooperation and assistance, in October 2007 the United States and Mexico proposed the Mérida Initiative, a package of U.S. counterdrug and anticrime assistance to Mexico and Central America.<sup>11</sup> As proposed, the Mérida Initiative would provide some \$1.4 billion in assistance, largely in the form of equipment and training, beginning in FY2008 and lasting through FY2010. According to the State Department, the four primary goals of the Mérida Initiative are to: 1) break the power and impunity of criminal organizations; 2) assist the Mexican and Central American governments in strengthening border, air, and maritime controls; 3) improve the capacity of justice systems in the region; and, 4) curtail gang activity in Mexico and Central America and diminish the demand for drugs in the region. Within these broad, overarching goals, the State Department developed specific objectives and performance measures that can be used to evaluate the success of the Mérida Initiative (see "Monitoring Progress").<sup>12</sup>

The Mérida Initiative is not only the largest foreign aid package for the Western Hemisphere since Plan Colombia,<sup>13</sup> but, according to its proponents, it is a new kind of regional security partnership among the United States, Mexico and Central America. Analysts and U.S. officials have repeatedly said that for the Initiative to be successful, all the countries involved will have to accept their "shared responsibility" to tackle domestic problems contributing to drug trafficking and crime in the region, including U.S. drug demand.<sup>14</sup> Since President Calderón took office, Mexico has increased security spending, including a reported \$5 billion increase in the 2009

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<sup>9</sup> For background information on conditions in Mexico and Central America, see CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*, CRS Report R40582, *Mexico's Drug-Related Violence*, by June S. Beittel.

<sup>10</sup> For an evaluation of previous U.S. counternarcotics assistance to Mexico, see Government Accountability Office, "U.S. Assistance Has Helped Mexican Counternarcotics Efforts, but Tons of Illicit Drugs Continue to Flow into the United States," August 17, 2007.

<sup>11</sup> The U.S. and Mexican joint statement on the Mérida Initiative highlighted counterdrug and anticrime efforts of both countries, including Mexico's 24% increase in security spending in 2007 under President Felipe Calderón and U.S. efforts to reduce weapons, human, and drug trafficking along the Mexican border. Although the statement did not announce additional funding for U.S. domestic efforts, it cited several examples of such efforts to combat drugs and crime that are already in place. Those examples included the 2007 Southwest Border Counternarcotics Strategy and the 2008 National Drug Control Strategy. See U.S. Department of State and Government of Mexico, "Joint Statement on the Mérida Initiative," October 22, 2007.

<sup>12</sup> U.S. Department of State, "FY2008 Supplemental Appropriations Spending Plan, Mexico, Central America, Haiti, and the Dominican Republic," September 9, 2008, pp. 16-39.

<sup>13</sup> Developed by former Colombian President Andrés Pastrana (1998-2002), Plan Colombia sought to end Colombia's military conflict, eliminate drug trafficking, and promote development. Since FY2000, Congress has appropriated more than \$6 billion to support Plan Colombia, largely through the Andean Counterdrug Program account.

<sup>14</sup> Andrew Selee, "U.S.-Mexico Cooperation: A New Opportunity?" *Americas Quarterly*, Summer 2009; U.S. Department of State, Secretary of State Hillary Rodham Clinton, "Remarks with Mexican Foreign Secretary Patricia Espinosa After Their Meeting," Mexico City, Mexico, March 25, 2009.

budget, mobilized thousands of soldiers and police to drug trafficking “hot-spots” throughout the country, and enacted judicial and law enforcement reforms.<sup>15</sup> The Obama Administration has, among other measures, posted more agents from the Bureau of Alcohol, Tobacco, Firearms, and Explosives (ATF) and Immigrations and Customs Enforcement (ICE) along the Southwest border to help intercept arms and bulk cash flowing into Mexico.<sup>16</sup> Central American leaders have regularly met to develop ways to better coordinate their security and counterdrug efforts through the Central American Integration System (SICA).

While Members of the 110<sup>th</sup> Congress initially expressed concern that they were not adequately consulted during the development of the Mérida Initiative, a majority of House Members seemed supportive of the aid package. On February 7, 2008, the House Foreign Affairs Committee held a hearing on Mérida, and on May 14, 2008 the Committee passed legislation introduced by Chairman Berman to fund the Initiative. On June 11, 2008, the House approved that legislation, H.R. 6028, the Mérida Initiative to Combat Illicit Narcotics and Reduce Organized Crime Authorization Act of 2008, by a vote of 311 to 106, demonstrating bipartisan support in the House for the proposed aid. Among the bill’s various conditions on providing the assistance, the measure would have required that vetting procedures to ensure that members or units of military or police agencies receiving assistance were not involved in human rights violations. The Senate, however, did not take any action on the House legislation, so the measure was never enacted.

## Funding the Mérida Initiative

### Mexico

In June 2008, the 110<sup>th</sup> Congress appropriated \$352 million in FY2008 supplemental assistance and \$48 million in FY2009 bridge fund supplemental assistance for Mexico in P.L. 110-252, the FY2008 Supplemental Appropriations Act (see **Table 1** for funding for Mexico by year and aid account).<sup>17</sup> In contrast to the Bush Administration, which requested all Mérida funding in the International Narcotics Control and Law Enforcement (INCLE) account, Congress divided the funding for Mexico in P.L. 110-252 among the INCLE, Foreign Military Financing (FMF), and Economic Support Fund (ESF) aid accounts. Congress limited the amount of FMF and INCLE available to provide equipment to the Mexican Army/Air Force and Navy and made 15% of FMF and IMET contingent on meeting certain human rights conditions. Congress also earmarked \$73.5 million for judicial reform, institution building, rule of law, and anti-corruption activities.<sup>18</sup>

The human rights conditions in P.L. 110-252 are less demanding than earlier House and Senate versions, largely because of Mexico’s objections that some of the original conditions would have

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<sup>15</sup> Figure cited in U.S. Department of State, “Mexico- Merida Initiative Report,” August 2009.

<sup>16</sup> In June 2009, the U.S. Office of National Drug Control Policy (ONDCP) published the 2009 National Southwest Border Counternarcotics Strategy, which for the first time included a separate chapter on cooperation with Mexico. For information on other recent U.S. border security efforts, see: U.S. Secretary of Homeland Security, “Remarks to Border Security Conference at the University of Texas at El Paso,” El Paso, Texas, August 11, 2009.

<sup>17</sup> For more information on the FY2008 supplemental assistance proposal for the Mérida Initiative, see CRS Report RS22837, *Mérida Initiative: U.S. Anticrime and Counterdrug Assistance for Mexico and Central America*, by Clare Ribando Seelke.

<sup>18</sup> In addition to the broad \$73.5 million earmark, Congress earmarked \$3 million to support the creation a national police registry, \$10 million for drug demand reduction programs, and \$5 million for police training programs.

violated its national sovereignty. As enacted, the measure reduced the amount of funding subject to human rights conditions, from 25% to 15% of FMF and INCLE, and removed conditions that would have required the Mexican government to try military officials accused of abuses in civilian courts and to enhance the power of its National Human Rights Commission. The legislation also softened the language concerning other conditions. (See **Appendix B** for the final language of the human rights conditions in P.L. 110-252). Congress also stipulated that none of the funds may be used for budget support or as cash payments.

According to the Department of State,<sup>19</sup> which is leading Mérida Initiative implementation, the first tranche of \$400 million for the foreign aid program provided in P.L. 110-252 includes funding for the following:

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

### **FY2009 Request and Appropriations<sup>20</sup>**

The Bush Administration requested \$450 million in INCLE funding for Mexico under Mérida in its FY2009 budget request, placing more emphasis on assistance to non-military agencies than in the FY2008 supplemental request. The FY2009 request included \$118 million to improve infrastructure and information systems at non-military agencies. With respect to military aid, the FY2009 request included \$100 million to supply aircraft for the Mexican Navy and \$20 million in inspection equipment for use at Army checkpoints. The Bush Administration requested \$158.5 million in public security and law enforcement assistance, with \$147.6 million for the Mexican federal police. It sought significantly less funding for institution building programs in FY2009 than in the FY2008 supplemental, just \$30.7 million. The request also included \$22.5 million to cover program support.

The 110th Congress did not include Mérida Initiative funding in a continuing resolution for FY2009 because the initial tranche of Mérida funding was provided through a supplemental assistance measure. In March 2009, the 111<sup>th</sup> Congress passed the Omnibus Appropriations Act, (P.L. 111-8) providing \$300 million for Mexico within the INCLE, ESF, and FMF accounts with

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<sup>19</sup> U.S. Embassy, Mexico, "U.S.-Mexico At a Glance: The Mérida Initiative," September 2008; U.S. Department of State, "FY2008 Supplemental Appropriations Spending Plan, Mexico, Central America, Haiti, and the Dominican Republic," September 9, 2008.

<sup>20</sup> For more detail on the FY2009 request, see CRS Report RS22837, *Mérida Initiative: U.S. Anticrime and Counterdrug Assistance for Mexico and Central America*, by Clare Ribando Seelke.



not less than \$75 million for judicial reform, institution building, anti-corruption, and rule of law activities. The measure continues the same human rights conditions originally set forth in P.L. 110-252, and also has a provision requiring that prior to the procurement or lease of aircraft, that the Director of the Defense Security Cooperation Agency, in consultation with the Secretary of State, shall submit to the Committees on Appropriations an analysis of alternatives for the acquisition of all aircraft for the Mérida Initiative.

