



CRS Report for Congress

Merida Initiative: Proposed U.S. Anticrime and Counterdrug Assistance for Mexico and Central America

Colleen W. Cook, Rebecca G. Rush, and Clare Ribando Seelke
Analysts in Latin American Affairs
Foreign Affairs, Defense, and Trade Division

Summary

Increasing violence perpetrated by drug cartels, youth gangs, and other criminal groups is threatening citizen security and democracy in Mexico and Central America. Mexican and Central American government efforts to combat drug trafficking and organized crime have been hindered by inadequate resources, corruption, and weak judicial systems. On October 22, 2007, the United States and Mexico issued a joint statement announcing the Mérida Initiative, a multi-year plan for U.S. assistance to Mexico and Central America aimed at helping those governments combat drug trafficking and other criminal organizations. The Administration requested \$500 million for Mexico and \$50 million for Central America in the FY2008 supplemental appropriations request. To date, there is no legislative vehicle for the funding request. The Administration requested another \$450 million for Mexico and \$100 million for Central America in the FY2009 budget request. This report discusses the background and funding of the Mérida Initiative and will be updated as events warrant. For more information, see CRS Report RL32724, *Mexico-U.S. Relations: Issues for Congress*, and CRS Report RL34112, *Gangs in Central America*.

Background

The Mérida Initiative, named for the city where Presidents George W. Bush and Felipe Calderón met in March 2007, was designed to combat drug trafficking, transnational crime, and terrorism. At that March meeting, the two presidents agreed to expand bilateral and regional counternarcotics and security cooperation. United States and Mexican government officials met over subsequent months to craft the details of the Initiative. These negotiations were not public, and Members of both the U.S. and Mexican Congresses reportedly have expressed frustration that they were not involved in the discussions. Assistant Secretary of State Thomas Shannon has described the Mérida Initiative as an “urgent” aid package composed largely of equipment and training that

could have “an immediate and important impact in the fight against organized crime.”¹ The House Committee on Foreign Affairs Subcommittee on the Western Hemisphere held a hearing on the initiative in February 2008. Both the House Committee on Foreign Affairs and the Senate Foreign Relations Committee held hearings on the initiative in November 2007.

The goals of the Mexican and Central American portions of the Mérida Initiative vary slightly. According to the joint statement, the goal of the Mexico portion of the aid package is to complement U.S. and Mexican domestic efforts against drug, human, and weapons trafficking. The joint statement highlights current efforts of both countries, including Mexico’s 24% increase in security spending in 2007 and U.S. efforts to reduce weapons, human, and drug trafficking along the Mexican border. The statement does not, however, announce additional funding for U.S. domestic efforts. The Southwest Border Counternarcotics Strategy and the National Drug Control Strategy are cited as existing U.S. efforts to combat drug trafficking. The Central America portion of the Initiative is aimed at bolstering the capacity of governments to inspect and interdict unauthorized drugs, goods, arms, and people. It would also support implementation of the U.S. Strategy for Combating Criminal Gangs from Central America and Mexico, announced at a July 2007 U.S.-Central American Integration System (SICA) summit.

Funding

The Administration has requested \$1.1 billion in support of the Mérida Initiative, \$550 million as part of the FY2008 supplemental appropriations request and another \$550 million in the FY2009 budget request (see **Table 1** for country breakdowns). In the FY2008 supplemental appropriations request, the Administration requested \$500 million for Mexico and \$50 million for Central America. All of the proposed funding has been requested through the International Narcotics Control and Law Enforcement (INCLE) account, administered by the Department of State Bureau of International Narcotics and Law Enforcement Affairs. (See **Table 2** for proposed funding by program components.) If approved by Congress, this funding would represent a dramatic increase in aid to Mexico and a significant increase in aid to Central America, mostly in the form of equipment and training. U.S. assistance to Mexico totaled \$65.4 million in FY2007 and roughly \$50.6 million in FY2008. If Congress approves the pending supplemental request, Mexico and Central America’s share of the estimated U.S. foreign aid to Latin America in FY2008 would increase from roughly 15.4% to 38.5%. In the FY2009 budget request, the Administration requested another \$550 million for the Mérida Initiative. Although the total request for funding remains the same, the Administration requested \$450 million for Mexico and \$100 million for Central America.

