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 110th 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 111th 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 111th 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,” 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.2

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 2007.3 Among those murdered were some 522 Mexican military and law enforcement officers. 4 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.5

Mexican DTOs are increasingly expanding their operations into Central America,6 a region in which security officials have even less training and equipment to deal with DTOs and criminal gangs than their Mexican counterparts.7 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.8 In addition, Mexico and Central America continue to

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1 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.
2 For more information, see CRS Report R40582, Mexico’s Drug-Related Violence, by June S. Beittel
4 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.
6 The Central American countries include Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama.
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.\(^9\)

### 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.\(^{10}\) 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.\(^{11}\) 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”).\(^{12}\)

The Mérida Initiative is not only the largest foreign aid package for the Western Hemisphere since Plan Colombia,\(^{13}\) 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.\(^{14}\) Since President Calderón took office, Mexico has increased security spending, including a reported $5 billion increase in the 2009

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\(^{10}\) 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.

\(^{11}\) 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.


\(^{13}\) 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.

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budget, mobilized thousands of soldiers and police to drug trafficking “hot-spots” throughout the country, and enacted judicial and law enforcement reforms. 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. 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 110th 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 110th Congress appropriated $352 million in FY2008 supplemental assistance and $48 million in FY2009 bridge fund supplemental assistance for Mexico in P.L. 110-252, the FY2008 Supplemental Appropriations Act (see Table 1 for funding for Mexico by year and aid account). In contrast to the Bush Administration, which requested all Mérida funding in the International Narcotics Control and Law Enforcement (INCLE) account, Congress divided the funding for Mexico in P.L. 110-252 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/Army 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.

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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15 Figure cited in U.S. Department of State, “Mexico- Merida Initiative Report,” August 2009.
16 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.
17 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.
18 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, 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**

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 111th 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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20 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.
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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)

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

The FY2008 Supplemental Appropriations Act (P.L. 110-252) included $60 million in Mérida funds for Central America. As with Mexico, Congress divided the funding for Central America 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).

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.)

21 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.

22 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.

23 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

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.

24 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)

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**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 111th Congress

H.R. 2410 (Berman) Foreign Relations Authorization Act, Fiscal Years 2010 and 2011. Introduced May 14, 2009; House Committee on Foreign Affairs held markup and ordered the bill reported. House approved June 22, 2009. Title IX, Subtitle A of the bill, as introduced, consists of actions to enhance the Mérida Initiative, including the designation of a high-level coordinator within the Department of State to implement the program; the addition of Caribbean Community (CARICOM) countries to the Mérida Initiative; the establishment and implementation of a program to assess the effectiveness of assistance provided under the Mérida Initiative; within 180 days and not later than December 1 of each year thereafter, a reporting requirement regarding the programs and activities carried out under the Mérida Initiative. Title IX, Subtitle B of the bill would require the President to establish an inter-agency task force on the prevention of illicit small arms trafficking in the Western Hemisphere; increase penalties for illicit trafficking in small arms and light weapons; and express congressional support for the ratification by the United States of the Inter-American Convention Against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives, and Other Related Materials (CIFTA).

H.R. 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 disbursal 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.25 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.26

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.

26 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. 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. 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.

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. 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. 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.

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...
(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. Of the $60.7 million available for obligation as of July 2009, close to $32 million had been obligated. 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.

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.

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. 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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33 To date, roughly $800,000 in FY2008 INCLE funds for Guatemala remain on hold. Those funds will expire on September 30, 2009.
34 U.S. Department of State, Fact Sheet provided to CRS, July 22, 2009.
35 Ibid.
36 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.
37 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.