### **FY2009 Supplemental Request and Appropriations**

On April 9, 2009, the Obama Administration submitted a FY2009 supplemental request that included an additional \$66 million in INCLE assistance for Mexico under the Mérida Initiative. According to the request, the assistance was sought to acquire three Blackhawk helicopters for Mexico's civilian Public Security Secretariat to provide urgently needed air transport capacity, along with spare parts and support for those helicopters. Another \$16 million in reprogrammed Mérida Initiative funds previously appropriated in P.L. 110-252 would be used to pay for maintenance of the helicopters.

On June 24, 2009, President Obama signed the FY2009 supplemental appropriations measure passed by Congress (H.R. 2346/P.L. 111-32), which includes \$160 million in INCLE assistance and \$260 million in FMF for Mexico, \$354 million more than the Administration's request. The \$160 million in INCLE funds can be used to supply the Mexican federal police with items such as forensics and nonintrusive inspection equipment, computers, training, and fixed and rotary wing aircraft (including the requested Blackhawk helicopters). The \$260 million in FMF funding is for expedited aviation assistance to the Mexican Navy (SEMAR) to enhance air transport ability and aerial surveillance. Anticipated purposes of the funding are for CASA airplanes and for medium lift maritime helicopters. P.L. 111-32 also appropriates significant funds to other U.S. agencies, including the Departments of Justice and Homeland Security, to increase security on the Southwest border.

Of the \$420 million in FY2009 supplemental assistance to Mexico, 15% of the \$160 million in INCLE assistance is subject to the same human rights conditions set forth in the FY2009 omnibus appropriations measure (P.L. 111-8, section 7045(e) of Division H). However, the FMF funds appropriated in P.L. 111-32 are not subject to human rights conditions. According to the conference report (H.Rept. 111-151), the supplemental measure requires a report from the Secretary of State within 45 days of enactment of the measure detailing actions by the government of Mexico since June 30, 2008, to investigate and prosecute human rights violations by members of the Mexican federal police and military forces. The report also calls for a "thorough, independent, and credible investigation" of the murder of Bradley Will, an American journalist killed while covering a protest in Oaxaca in 2006 (for more, see CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*).

### **FY2010 Request and Committee Action**

For FY2010, the Obama Administration requested \$450 million in INCLE assistance for Mexico as part of the Mérida Initiative. The Administration requested helicopters, fixed-wing aircraft and surveillance systems for Mexico's reorganized federal police (SSP), as well as helicopters for the Mexican Navy. It requested additional funding to provide non-intrusive inspection equipment for SSP, the Mexican military and Customs. The Administration sought support for law enforcement training programs in investigative techniques and ethics, as well as anti-corruption training for

internal watchdog units within the PGR and SSP. The Administration’s FY2010 request also included funding for ongoing rule of law reforms, including the expansion of an existing case-tracking system used by the Mexican Attorney General’s office.

On July 9, 2009, the House passed H.R. 3081, the FY2010 State Department-Foreign Operations Appropriations Act, which includes \$235.8 million for Mexico in the INCLE, ESF, and FMF accounts. In H.Rept. 111-187, the Committee no longer refers to this assistance as the “Mérida Initiative,” but does subject funding in those accounts to the same human rights conditions as P.L. 110-252 and P.L. 111-8. The House bill would provide \$205.3 million in INCLE funds to modernize the Mexican National Migration Institute; procure non-intrusive inspection equipment and canine detection training for SSP and Customs; and provide support for anti-gang and anti-organized crime units, victim/witness protection programs, and extradition training programs. It would provide \$20 million in ESF for rule of law, civil society programs, and institution-building programs, as well as \$10.5 million in FMF assistance.

On July 9, 2009, the Senate Appropriations Committee approved its version of the State-Foreign Operations Appropriations bill, S. 1434, which would provide \$105 million in INCLE and \$10 million in ESF for Mexico as part of the Mérida Initiative. S. 1434 contains human rights conditions that are similar to P.L. 110-252 and P.L. 111-8.

Both the House and Senate Appropriations Committee reports (H.Rept. 111-187 and S.Rept. 111-44) state that a significant portion of the Administration’s FY2010 request was “forward-funded” in the FY2009 supplemental in an attempt to expedite the delivery of much-needed equipment to bolster Mexico’s counternarcotics efforts. **Table 1** describes the various funding levels addressed above.

**Table 1. FY2008 – FY2010 Mérida Funding for Mexico by Aid Account**  
(\$ in millions)

Account	FY2008 Supp. (P.L. 110-252)	FY2009 Bridge (P.L. 110-252)	FY2009 (P.L. 111- 8)	FY2009 Supp. (P.L. 111- 32)	FY2010 Request	H.R. 3081	S.1434
ESF	20.0	0.0	15.0	0.0	0	20.0	10.0
INCLE	215.5	48.0	246.0	160.0	450.0	205.3	105.0
FMF	116.5	0.0	39.0	260.0	0	10.5	0.0
<b>Total</b>	<b>352.0</b>	<b>48.0</b>	<b>300.0</b>	<b>420.0</b>	<b>450.0</b>	<b>235.8</b>	<b>115.0</b>

**Sources:** U.S. Department of State, FY2008 Supplemental Appropriations Spending Plan and FY2009 Appropriations Spending Plan; FY2009 Supplemental Justification, Department of State & U.S. Agency for International Development; Conference Report to accompany H.R. 2346, House Report 111-151; U.S. Department of State, “Summary and Highlights, International Affairs, Function 150, Fiscal Year 2010;” House Report to H.R. 3081, the State-Foreign Operations Appropriations bill for FY2010, House Report 111-187; and Senate Report to S.1434, Senate Report 111-044.

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

## Central America<sup>21</sup>

The FY2008 Supplemental Appropriations Act (P.L. 110-252) included \$60 million in Mérida funds for Central America.<sup>22</sup> As with Mexico, Congress divided the funding for Central America among several different accounts (see **Table 2**). In addition to changing the account structure, Congress shifted the bulk of funding for Central America from public security and law enforcement programs to institution building, rule of law, and development programs. It did so by earmarking \$25 million in ESF funds for the creation of an Economic and Social Development Fund for Central America. Of the ESF funds provided, \$20 million are being administered by the U.S. Agency for International Development (USAID) for youth violence prevention, community policing, and community development programs in violence-prone areas. The other \$5 million in ESF funds are supporting educational and cultural exchange programs administered by the State Department. Congress also earmarked \$1 million to support the International Commission against Impunity in Guatemala (CICIG).<sup>23</sup>

Due to these shifts in the type of funds provided by Congress, the State Department scaled back some of its law enforcement programs supported by INCLE funding, such as the transnational anti-gang units and the training provided at the International Law Enforcement Academy (ILEA). Congress did provide close to full funding for counternarcotics and border security programs. Those programs include efforts to include information-sharing and data collection among the Central American countries; programs to improve port, airport, and border security; and regional arms trafficking and maritime interdiction programs. These programs are being supported by a combination of INCLE, FMF, and Non-proliferation, Anti-terrorism and Related Programs (NADR) funding.

According to the State Department supplemental spending plan, some 40% of the Mérida funding appropriated for Central America will be used to support regional programs. Among the Central American countries, those with the highest violent crime rates and greatest prevalence of gangs and organized criminal groups—El Salvador, Guatemala, and Honduras—will receive the most bilateral funding.

As with Mexico, P.L. 110-252 requires that 15% of INCLE and FMF assistance be withheld until the Secretary of State reports that the Central American governments are taking steps to create police complaints commissions, reform their judiciaries, and investigate and prosecute military and police forces who have been credibly alleged to have committed human rights violations. (See **Appendix B** for the final language of the human rights conditions.)

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<sup>21</sup> For more information on the FY2008 supplemental request for Central America, see CRS Report RS22837, *Mérida Initiative: U.S. Anticrime and Counterdrug Assistance for Mexico and Central America*, by Clare Ribando Seelke. For more information on how Mérida programs seek to address gangs, see CRS Report RL34112, *Gangs in Central America*, by Clare Ribando Seelke.

<sup>22</sup> For a detailed description of the FY2008 supplemental assistance proposal for the Mérida Initiative, see CRS Report RS22837, *Mérida Initiative: U.S. Anticrime and Counterdrug Assistance for Mexico and Central America*, by Clare Ribando Seelke.

<sup>23</sup> In December 2006, the United Nations and the Guatemalan government signed an agreement to establish the International Commission against Impunity in Guatemala (CICIG) to investigate illegal security groups and clandestine organizations, some of which have been tied, directly or indirectly, to the Guatemalan state. In August 2007, the Guatemalan Congress ratified the UN-Guatemala agreement allowing the creation of the CICIG. The CICIG was inaugurated on January 11, 2008.