¹ Joint Explanatory Statement to the Consolidated Appropriations Act of 2008, Division J, (P.L. 110-161); “Security: President Bush Offers US\$500 Million,” *Latin American Regional Report — Mexico and NAFTA*, November 2007; U.S. Department of State and Government of Mexico, “Joint Statement on the Merida Initiative,” October 22, 2007; U.S. Department of State, Foreign Press Center On-the-Record Briefing, “The Mérida Initiative,” Thomas A. Shannon, Assistant Secretary for Western Hemisphere Affairs, November 16, 2007.

Table 1. Estimated Mérida Funding by Country
(\$ in millions)

Country	FY2008 Supplemental Request	FY2009 Request
Mexico	500.0	450.0
Belize	1.9	5.8
Costa Rica	4.3	9.5
El Salvador	7.1	17.3
Guatemala	11.1	17.7
Honduras	10.8	12.4
Nicaragua	3.7	6.7
Panama	3.9	8.9
Central America (Regional)	7.2	21.7
Total	550.0	550.0

Source: U.S. Department of State briefing papers provided to Congressional offices; U.S. Department of State, Congressional Budget Justification for Foreign Operations, FY2009. In the FY2009 budget request, the \$100 million for Central America is not broken out by country.

Table 2. Mexico and Central America Program Components
(\$ in millions)

Type of Funding	FY2008 Supplemental Request (Mexico)	FY2008 Supplemental Request (Central America)	FY2009 Request (Mexico)	FY2009 Request (Central America)
Counternarcotics, Counterterrorism, and Border Security	306.3	16.6	238.3	40.0
Public Security and Law Enforcement	56.1	25.7	158.5	32.0
Institution Building and Rule of Law	100.6	7.7	30.7	23.0
Program Support	37.0	—	22.5	5.0
Total	500.0	50.0	450.0	100.0

Source: U.S. Department of State briefing paper provided to Congressional offices; U.S. Department of State, Congressional Budget Justification for Foreign Operations, FY2009.

Mexico Program Components

Counternarcotics, Counterterrorism, and Border Security.² This is the largest category of proposed aid and is intended to provide significant equipment and technology infrastructure improvements for Mexican military and law enforcement agencies. In the FY2008 supplemental request, the majority of the proposed funding, \$208.3 million, would go to the procurement of eight Bell 412 transport helicopters, including a \$24 million logistics, spare parts, and training package, for the Mexican Army and Navy; 87 handheld ion scanners for the Mexican Air Force and Army; two CASA CN-235-300 surveillance planes for the Mexican Navy; and equipment for two aircraft operated by the Mexican Attorney General's Office. Inspections equipment, including scanners and x-ray vans, as well as canine training, valued at \$31.5 million would be provided to Mexican customs for use at points of entry. Another \$31.3 million would be for the expansion and modernization of the Mexican immigration agency's database and document verification system, as well as the digitalization of immigration forms and the equipment and training of agency personnel in rescue and safety techniques to be used along Mexico's southern border. It would also provide \$25.3 million to secure communications systems among Mexican security agencies and inspection facilities for mail facilities. Mexican intelligence agencies would receive \$7.9 million to improve database interconnectivity; data management, and forensic analysis tools. It also includes \$2 million to expand the Mexican Attorney General Office's (PGR) support of the Operation Against Smugglers Initiative on Safety and Security (OASISS), a program aimed at identifying and prosecuting human smugglers along the U.S.- Mexico border.

For the FY2009 request, this category would receive just over 50% of funding, with more emphasis placed on assistance to non-military agencies. Some \$118 million would go to improve infrastructure and information systems at non-military agencies, including Mexico's immigration agency, the Attorney General's office, the intelligence service (CISEN), the postal service, and customs. The Mexican Army and Air Force would receive some \$20 million to support transport helicopters, helicopter maintenance, and night vision. The Army would also receive just over \$20 million in Gamma Ray inspection equipment to use at Army checkpoints in Mexico's interior. The Mexican Navy would receive \$100 million to support fixed wing aircraft for surveillance and counternarcotics interception missions.

Public Security and Law Enforcement. For the FY2008 supplemental request, the majority of this aid, \$30 million, would provide inspection scanners and x-ray vans to police in Mexico's Ministry of Public Security and create a canine detection team also to be used in inspections. The next largest component, \$15.1 million, would support drug demand reduction efforts of Mexico's Secretariat of Health by providing computer hardware and software to improve links to non-governmental organizations (NGOs) and other private groups working in demand reduction. Another \$6 million would provide security equipment, including armored vehicles, and bullet-proof vests, to Mexican law enforcement personnel investigating organized crime. Finally, \$5 million would go to upgrading computer infrastructure and data analysis tools to support the Financial Intelligence Unit's efforts against money laundering.