## **FY2009 Request and Appropriations<sup>24</sup>**

The Bush Administration requested \$100 million in FY2009 funds for Central America under the Mérida Initiative. The FY2009 request included \$40 million for border security and counterdrug programs, \$32 million for public security and law enforcement initiatives, \$23 million for institution and rule of law programs, and \$5 million in unspecified program support. In the FY2009 Omnibus Appropriations Act, P.L. 111-8, Congress provided \$105 million in funding for Central America subject to similar human rights conditions as in P.L. 110-252. The explanatory statement to the FY2009 omnibus bill provides \$70 million in INCLE. It also stipulates that \$15 million of the FMF funds appropriated must support maritime security programs and that \$12 million of the ESF appropriated must fund USAID's Economic and Social Fund for Central America.

## **FY2010 Request and Committee Action**

The Mérida Initiative funding in the FY2010 request for Central America includes \$75 million in INCLE assistance to enhance the regional capability to protect citizen security, combat illegal trafficking and build stronger justice sector institutions. According to the request, funding would support the U.S. anti-gangs strategy, provide equipment and technical assistance for community policing and juvenile justice systems, and implement anti-corruption measures.

The House-passed version of the FY2010 State Department-Foreign Operations appropriations bill, H.R. 3081, would replace the Central American portion of the Mérida Initiative with a new Central America Regional Security Initiative (CARSI). According to H.Rept. 111-187, addressing drugs and crime in Central America requires a longer term commitment than the three-year Mérida program. As such, H.R. 3081 would provide \$75 million in INCLE Western Hemisphere funding to address drug trafficking and related violence; judicial, police, and prison reform; gang prevention; and anti-corruption activities in Central America. It would also appropriate \$8 million in FMF to support the ongoing maritime security assistance program.

The Senate version of the State-Foreign Operations appropriations bill, S. 1434, would continue funding programs for Central America under the existing Mérida framework. It would provide \$75 million in INCLE funds for Central America, Haiti and the Dominican Republic, with no less than \$25 million of those funds to be spent for judicial reform, institution building, anti-corruption, and rule of law programs. S. 1434 would also provide \$15 million to support USAID's Economic and Social Development Fund for Central America.

Both the House and Senate versions of the FY2010 State-Foreign Operations measure contain human rights conditions that are similar to those in P.L. 110-252.

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<sup>24</sup> For more detail on the FY2009 request, see CRS Report RS22837, *Mérida Initiative: U.S. Anticrime and Counterdrug Assistance for Mexico and Central America*, by Clare Ribando Seelke.

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

Account	FY2008 Supp. (P.L. 110-252)	FY2009 (P.L. 111-8)	FY2010 Request	H.R. 3081 <sup>a</sup>	S. 1434
ESF	25.0	18.0	25.0	75.0	15.0
INCLE	24.8	70.0	75.0	0.0	75.0
NADR	6.2	0.0	0.0	0.0	0.0
FMF	4.0	17.0	0.0	8.0	0.0
<b>Total</b>	<b>60.0</b>	<b>105.0</b>	<b>100.0</b>	<b>83.0</b>	<b>90.0</b>

**Source:** U.S. Department of State, FY2008 Supplemental Appropriations Spending Plan, FY2009 Appropriations Spending Plan, and “Summary and Highlights, International Affairs, Function 150, Fiscal Year 2010;” ;” House Report to H.R. 3081, the State-Foreign Operations Appropriations bill for FY2010 , H.Rept. 111-187; and S.Rept. 111-44 to S. 1434.

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

- a. H.R. 3081, would replace the Central American portion of the Mérida Initiative with a new Central America Regional Security Initiative (CARSI).

## The Caribbean

Although not included in the original Mérida request, Congress dedicated \$2.5 million in INCLE funding for Haiti and \$2.5 million for the Dominican Republic, two major drug transit countries in the Caribbean, in the FY2008 supplemental measure. In Haiti, Mérida funds are being used to install a secure communications network for the Haitian National Police (HNP), support the HNP’s drug interdiction efforts, and provide training for Haitian judicial officials. In the Dominican Republic, Mérida funds are being used to support police professionalization programs, provide logistical support to interdiction units, and train judicial authorities in implementing the new criminal procedure code. A portion of the Mérida funds for each country is also supporting the U.N. Stabilization Mission in Haiti (MINUSTAH). Congress appropriated another \$2.5 million in INCLE funding under Mérida for Haiti and for the Dominican Republic in the FY2009 Omnibus Appropriations Act, (P.L. 111-8).

For 2010, the Obama Administration did not seek Mérida Initiative funding for Haiti and the Dominican Republic in its budget request, but proposed a new security regime for the Caribbean, the Caribbean Basin Security Initiative (CBSI). The House-passed version of the FY2010 State-Foreign Operations Appropriations bill, H.R. 3081, includes funding for the proposed CBSI rather than including Mérida funding for Haiti and the Dominican Republic. H.R. 3081 would provide \$37 million for the CBSI: \$13.1 million in Western Hemisphere regional ESF funds for education and workforce development programs for at-risk youth; \$8 million in Caribbean regional funds for training and scholarship programs; \$5.9 million in INCLE for counterdrug training for security forces, efforts to reform crime legislation, and rule of law activities, and \$10 million in FMF for naval cooperation. In contrast to the House, the Senate Foreign Operations measure, S. 1434, would continue funding Mérida programs in Haiti and the Dominican Republic out of the \$75 million allocated for Central America.

## Other Mérida Legislation in the 111<sup>th</sup> Congress

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

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

**H.R. 3239 (Kirkpatrick)** Introduced July 16, 2009; referred to Committees on Homeland Security and Foreign Affairs. The bill would require the Secretary of Homeland Security, in consultation with the Secretary of State, to submit a report on the effects of the Mérida Initiative on the border security of the United States.

## Status of Implementation

Prior to the disbursement of INCLE funding for Mérida, the State Department had to negotiate and sign Letters of Agreement with the countries that were to receive those funds. On December 3, 2008, the United States and Mexico signed a Letter of Agreement, allowing \$197 million in Mérida funds to be disbursed.<sup>25</sup> By the end of June 2009, all the Central American countries, Haiti, and the Dominican Republic had signed Letters of Agreement with the United States.<sup>26</sup>

## Mexico

### **FY2008 Obligations and Human Rights Reporting Requirements**

As noted earlier, on June 30, 2008, Congress appropriated the first \$400 million in Mérida funding for Mexico. As of late July 2009, Congress was still withholding some \$57.0 million in FY2008 supplemental INCLE and FMF funds pending submission of a State Department human rights progress report for Mexico. The same report was needed in order for \$31.5 million in FY2009 regular funds for Mexico to be released. The \$57 million in FY2008 supplemental funds and the \$5.9 million in FMF appropriated in the FY2009 Omnibus will expire on September 30, 2009.

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<sup>25</sup> See Embassy of the United States in Mexico, Press Release, "Mérida Initiative Monies Released; Letter of Agreement signed," December 3, 2008. The \$197 million does not include \$24 million in program support funds.

<sup>26</sup> U.S. Department of State, Fact Sheets provided to Congressional Research Service on July 22, 2009.

In early August 2009, press reports indicated that the State Department had decided to delay submission of a favorable human rights report for Mexico to Congress due to the likelihood that it would have been rejected by Senate appropriators.<sup>27</sup> U.S. and Mexican human rights groups had urged the State Department not to issue a favorable report on the Mexican government's human rights record because they maintained that the Mexican military has failed to investigate, prosecute, or punish human rights violations committed by its forces.<sup>28</sup> After receiving additional information from the Mexican military regarding its efforts to prosecute soldiers charged with human rights and other abuses, the State Department issued a somewhat favorable report to Congress on August 13, 2009.<sup>29</sup>

The recent submission of the State Department's human rights progress report for Mexico meets the statutory requirement for the release of the FY2008 supplemental and FY2009 regular FMF and IMET funds that had been on hold. Those funds total roughly \$88.5 million. Some \$2.8 million in FY2008 funding is still on hold until Congress is certain that the Mexican Attorney General is thoroughly investigating the murder of Bradley Will, an American journalist killed while covering a protest in Oaxaca in 2006.

### **Projects Implemented with FY2008 Mérida Funds**

Mérida implementation is still in its initial stages. As of late July 2009, roughly \$328 million of the \$340.2 million in FY2008 funds available at that time had been obligated.<sup>30</sup> INCLE funds had supported a bilateral arms trafficking workshop held in Mexico in April 2009, the opening of three new immigration control sites along the Mexico-Guatemala border, the creation of an anti-human-trafficking system for the Mexican Attorney General's Office, and the implementation of a train-the-trainer program for Mexican federal prison officers.<sup>31</sup> FMF funds had enabled the Department of Defense to sign a contract for five Bell 412 helicopters that may begin arriving in Mexico in late 2009. Ion scanners and a CASA surveillance aircraft, which is in the process of being ordered, will also be purchased with FY2008 supplemental funding. ESF funds had enabled USAID to sponsor workshops and study tours for Mexican legal professionals and to co-host a forum on citizen participation councils and public security. USAID also formed four new university partnerships to support Mexico's judicial modernization efforts.<sup>32</sup>

### **Availability of FY2009 Regular and Supplemental Funds**

On March 11, 2009, Congress appropriated \$300 million for Mexico under Mérida in P.L. 111-8. Those funds will not be available for obligation until a spending plan has been submitted to and approved by Congress. The State Department submitted an FY2009 spending plan for Mérida to Congress in mid-August 2009. In addition, 15% of the INCLE and FMF funds appropriated

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<sup>27</sup> William Booth and Steve Fainaru, "Leahy Blocks Positive Report on Mexico's Rights Record," *Washington Post*, August 5, 2009.

<sup>28</sup> Letter from Amnesty International and Other Human Rights Groups to Secretary of State Hillary Clinton, "Human Rights Concerns to Inform the U.S. Department of State's Merida Initiative Reporting on Mexico, July 24, 2009.

<sup>29</sup> William Booth, "Mexico May Get More Anti-Drug Aid," *Washington Post Foreign Service*, August 18, 2009.

<sup>30</sup> U.S. Department of State, Fact Sheet provided to CRS, July 22, 2009;

<sup>31</sup> David T. Johnson, Assistant Secretary, U.S. Department of State, Bureau of International Narcotics and Law Enforcement Affairs, "The Merida Initiative: A New Security Cooperation Partnership," *National Strategy Forum*, Fall 2009.

<sup>32</sup> U.S. Agency for International Development, "Merida Status Update for CRS," July 22, 2009.

(roughly \$31.5 million) that had been on hold pending the submission of the human rights report discussed above are now available for obligation.

On June 24, 2009, Congress appropriated another \$420 million for Mexico in the FY2009 supplemental measure (P.L. 111-32). Those funds will also not be available until a new spending plan detailing how the FY2009 supplemental funding will be obligated has been submitted to Congress. Some 15% of the INCLE funding in P.L. 111-32 will also be withheld until another human rights progress report is submitted by the State Department to Congress.

## **Central America, Haiti, and the Dominican Republic**

By late July 2009, roughly \$60.7 million of the \$65 million in FY2008 supplemental funds appropriated for Central America, Haiti, and the Dominican Republic were available for obligation.<sup>33</sup> Of the \$60.7 million available for obligation as of July 2009, close to \$32 million had been obligated.<sup>34</sup> While all FMF funds and the vast majority of INCLE funds available had been obligated, USAID obligated its first \$2.1 million in ESF funds for a project to develop five community-based youth centers in high crime areas of Panama on July 7, 2009. USAID also transferred \$5 million to the State Department's Bureau of Educational and Cultural Affairs for educational exchange programs, of which \$2.2 million had been obligated. Similarly, just \$853,403 of the \$6 million in NADR funds appropriated had been obligated, with those funds supporting border inspection equipment and training.<sup>35</sup>

As with Mexico, the \$110 million appropriated for Central America, Haiti, and the Dominican Republic under Mérida in P.L. 111-8 will not be available for obligation until a spending plan has been submitted to and approved by Congress. The State Department submitted an FY2009 spending plan for Mérida to Congress in mid-August 2009. In addition, 15% of the INCLE and FMF funds appropriated are being withheld until human rights progress reports for each country are submitted to Congress.<sup>36</sup>

## **Policy Issues**

A broad consensus appears to be shared by the Administration, Congress and the policy community on the need for the United States to support neighboring governments in Mexico and Central America that are struggling to address drug-related violence. President Obama reiterated his support for President Calderón's "courageous effort" to take on the DTOs during a press conference held in Mexico after the conclusion of the North American Leaders Summit on August 10, 2009.<sup>37</sup> This year Congress has held numerous hearings on the heightened drug-related violence in Mexico, and its potential spillover effects on the United States. Congress is closely

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<sup>33</sup> To date, roughly \$800,000 in FY2008 INCLE funds for Guatemala remain on hold. Those funds will expire on September 30, 2009.

<sup>34</sup> U.S. Department of State, Fact Sheet provided to CRS, July 22, 2009.

<sup>35</sup> Ibid.

<sup>36</sup> Unlike with Mexico, Congress required the State Department to issue separate human rights progress reports for the Central American countries, Haiti, and the Dominican Republic for the FY2008 supplemental funds and the FY2009 regular funds.

<sup>37</sup> The White House, Office of the Press Secretary, "Press Conference by President Obama, President Calderón of Mexico, and Prime Minister Harper of Canada," Guadalajara, Mexico, August 10, 2009.



monitoring the efficacy of assistance provided through the Mérida Initiative, as well as compliance with Mérida's human rights conditions.

When Secretary of State Hillary Clinton traveled to Mexico on March 25–26, 2009, she commented on the importance of bilateral cooperation under the Initiative. During her trip, she acknowledged that an “insatiable demand for illegal drugs” in the United States “fuels the drug trade.”<sup>38</sup> With regard to the United States as a source of the weapons that arm the drug cartels, Clinton also acknowledged that “our inability to prevent weapons from being smuggled across the border to arm these criminals causes the deaths of police, soldiers and civilians.”<sup>39</sup> Congress is likely to continue to examine how well the U.S. government is demonstrating its “shared responsibility” to tackle domestic problems contributing to drug trafficking and crime in the region, including U.S. drug demand. This section of the report raises some questions and policy issues Congress is likely to consider at it oversees implementation of the Mérida Initiative.

## **Is Mérida the Right Drug Control Approach?<sup>40</sup>**

Unless programs like the Mérida Initiative are woven into a more holistic U.S. drug policy focusing on reducing demand as well as supply, many analysts predict that they are unlikely to have a significant impact on drug flows in the region. Analysts from a range of organizations have called for a new comprehensive U.S. counternarcotics policy that attacks the drug problem in source, transit, and, perhaps most importantly, consumer countries.<sup>41</sup> As a comparison, many studies, including an October 2008 report by the Government Accountability Office (GAO), have concluded that while Plan Colombia has improved security conditions in Colombia, it has not significantly reduced the amount of drugs flowing into the United States.<sup>42</sup>

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

Assessments of the likely impact of the Mérida Initiative are varied. Mérida supporters describe the initiative as a security cooperation partnership against drug traffickers and organized criminal groups, rather than a foreign assistance program. They emphasize the importance of fully funding Mérida in order to build up the capacity of both military and civilian institutions in partner nations so that bilateral and regional counterdrug efforts can be more successful.<sup>43</sup> Others are

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<sup>38</sup> Mary Beth Sheridan, “On Mexico Trip, Clinton Criticizes U.S. Drug Policy,” *Washington Post*, March 26, 2009; and Mark Lander, “Clinton Says Demand for Illegal Drugs in the U.S. ‘Fuels the Drug Trade’ in Mexico,” *New York Times*, March 26, 2009.

<sup>39</sup> *Ibid.*

<sup>40</sup> For more information on U.S. international drug control policy, see CRS Report RL34543, *International Drug Control Policy*, by Liana Sun Wyler.

<sup>41</sup> International Crisis Group, “Latin American Drugs II: Improving Policy and Reducing Harm,” March 14, 2008; Brookings Institution, “Re-Thinking U.S.-Latin American Relations: A Hemispheric Partnership for a Turbulent World,” November 24, 2008; “Drugs and Democracy: Towards a Paradigm Shift: Statement by the Latin American Commission on Drugs and Democracy,” February 11, 2009.

<sup>42</sup> Government Accountability Office, “Plan Colombia: Drug Reduction Goals Were Not Fully Met, But Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance,” October 2008, GAO-09-7.

<sup>43</sup> American Enterprise Institute, “Five Perspectives on the Mérida Initiative: What it is and why it Must Succeed,” (continued...)

more skeptical, maintaining that fighting the drug trade will require more than providing equipment and training for Mexican and Central American military and police forces. They assert that Mérida needs to include more funding to address the weak civilian judicial and law enforcement institutions, as well as the underlying societal problems, such as poverty and corruption, that have allowed the drug trade to flourish in the region. They also emphasize the importance of addressing U.S. and European drug demand.<sup>44</sup>

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

During the 110<sup>th</sup> Congress, debates emerged within Congress about the balance of security vs. institution-building funding in the Bush Administration’s FY2008 supplemental request for Mexico. Several Members of Congress opposed the request’s apparent emphasis on providing expensive equipment to the Mexican military with its poor human rights record. In response, Administration officials contended that the Calderón government specifically requested security assistance from the United States because Mexican law enforcement and military forces were being outgunned by the drug cartels. They assured Members of Congress that military and police units receiving U.S. equipment and training would be properly vetted.<sup>45</sup>

As noted above, Congress has employed a variety of measures to ensure that various “soft-side” programs receive support from the Mérida Initiative. These have included limiting the FMF and INCLE funds available to provide equipment to the Mexican military, and earmarking \$73.5 million in FY2008 supplemental funds and \$75 million in FY2009 assistance for institution building, rule of law, and anti-corruption activities in Mexico. Similarly, Congress reduced border security and counterdrug assistance for Central America in the FY2008 supplemental in order to free up \$25 million in ESF funds for an Economic and Social Development Fund for the region.