² Information for sections on funding components are from Department of State briefing papers submitted to Capitol Hill Offices.

For FY2009, The Administration requested \$158.5 million in this category, a \$100 million increase over the FY2008 supplemental request. Nearly all of this assistance, \$147.6 million, would go to support the Mexican federal police, which would receive: transport helicopters and maintenance support (\$106 million); mobile gamma ray inspection equipment (\$26 million); x-ray vans for light vehicles (\$4.8 million); and, canine training (\$750,000). Some \$10.9 million would support drug demand reduction programs.

Institution Building and Rule of Law. For the FY2008 supplemental request, the Administration asked for \$100.6 million in this category, with some \$60.7 million for an array of efforts, including revamping information management and forensics systems at Mexico's Office of the Attorney General (PGR); training in courts management, prison management, asset forfeiture, and police professionalization; support for anti-gang and anti-organized crime units; victim and witness protection program support; and extradition training. The PGR would also receive \$19.9 million for digitalization, database improvements, and a case management system, and \$5 million in unspecified support of the PGR's Forensic Institute. The aid proposal also includes \$15 million to promote anti-corruption, transparency, and human rights, though support of law enforcement, court institutions, and civil society groups working to improve the efficiency and responsiveness of the justice system.

For FY2009, the Administration requested significantly less funding, \$30.7 million, with \$23.4 million to improve the justice system; \$8.5 million to support the PGR's Forensic Institute; and \$9.4 million to support improved data collection and analysis.

Program Support. The FY2008 supplemental request includes \$37 million for program support to cover the cost of U.S. personnel, administration, and budget services related to the proposed aid package. For FY2009, the Administration requested \$22.5 million in program support.

Central America Program Components

Counternarcotics, Counterterrorism, and Border Security.³ For FY2008, the Administration is requesting \$16.6 million for this category, spread out among the seven Central American countries. The Administration proposes spending \$7.5 million to support the Central American Fingerprinting Exploitation (CAFÉ) initiative to facilitate information-sharing about violent gang members and other criminals; to improve drug crime information sharing and collection; and to expand sensitive investigation police units dedicated to counternarcotics efforts. Another \$5.3 million would go towards improving maritime interdiction capabilities and providing technical assistance on firearms tracing, interdiction, and destruction. The Administration also proposes giving \$3.8 million for port, airport, and border security, including equipment and training through the Organization of American States (OAS) Inter-American Committee Against Terrorism.

³ Information for sections on funding components is from a Department of State briefing paper that was submitted to Capitol Hill Offices.

For FY2009, the Administration requested \$40 million in this category. More than half of that money, \$25.8 million, would go to land and maritime interdiction and interception assistance, as well as to a regional arms tracking program. The FY2009 request also includes \$1 million to support the drug demand reduction efforts of the OAS Inter-American Drug Abuse Control Commission and \$2 million to combat currency smuggling.

Public Security and Law Enforcement. In the FY2008 supplemental request, the majority of proposed funding for Central America, \$25.7 million, is specified for programs to improve policing and support anti-gang efforts. The Administration proposes \$12.6 million in spending to implement the U.S. anti-gang strategy, including support for diplomatic efforts, funding for the electronic travel document (eTD) system to provide biometric and biographic information on persons being deported from the United States, anti-gang units, and community-based prevention programs. Another \$11.1 million would provide specialized police training and equipment. Some \$2 million would fund the International Law Enforcement Academy (ILEA) in El Salvador.

The Administration's request for funding in this category did not change significantly in the FY2009 budget request. The request includes \$13 million to implement the U.S. Anti-Gang Strategy, with \$7.5 million of that slated for community prevention programs, up from \$5 million in the FY2008 supplemental request. It also includes \$13 million for police modernization and technical assistance and \$6 million to support the ILEA.

Institution Building and Rule of Law. The Administration also proposed \$7.7 million in rule of law programs in the FY2008 supplemental request, including improvement of court management and prosecutorial capacity building; reforming prison management; supporting community policing programs, and providing assets forfeiture capacity training.

The Administration's FY2009 budget request for this category rose to \$23 million. The largest increases from the FY2008 supplemental request are for courts management programs and training to improve prosecutorial capacity. The FY2009 budget request also includes \$2 million for juvenile justice systems and rehabilitation programs and \$1 million for programs to build public confidence in the justice system, two components not included in the FY2008 supplemental request.

Program Support. The FY2008 supplemental request did not include funding for this category, while the FY2009 budget request included \$5 million in unspecified program support.