With respect to funding for Mexico, several studies have criticized the Mérida Initiative for focusing too much on technology transfer and not enough on capacity-building and institutional reform. In addition to increasing funding for existing rule of law, human rights, and anti-corruption programs, these studies have identified several other “soft-side” programs and approaches that could be implemented. One study urged U.S. support for the establishment of constabulary forces and community policing programs in order to improve police-community relations. Another suggested financing micro-credit, job training, and alternative livelihoods programs aimed at addressing the poverty that has led some people to collaborate with the DTOs.<sup>46</sup> Still another urged the United States to consider channeling a larger proportion of assistance to state and local entities, particularly initiatives aimed at improving transparency and accountability in government.<sup>47</sup>

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(...continued)

March 4, 2008; Heritage Foundation, “Executive Summary: Mexico, Drug Cartels, and the Merida Initiative: A Fight We Cannot Afford to Lose,” by Ray Walser, July 23, 2008.

<sup>44</sup> Washington Office on Latin America (WOLA), “The Mérida Initiative and Citizen Security in Mexico and Central America,” March 19, 2008; Council on Foreign Relations, “Task Force Report: U.S.-Latin America Relations: A New Direction for a New Reality,” May 2008.

<sup>45</sup> Senate Foreign Relations Committee, “Hearing on Mexico and Central America Counternarcotics Aid,” November 15, 2007.

<sup>46</sup> Hal Brands, “Mexico’s Narco-Insurgency and U.S. Counterdrug Policy,” Strategic Studies Institute, May 2009.

<sup>47</sup> See, for example, Schaefer et al., “Security in Mexico: Implications for U.S. Policy Options,” RAND Corporation, 2009.

## Monitoring Progress

Recently, several think tanks have held forums addressing the issue of how to monitor progress in implementing the Mérida Initiative. Many analysts maintain that it is crucial for both the U.S. and Mexican executive branches to manage legislative and popular expectations for the Initiative. They argue that it is important that the goals for the Initiative be realistic, and that progress made towards meeting those goals be regularly communicated to legislators and to the general public in both countries. For example, an achievable goal would not be to end drug trafficking through Mexico, but to reduce trafficking and related violence from a national security threat to a public security issue. Many predict that it is likely to take much longer than three years for Mérida to help partner governments make real headway in achieving that goal.<sup>48</sup>

U.S. and Mexican security experts have also urged Congress to look at a range of indicators when evaluating the Mérida Initiative, rather than merely measuring its effects on drug seizures and flows. Perhaps in response to that advice, Congress asked the State Department to include a list of performance measures for each portion of the Mérida Initiative in its FY2008 supplemental spending plan. For example, some indicators that might indicate that Mérida is helping break the power and impunity of criminal organizations, might include trends in narcotics flows from Mexico to the United States, changes in the amount of illicit materials seized, and the number of high-profile drug traffickers arrested.<sup>49</sup>

State Department officials have warned, however, that sometimes certain indicators can be misleading. For example, drug seizures in Mexico decreased in 2008 as compared to 2007. Rather than attributing a decline in seizures as an indicator of some deficiency in Mexican CN efforts, U.S. law enforcement officials believe that traffickers have been forced to seek alternate routes because of better enforcement in Mexico.<sup>50</sup> This trend could continue with Mérida implementation. U.S. officials also maintain that some of the most important results of Mérida thus far may be impossible to quantify, such as the increase in communication and cooperation that has developed as a result of the Initiative among U.S., Mexican, and Central American law enforcement and security officials.<sup>51</sup>

## Pace of Implementation

The recent escalation of the violence in Mexico and the potential threat of spillover along the Southwest border has focused congressional concern about the pace of the implementation of Mérida aid on that country most vividly. There has been increasing criticism from Mexican officials as well as from Members of the U.S. Congress about the slow delivery of Mérida assistance to Mexico. Although many programs will be operational by the end of 2009, others that fund military equipment have a longer procurement process. U.S. officials reportedly have attributed delays in disbursal of FY2008 funds to cumbersome U.S. government contracting regulations, negotiations with Mexico about what equipment is actually needed, and the difficulty

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<sup>48</sup> See, for example, comments made at the Woodrow Wilson Center Event, "U.S.-Mexico Security Cooperation: The Mérida Initiative and Beyond," February 8, 2008. Available at [http://www.wilsoncenter.org/index.cfm?topic\\_id=5949&fuseaction=topics.event\\_summary&event\\_id=370648](http://www.wilsoncenter.org/index.cfm?topic_id=5949&fuseaction=topics.event_summary&event_id=370648).

<sup>49</sup> For a complete list of those indicators, see U.S. Department of State, "FY2008 Supplemental Appropriations Spending Plan, Mexico, Central America, Haiti, and the Dominican Republic," September 9, 2008, pp. 16-39.

<sup>50</sup> U.S. Department of State, *2009 International Narcotics Control Strategy Report*, February 27, 2009.

<sup>51</sup> Interview with State Department officials, July 13, 2009.

of delivering an aid package that involves so many agencies and encompasses so many programs.<sup>52</sup> Secretary of State Clinton has recently acknowledged “that our long process of approval [for purchasing and delivering helicopters paid for by FMF funds] was cumbersome and challenging for the Mexican government.” She vowed to “see what we can do to cut that time.”<sup>53</sup>

Some of the more recent delays in Mérida implementation have also been due to the fact that Congress did not pass an FY2009 appropriations bill until well into the FY2009 fiscal year. Other delays have occurred as result of ongoing consultations between the State Department and congressional appropriators on the contents of the spending plans and human rights progress reports required by the Merida appropriations legislation.

## **Interagency Coordination**

In the last few years, several studies have noted the proliferation of U.S. agencies engaged in foreign assistance and homeland security activities, as well as the challenges of getting those agencies to work together in a coordinated fashion. Each federal agency tends to have its own mission, priorities, and operating style. Instead of working together to implement a particular policy or initiative, agencies often engage in “turf battles” as they compete for leadership roles and budgetary resources. For example, a recent GAO report concluded that U.S. efforts to combat arms trafficking to Mexico have been hampered by, among other things, a lack of coordination between Immigration and Customs Enforcement (ICE) and ATF, the two agencies primarily responsible for dealing with that issue.<sup>54</sup>

Interagency coordination may prove particularly difficult during implementation of the Mérida Initiative because its diverse program components are being carried out by a wide range of U.S. agencies under the leadership of the State Department. Most Mérida programs are being administered by the State Department and USAID. However, because border security is a key component of Mérida, the Department of Homeland Security (DHS) also has a major role to play in its implementation. Within DHS, officials from ICE, Customs and Border Protection (CBP), and the U.S. Coast Guard are providing training and logistical support to their counterparts in Mexico and Central America. Similarly, agents from the Drug Enforcement Administration (DEA) and the Federal Bureau of Investigations (FBI) within the Department of Justice are working with law enforcement officials in partner countries.

“Turf battles” may emerge among implementing agencies, but they may also play out in the congressional committees that have an interest in overseeing Mérida. Because it is a foreign assistance program, primary oversight responsibilities for Mérida is to rest with the Senate Foreign Relations and House Foreign Affairs Committees. However, other committees, such as the Senate and House Homeland Security Committees, may want to continue weighing in on how Mérida funding is being spent, how its progress is being evaluated, and how Mérida-funded programs are dovetailing with U.S. homeland security programs.

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<sup>52</sup> William Booth and Steve Fainaru, “U.S. Aid Delays in Drug War Criticized,” *Washington Post*, April 5, 2009.

<sup>53</sup> U.S. Secretary of State Hillary Clinton, “Remarks with Mexican Foreign Secretary Patricia Espinosa After Their Meeting,” Washington, D.C., July 1, 2009.

<sup>54</sup> GAO, “Firearms Trafficking: U.S. Efforts to Combat Arms Trafficking to Mexico Face Planning and Coordination Challenges,” June 2009, GAO-09-709.

## Role of the Department of Defense

Since the terrorist attacks of September 11, 2001, the Department of Defense (DOD) has become increasingly involved in funding counterterrorism and other foreign assistance programs around the world.<sup>55</sup> In Latin America, DOD, acting through its Southern Command (Southcom), has expanded its definition of security threats to include nontraditional threats such as international crime, public health crises, and even poverty and inequality. Human rights groups have tracked DOD's expanding role in providing foreign aid in Latin America, alleging DOD's "mission creep" into programs and activities they feel are best funded and administered by the State Department or USAID.<sup>56</sup>

When the Mérida Initiative was first announced, analysts from across the political spectrum praised the fact that it did not appear to involve an active role for U.S. military forces in Mexico or Central America.<sup>57</sup> Some were pleased that civilian officials from the Central American Integration System (SICA) and the State Department designed the Central American portion of the proposal, rather than military personnel from the Central American Armed Forces Conference (CFAC) and Southcom.<sup>58</sup> Although DOD may not have taken a leadership role in designing Mérida, it will be administering assistance provided to Mexico through the FMF aid account, as well as a maritime assistance package in Central America. Apart from the Mérida Initiative, DOD provided a \$13 million counterterrorism training and equipment package to the Mexican military in FY2008.<sup>59</sup> In addition, while DOD only provided some \$3.1 million in CN training assistance to Mexico in FY2008, DOD assistance expanded to roughly \$28.2 million in FY2009 in order to complement Mérida programs.<sup>60</sup> Congress is likely to monitor DOD's role in Mérida, as well as how its other programs in Mexico and Central America complement the Initiative.

## U.S. Pledges Under the Mérida Initiative

In the U.S. and Mexico joint statement announcing the Mérida Initiative, the United States government pledged to "intensify its efforts to address all aspects of drug trafficking (including demand-related portions) and continue to combat trafficking of weapons and bulk currency to Mexico."<sup>61</sup> Many security experts argue that this pledge may be even more important to the success of regional counterdrug and anticrime efforts than any amount of U.S. foreign aid

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<sup>55</sup> For more information, see CRS Report RL34639, *The Department of Defense Role in Foreign Assistance: Background, Major Issues, and Options for Congress*, coordinated by Nina M. Serafino.

<sup>56</sup> WOLA, Center for International Policy, and Latin America Working Group Education Fund, "Ready, Aim, Foreign Policy: How the Pentagon Takes Over More and More Areas of Foreign Policy," April 20, 2008.

<sup>57</sup> Heritage Foundation, July 2008; WOLA, March 2008.

<sup>58</sup> U.S. Department of State, Office of Language Services Translating Division, "Not All That is Gold Glitters and Not All That Glitters is Gold," by Joel Fyke and Maureen Meyer, published in *Foreign Affairs en Español*, vol. 8, no. 1.

<sup>59</sup> In the FY2006-FY2008 annual Department of Defense (DOD) authorization bills, Congress provided DOD with authority to train and equip foreign military forces to perform counterterrorism operations. This "Section 1206" authority, as it is known, enables DOD to use defense funds to conduct or support train and equip programs such as those usually provided under State Department security assistance authorities and budgets. U.S. Department of Defense, "Section 1206 Programs Fact Sheet," July 29, 2009.

<sup>60</sup> Section 1022 of the National Defense Authorization Act for Fiscal Year 2008 (P.L. 110-181) extends Section 1033(b) of the National Defense Authorization Act for Fiscal Year 1998 to make available train and equip authorities to Mexico. Estimates of DOD CN support to Mexico for FY2008 and FY2009 are from U.S. Department of Defense, "Fact Sheet: Current DOD CN Support to Mexico," July 2009.

<sup>61</sup> U.S. Department of State and Government of Mexico, "Joint Statement on the Mérida Initiative," October 22, 2007.

provided to Mexico or Central America.<sup>62</sup> However, Mérida was proposed and funded as a foreign assistance package without any companion legislation on the domestic side. As such, it may prove difficult for Congress to monitor the degree to which the U.S. government is fulfilling its domestic pledges under the Mérida Initiative.

### **Weapons Trafficking<sup>63</sup>**

U.S. officials estimate that 90% of the firearms recovered from crime scenes in Mexico originated in the United States.<sup>64</sup> Mexican drug cartels and enforcer gangs are reportedly buying semiautomatic versions of AK-47 and AR-15 style assault rifles, and other military-style firearms in the United States. The cartels often obtain their weapons through “straw purchases,” whereby people who are legally qualified buy the weapons from licensed gun dealers or at gun shows in border states and sell them to smugglers who take them across the border.

ATF began a Southwest border initiative dubbed Project Gunrunner in FY2004 that aims to disrupt illegal flows of weapons from the United States into Mexico. In FY2006 and FY2007, around 100 ATF special agents and 25 industry operations investigators were dedicated to Project Gunrunner, while by March 2009, the numbers had increased to 148 special agents and 59 industry operations investigators.<sup>65</sup> From FY2004 through June 2009, ATF referred 882 cases for prosecution involving more than 1,838 defendants, including almost 415 cases for firearms trafficking involving more than 1,135 defendants and almost 13,382 guns.<sup>66</sup>

In addition to these efforts in the United States, ATF received \$4.5 million in Mérida funds and \$4.5 million in asset forfeiture funds from the Department of the Treasury for the deployment of eTrace firearms tracking technology to U.S. Consulates in Mexico to combat arms trafficking.<sup>67</sup> In FY2008, Mexico submitted more than 7,500 recovered guns for tracing, showing that most originated in Texas, Arizona, and California.<sup>68</sup>

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

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<sup>62</sup> Brookings Institution, November 2008.

<sup>63</sup> For more information, see CRS Report R40733, *Gun Trafficking and the Southwest Border*, by Vivian S. Chu and William J. Krouse

<sup>64</sup> U.S. Embassy, Mexico City, Mexico, “U.S.-Mexico, “U.S.-Mexico at a Glance: Combating Illicit Firearms,” February 2009.

<sup>65</sup> Department of Justice (DOJ), Statement of William Hoover, Assistant Director for Field Operations, ATF, and Anthony P. Placido, Assistant Administrator for Intelligence Division, DEA, before Senate Committee on the Judiciary, Subcommittee on Crime and Drugs, March 17, 2009.

<sup>66</sup> DOJ, Statement of Anthony P. Placido, Assistant Administrator for Intelligence Division, DEA, and Bill McMahon, Deputy Assistant Director, ATF, before the House Homeland Security Committee, Subcommittee on Border, Maritime, and Global Counterterrorism, July 16, 2009.

<sup>67</sup> Ibid.

<sup>68</sup> U.S. Department of Justice, “Department of Justice Announces Resources for Fight against Mexican Drug Cartels,” Fact Sheet, March 24, 2009.

reported in March 2009, the operation has resulted in more than 100 criminal arrests, 42 convictions, and the seizure of more than 400 weapons.<sup>69</sup>

According to DHS, the Mexican government began a pilot program in February 2009 to screen incoming traffic to look for guns, bulk cash, and other contraband, and hopes to expand the program across the entire border by the fall of 2009.<sup>70</sup> In addition, under the Mérida Initiative, the United States will be providing non-intrusive inspection equipment that will assist Mexican officials to prevent arms and cash smuggling from the United States.<sup>71</sup>

Some analysts have suggested that the U.S. government could further expand its efforts against gun trafficking to Mexico. They have advocated for, among other things, improving regulations to combat “straw purchases,” better regulating how weapons that are particularly attractive to criminal groups (such as “vest-buster” handguns and anti-armor rifles) are marketed, and enacting an effective assault weapons ban.<sup>72</sup>

Others have called for the U.S. Senate to act on a pending treaty, the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials.<sup>73</sup> According to the Department of State, the convention will help shut down the illicit transnational arms market that fuels the violence associated with drug trafficking, terrorism, and international organized crime. The treaty, which was signed by the United States in 1997, entered into force in July 1998. It was submitted to the Senate for its advice and consent in June 1998.<sup>74</sup>

## **Drug Demand**

U.S. drug demand fuels a multi-billion dollar illicit industry that has enhanced the power of DTOs and other allied gangs and organized criminal groups. In 2007, more than 35 million people in the United States reported using illicit drugs or abusing prescription drugs. Studies have shown that addressing drug demand through a combination of treatment programs for heavy users and prevention programs is more successful and cost-effective than through supply reduction programs.<sup>75</sup> Nevertheless, the U.S. drug control budget has continued to emphasize supply-side programs, including drug crop eradication in source countries, interdiction, and domestic law enforcement efforts, rather than demand reduction efforts. From FY2002 through the FY2009 budget request, funding for supply-side programs reportedly increased by almost 57%, whereas

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<sup>69</sup> U.S. Department of Homeland Security, “Statement of Mark Koumans, Deputy Assistant Secretary, Office of International Affairs,” before House Committee on Appropriations, Subcommittee on Homeland Security, March 10, 2009.

<sup>70</sup> Ibid.

<sup>71</sup> U.S. Department of State, “Statement of David T. Johnson, Assistant Secretary of State, Bureau of International Narcotics and Law Enforcement Affairs,” before the House Committee on Foreign Affairs, Subcommittee on the Western Hemisphere, March 18, 2009.

<sup>72</sup> Tom Diaz, Violence Policy Center, “Disrupting Arms Trafficking to Mexico,” October 17, 2008.

<sup>73</sup> Peter DeShazo and Johnna Mendelson Forman, “A treaty that can help stem drug violence in Mexico,” *Washington Times*, February 24, 2009.

<sup>74</sup> U.S. Department of State, “The Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials,” Fact Sheet, March 25, 2009.

<sup>75</sup> P. Rydell and S. Everingham, “Controlling Cocaine Supply Versus Demand Programs,” RAND: Santa Monica, C.A., 1994; David Boyum and Peter Reuter, *An Analytic Assessment of U.S. Drug Policy*, Washington, D.C.: American Enterprise Institute, 2005.

support for demand reduction efforts increased by less than 3%.<sup>76</sup> Supply reduction efforts now account for nearly two-thirds of the federal drug control budget.

U.S. pledges to intensify domestic demand reduction efforts in order to complement the Mérida Initiative have yet to be reflected in new budgetary priorities. The FY2010 federal drug control request submitted by the Obama Administration includes slightly less funding for demand reduction programs (-0.8%) than what was enacted in FY2009.<sup>77</sup> Ongoing debates about the proper balance of funding for supply reduction vs. demand reduction programs are likely to continue in the 111<sup>th</sup> Congress.<sup>78</sup>

## **Bulk Cash Smuggling**

Interrupting the flow of money from drug sales in the United States to Mexico, estimated to range from \$15 billion to \$25 billion annually,<sup>79</sup> may be one of the most effective ways to disrupt the activities of the Mexican DTOs. A portion of this money is used to buy weapons in the United States to arm the DTOs and their drug enforcers. Other drug proceeds are used to corrupt law enforcement and public officials, enabling the DTOs to continue to operate with impunity. Some analysts believe that the U.S. Treasury is doing a good job of making it difficult to launder money within financial institutions. Therefore, the preferred mode to transfer drug proceeds by the Mexican DTOs is through shipments of bulk cash.<sup>80</sup>

In order to address the problem of bulk cash smuggling, the DEA has carried out bulk cash seizures with the FBI, ICE, and CBP. In 2005, ICE and CBP launched a program known as “Operation Firewall,” which increased operations against bulk cash smuggling in the U.S.-Mexico border region. Since 2005, Operation Firewall has resulted in 452 arrests and the seizure of more than \$195 million.<sup>81</sup> Many operations have been carried out in coordination with Mexican customs and the Mexican money laundering vetted unit. In 2008, ICE created a Trade Transparency Unit (TTU) in Mexico. Mexican TTU representatives are receiving training and technical support from ICE officials in how to identify cross-border trade anomalies that could be indicative of bulk cash smuggling.

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<sup>76</sup> “FY02-FY09 Budget Emphasizes Least Effective Ingredients of Drug Policy,” Carnevale Associates, February 2008.

<sup>77</sup> U.S. Office of National Drug Control Policy, *National Drug Control Strategy: FY2010 Budget Summary*, May 7, 2009, p. 13.

<sup>78</sup> For more information on U.S. domestic drug policy, see CRS Report RL32352, *War on Drugs: Reauthorization and Oversight of the Office of National Drug Control Policy*, by Mark Eddy.

<sup>79</sup> Woodrow Wilson International Center for Scholars Mexico Institute, *The United States and Mexico: Towards a Strategic Partnership*, January 2009.

<sup>80</sup> Testimony of Andrew Selee, Director of the Mexico Institute, Woodrow Wilson Center before the House Subcommittee on National Security and Foreign Affairs of the Committee on Oversight and Government Reform, March 12, 2009.

<sup>81</sup> U.S. Department of Homeland Security, Statement of John T. Morton, Assistant Secretary, ICE, before the House Homeland Security Committee, Subcommittee on Border, Maritime, and Global Counterterrorism, June 11, 2009.



## Mexico Policy Issues<sup>82</sup>

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

### Domestic Counterdrug Efforts

President Calderón has made combating drug cartels a top priority of his administration. He has increased Mexico's security budget from roughly \$2 billion in 2006, to some \$4 billion in 2008, and a reported \$9.3 billion for 2009.<sup>83</sup> He has mobilized thousands of soldiers and federal police to arrest drug traffickers, establish check points, burn marijuana and opium plants, and interdict drug shipments. A 2008 U.S. government report credits Mexico's recently established import restrictions on products containing methamphetamine precursors with reducing Mexican methamphetamine shipments to the United States.<sup>84</sup> President Calderón has also used extradition as a major tool to combat drug traffickers, extraditing 83 alleged criminals to the United States in 2007 and a record 95 individuals in 2008.<sup>85</sup>

While a majority of Mexicans still support President Calderón, there have been increasing calls for him to consider a new anti-drug approach. Drug-related arrests and extraditions have increased, but drug-related killings have also continued at record levels, even in communities where large numbers of military and federal police have been deployed.<sup>86</sup> Some have expressed concerns about the militarization of Mexican law enforcement. Calderón officials have staunchly defended their current anti-drug approach, saying that the military strategy, though difficult, is producing positive results.<sup>87</sup> Many experts maintain that there needs to be greater oversight of the military by civilian institutions, particularly the Congress.<sup>88</sup> Others assert that Calderón has not devoted enough resources to addressing issues that are closely linked to the drug trade, such as money laundering. Still others remain concerned that ongoing corruption, impunity, and human rights abuses by military and police forces are not being adequately addressed.<sup>89</sup>

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<sup>82</sup> For more information, see CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*, by Mark P. Sullivan and June S. Beittel.

<sup>83</sup> Steve Fainaru and William Booth, "As Mexico Battles Cartels, The Army Becomes the Law," *Washington Post*, April 2, 2009.

<sup>84</sup> NDIC, National Drug Threat Assessment 2009, November 2008.

<sup>85</sup> U.S. Embassy, Mexico City, Mexico, "U.S.-Mexico At a Glance: Extraditions," February 2009.

<sup>86</sup> Alfredo Corchado, "Mexican Officials Defend Drug War Strategy as Deaths Rise," *Dallas Morning News*, August 2, 2009.

<sup>87</sup> Steve Fainaru and William Booth, "New Strategy Urged in Mexico," *Washington Post*, July 28, 2009.

<sup>88</sup> Woodrow Wilson Center, Mexico Institute, *The United States and Mexico: Toward a Strategic Partnership*, January 2009.

<sup>89</sup> Human Rights Watch, Uniform Impunity, Mexico's Misuse of Military Justice to Prosecute Abuses in Counternarcotics and Public Security Operations, April 2009, available at: <http://www.hrw.org/en/news/2009/04/29/mexico-hold-military-account-rights-abuses>.

## **Police Reform and Anti-Corruption Efforts**

Instances of corruption of law enforcement and government officials have been a significant problem that has made the campaign against drug cartels more difficult. In August 2008, six members of the federal Attorney General's office known as SIEDO reportedly had been arrested on suspicion of leaking information to drug traffickers. In October 2008, an elite unit within SIEDO was implicated in a scandal involving payoffs for sensitive information about antidrug activities, with at least 35 officials fired or arrested.<sup>90</sup> In November 2008, the former head of SIEDO was arrested and accused of accepting bribes from a drug cartel.

President Calderón has taken steps to reform the country's federal, state, and municipal police forces and to crack down on corruption within the police and other government institutions. Calderón has reorganized the two federal police agencies under a single commander, established a new police training institute, and created a national database through which police can share information and intelligence. His government has begun to test the competency of state and local police forces and to reward units whose officers meet certain standards with higher budgets. Only roughly 50% of officers tested in 2008 are said to have met the minimum standards. President Calderón has also purged hundreds of corrupt police officers. In late December 2008, he asserted that some 11,500 law enforcement and other government employees had been fined for corruption in the past two years, with fines totaling close to \$300 million.<sup>91</sup>

The State Department's 2008 human rights report, issued in March 2009, recognized the Mexican government's efforts to reform and professionalize the police force, although it highlighted that corruption and impunity, particularly at the state and local levels, remain endemic problems. Analysts have suggested that the Calderón government consider implementing other reforms, including, but not limited to, strengthening police professionalization programs, establishing a career track within federal and state police forces, and developing internal and external review mechanisms for police performance.<sup>92</sup>

## **Implementation of Judicial Reforms**

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

Implementing these judicial reforms is likely to bring additional challenges. Some of those challenges may include the need to update law school curricula, retrain current legal professionals, build new courtrooms, improve forensic technology, and encourage the use of

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<sup>90</sup> Tracy Wilkinson, "Mexico Under Siege: Elite Police Tainted by Drug Gang," *Los Angeles Times*, October 28, 2008.

<sup>91</sup> Sara Miller Llana, "Setbacks in Mexico's War on Corruption," *Christian Science Monitor*, December 29, 2008.

<sup>92</sup> Woodrow Wilson Center, Mexico Institute, *The United States and Mexico: Toward a Strategic Partnership*, January 2009.

ADR. Many observers hope that the federal government can learn how to identify and overcome those challenges by looking at the experiences that states such as Chihuahua and Oaxaca have had in adopting an accusatorial justice system and in using ADR.<sup>93</sup> USAID has been supporting state-level judicial reform programs in Mexico since the mid-1990s, and is now supporting implementation of the federal judicial reform.

## **Protection of Human Rights**

Both the Mexican police and military have poor human rights records. According to the State Department's most recent human rights report, there were credible reports of police involvement in extrajudicial killings, kidnappings for ransom, and torture. There has been increasing concern that the Mexican military, which has had less human rights training and is less accountable to civilian authorities than the police, is committing more human rights abuses as it is increasingly tasked with public security tasks.<sup>94</sup> According to Mexico's Human Rights Commission (the CNDH), complaints of human rights abuses by the Mexican military increased from 182 in 2006 to 1,230 in 2008.<sup>95</sup>

In addition to expressing concerns about current human rights abuses being committed, Mexican and international human rights groups have criticized the Mexican government for failing to hold military and police officials accountable for past abuses. On July 13, 2009, Human Rights Watch issued a statement asserting that "Mexican military courts ... have not convicted a single member of the military accused of committing a serious human rights violation."<sup>96</sup> The head of the Mexican military's human rights office held a press conference on July 23, 2009, to dispute those assertions, but reportedly did not provide details on particular cases that had been successfully prosecuted in the military justice system.<sup>97</sup>

Human rights organizations generally lauded the inclusion of human rights conditions (described in **Appendix B**) in Mérida Initiative appropriations legislation. U.S. and Mexican human rights groups have urged the State Department not to issue a favorable report on the Mexican government's human rights record. They maintain that the Mexican military has failed to investigate, prosecute, or punish human rights violations committed by its forces.<sup>98</sup>

On August 13, 2009, the State Department submitted its human rights progress report for Mexico to Congress, thereby meeting the statutory requirements for FY2008 supplemental and FY2009 regular funds that had been on hold to be released. While acknowledging that serious problems remain, the report outlines steps that the Mexican government has made to improve police

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<sup>93</sup> David Shirk and Louna M. Márquez-Carrasquillo, "Border Brief: State Level Judicial Reform Initiatives in Mexico," February 21, 2008.

<sup>94</sup> See testimony by Joy Olson, Washington Office on Latin America, and Lisa Haugaard, Latin America Working Group, before the House Committee on Appropriations, Subcommittee on State, Foreign Operations, and Related Programs, hearing on the Mérida Initiative, March 10, 2009.

<sup>95</sup> Statistics are available in annual reports of Mexico's Human Rights Commission, available at <http://www.cndh.org.mx>.

<sup>96</sup> Human Rights Watch, "Mexico: U.S. Should Withhold Military Aid: Rights Conditions in Merida Initiative Remain Unmet," July 13, 2009, available at: <http://www.hrw.org/en/news/2009/07/13/mexico-us-should-withhold-military-aid>.

<sup>97</sup> Booth and Fainaru, August 5, 2009.

<sup>98</sup> Letter from Amnesty International and Other Human Rights Groups to Secretary of State Hillary Clinton, "Human Rights Concerns to Inform the U.S. Department of State's Merida Initiative Reporting on Mexico, July 24, 2009.

transparency and accountability, consult with Mexican human rights organizations and civil society on the Mérida Initiative, investigate and prosecute allegations of human rights abuses by security forces, and prohibit the use of torture. The report acknowledges that human rights complaints against the Mexican military have “increased almost six-fold” since the beginning of the Calderon government. It also states that “the opaqueness of the [Mexican] military court system makes it difficult to analyze the nature and type of complaints filed, the status of cases against members of the military alleged to have violated human rights, or the results of the military prosecution.”<sup>99</sup>

## Central America Policy Issues

A number of policy issues may emerge as Congress considers the Central American portion of the Mérida Initiative including concerns about:

- **Funding:** When the Mérida Initiative was announced, Central American leaders and some Members of Congress expressed concerns about the funding disparity between the Mexican and Central American portions of the Initiative.<sup>100</sup> Depending upon how much funding Central America receives in the FY2010 budget for Mérida, there may be lingering questions about the adequacy of the funds provided, as well as how much of those funds should be spent on regional programs versus bilateral programs in the seven Central American countries.
- **Type of Funds Provided:** In the FY2008 Supplemental Appropriations Act, Congress reduced the funds appropriated for law enforcement programs in Central America in order to increase funding for institution-building, rule of law, and development programs. Members are likely to continue to debate how funding should be balanced among the various program components, particularly how much funding should support law enforcement programs and drug interdiction efforts versus institution-building and rule of law activities.
- **Creation of a Central American Regional Security Initiative (CARSI).** House and Senate versions of the FY2010 State-Foreign Operations bill differ over whether to continue funding security assistance to Central America through the Mérida Initiative or not. The conference committee is likely to decide whether to keep the existing Mérida framework or to replace it with a separate security initiative for Central America.
- **Instability in Particular Countries.** As a result of the recent ouster of President Zelaya, some Mérida assistance for Honduras has been put on hold. How will regional programs like the ongoing maritime security initiative be affected by the suspension of funding to one country?
- **Interagency Coordination:** Debates are likely to continue concerning what U.S. agency is best equipped to oversee Mérida programs, including the issue of whether there is a role for the U.S. Southern Command in anticrime efforts, and how U.S. programs should be coordinated with those funded by other donors.

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<sup>99</sup> U.S. Department of State, “Mexico- Merida Initiative Report,” August 2009.

<sup>100</sup> Manuel Roig-Franzia, “Central Americans See Peril in Bush’s Anti-Drug Priorities,” *Washington Post*, November 29, 2007.

- **Anti-gang Policies:** There is ongoing disagreement over the level and combination of preventive and suppressive policies that should be used in Central America to address the gang problem. Proponents of law enforcement solutions maintain that Central American law enforcement officials lack the capacity and resources to target gang leaders effectively, share data, and conduct thorough investigations that lead to successful prosecutions. Human rights groups tend to emphasize the importance of prevention and rehabilitation programs.
- **U.S. Deportation Procedures:** Congress may also maintain an interest in how U.S. deportation procedures for individuals with criminal records might be improved and whether U.S. assistance should be provided to help receiving governments reintegrate deportees.

## The Caribbean

The Bush Administration originally conceived the Mérida Initiative as a foreign assistance package for Mexico and Central America, the countries through which the bulk of cocaine heading to the United States now flows. However, some Members of Congress felt that the Initiative should also include funding for the Caribbean drug transit countries of Haiti and the Dominican Republic. If they are not funded, they argued, a successful Mérida Initiative will force drug traffickers to return to the Caribbean transit zone. As a result, the 110<sup>th</sup> Congress included Haiti and the Dominican Republic in Mérida authorizations and appropriations legislation. The 111<sup>th</sup> Congress provided additional Mérida funding for Haiti and the Dominican Republic in the 2009 Omnibus appropriations measure signed into law on March 11, 2009.

Some favor including Haiti and the Dominican Republic in the Mérida Initiative since both countries are key transshipment points for cocaine bound from South America to the United States and Europe. They point out that both countries have experienced a surge in air smuggling of cocaine from Venezuela since 2007.<sup>101</sup> Haiti, the poorest and most unstable country in the Western Hemisphere, is particularly attractive to narcotics traffickers since its coasts and border with the Dominican Republic are largely uncontrolled. Others oppose providing additional Mérida funds for Haiti and the Dominican Republic since there are only limited funds available for the Initiative. Haiti and the Dominican Republic already receive U.S. counternarcotics assistance through other foreign aid accounts. Moreover, they argue, both countries are also receiving counternarcotics training and support from the U.N. Stabilization Mission in Haiti.

Finally, some Members of Congress have called for a broader expansion of Mérida Initiative-related security assistance to the Caribbean nations. They support additional foreign operations appropriations in FY2010 so that all the nations of the Caribbean receive Mérida assistance. In the authorization legislation in the 111<sup>th</sup> Congress, all Caribbean community (CARICOM) nations are included. The Obama Administration did not include Haiti and the Dominican Republic in its FY2010 request for Mérida. It did announce a new Caribbean Basin Security Initiative at the Summit of the Americas held in April 2009. This Caribbean expansion is reflected in H.R. 3081, the House-passed version of the FY2010 State-Foreign Operations Appropriation measure.

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<sup>101</sup> U.S. Department of State, *International Narcotics Control Strategy Report*, March 2008.

## Appendix A. Estimated Mérida Requests and Appropriations by Country

This table provides an overview of the funds that have been requested and appropriated for the Mérida Initiative by country. The FY2009 Appropriations Plan submitted by the State Department did not specify country amounts for Central America, neither did the FY2010 budget request.

**Table A-1. Estimated Mérida Requests and Appropriations by Country**  
(\$ in millions)

Country	FY2008 Supp. Request	FY2008 Supp. App. Act (P.L. 110- 252)	FY2009 Request	FY2009 Omnibus App. Act (P.L. 111- 8)	FY2009 Supp. Request	FY2009 Supp. App. Act (P.L. 111- 32)	FY2010 Request
Mexico	500.0	400.0	450.0	300.0	66.0	420.0	450.0
Belize	1.9	1.5	5.8	-	-	-	-
Costa Rica	4.3	4.3	9.5	-	-	-	-
El Salvador	7.1	6.1	17.3	-	-	-	-
Guatemala	11.1	10.6	17.7	-	-	-	-
Honduras	10.8	7.3	12.4	-	-	-	-
Nicaragua	3.7	2.4	6.7	-	-	-	-
Panama	3.9	2.0	8.9	-	-	-	-
Central America (Regional)	7.2	24.9	21.7	-	-	-	-
Central America (total)	50.0	60.0	100.0	105.0	-	-	100.0
Haiti	0.0	2.5	0.0	2.5	-	-	-
Dominican Republic	0.0	2.5	0.0	2.5	-	-	-
Total	550.0	465.0	550.0	410.0	66.0	420.0	550.0

**Source:** U.S. Department of State briefing papers provided to Congressional offices; FY2008 Supplemental Appropriations Spending Plan; 2009 Omnibus Appropriations Act, P.L. 111-8, (Division H and Joint Explanatory Statement, H.R. 1105); FY2009 Supplemental Justification, Department of State & U.S. Agency for International Development; Conference Report to accompany H.R. 2346, H.Rept. 111-151, and U.S. Department of State, "Summary and Highlights, International Affairs, Function 150, Fiscal Year 2010."

Notes: The FY2009 Appropriations Plan submitted by the State Department did not specify country amounts for Central America. In addition, the FY2010 request does not contain a specific country breakdown.

## **Appendix B. Conditions on FY2008 Supplemental Assistance for Mérida**

### **Mexico**

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

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

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

### **Central America, Haiti and the Dominican Republic**

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

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

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

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