



# Latin America and the Caribbean: Illicit Drug Trafficking and U.S. Counterdrug Programs

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## Summary

Drug trafficking is viewed as a primary threat to citizen security and U.S. interests in Latin America and the Caribbean despite decades of anti-drug efforts by the United States and partner governments. The production and trafficking of popular illicit drugs—cocaine, marijuana, opiates, and methamphetamine—generate a multi-billion dollar black market in which Latin American criminal and terrorist organizations thrive. These groups challenge state authority in source and transit countries where governments are often fragile and easily corrupted. Mexican drug trafficking organizations (DTOs) largely control the U.S. illicit drug market and have been identified by the U.S. Department of Justice as the “greatest organized crime threat to the United States.” Drug trafficking-related crime and violence in the region has escalated in recent years, raising the drug issue to the forefront of U.S. foreign policy concerns.

Since the mid-1970s, the U.S. government has invested billions of dollars in anti-drug assistance programs aimed at reducing the flow of Latin American-sourced illicit drugs to the United States. Most of these programs have emphasized supply reduction tools, particularly drug crop eradication and interdiction of illicit narcotics, and have been designed on a bilateral or sub-regional level. Many would argue that the results of U.S.-led drug control efforts have been mixed. Temporary successes in one country or sub-region have often led traffickers to alter their cultivation patterns, production techniques, and trafficking routes and methods in order to avoid detection. As a result of this so-called “balloon effect,” efforts have done little to reduce the overall availability of illicit drugs in the United States. In addition, some observers assert that certain mainstays of U.S.-funded counterdrug programs, particularly aerial spraying to eradicate drug crops, have had unintended social and economic consequences.

The Obama Administration has continued U.S. support for Plan Colombia and the Mérida Initiative, but is gradually broadening the focus of those aid packages to focus more on citizen security and institution-building, rather than mainly prioritizing drug supply control efforts. Newer programs like the Caribbean Basin Security Initiative (CBSI) and the Central American Regional Security Initiative (CARSI) include an emphasis on rule of law, anti-corruption, and community and youth development programs. The Administration has appointed a coordinator within the State Department to oversee the aforementioned assistance packages, which it has termed “citizen security programs,” and is developing a comprehensive Western Hemisphere Counterdrug Strategy. In order to complement these international efforts, President Obama and his top advisers have acknowledged the role that U.S. drug demand has played in fueling the drug trade in the region and requested increased funding for prevention and treatment programs.

Congress has influenced U.S. drug control policy in Latin America by appropriating certain types and levels of funding for counterdrug assistance programs and conditioning the provision of antidrug funding on the basis of human rights and other reporting requirements. Congress has also sought to ensure that counterdrug programs are implemented in tandem with judicial reform, anti-corruption, and human rights programs. The 112<sup>th</sup> Congress has held hearings evaluating drug assistance programs and related domestic initiatives and border security efforts.

This report provides an overview of the drug flows in the Americas and U.S. antidrug assistance programs in the region. It also raises some policy issues for Congress to consider as it exercises oversight of U.S. antidrug programs and policies in the Western Hemisphere.

## Contents

An Overview of Illicit Drugs in Latin America and the Caribbean .....	1
Drug Traffickers and Related Criminal-Terrorist Actors.....	3
Drug Trafficking-Related Crime and Violence.....	6
U.S. Antidrug Assistance Programs in Latin America and the Caribbean.....	9
Plan Colombia and the Andean Counterdrug Program .....	12
Background .....	12
Current Policy and Future Prospects.....	14
Mérida Initiative and U.S. Assistance to Mexico.....	14
Background .....	14
The Mérida Initiative and U.S.-Mexican Security Cooperation .....	15
Mérida Initiative/Central American Regional Security Initiative (CARSI) .....	17
Caribbean Basin Security Initiative (CBSI) .....	18
DOD Counternarcotics Assistance Programs .....	20
Foreign Assistance Prohibitions and Conditions .....	22
Annual Drug Certification Process .....	22
Conditions on Counternarcotics Assistance .....	23
Human Rights Prohibitions on Assistance to Security Forces.....	23
Country-Specific Prohibitions on Certain Counterdrug Assistance.....	24
Drug Eradication-Related Conditions .....	24
Issues for Congress .....	24
An Integrated Approach to Counternarcotics in the Region? .....	26
The Future of Drug Eradication and Alternative Development in the Andes .....	28
U.S. Domestic Initiatives to Counter Drug Demand.....	31

## Figures

Figure 1. Major Drug Trafficking Routes in Latin America and the Caribbean .....	3
Figure 2. Average Homicide Rates by Global Region: 2003-2008.....	7
Figure 3. Rates of Drug Trafficking-Related Killings in Mexico by State in 2010 .....	8
Figure 4. U.S. Counternarcotics Obligations to Latin America and the Caribbean, FY1980-2009.....	10

## Tables

Table A-1. DOD Counternarcotics Support to Latin America and the Caribbean, FY2003- 2011.....	33
Table A-2. Country-Specific Prohibitions on Drug-Related Assistance: FY2010 and FY2011 .....	35

## **Appendixes**

Appendix. Appendix Tables..... 33

## **Contacts**

Author Contact Information ..... 37  
Acknowledgments ..... 37

## **An Overview of Illicit Drugs in Latin America and the Caribbean<sup>1</sup>**

In recent decades, Latin America has played a central role in several major global illicit drug markets. Multiple aspects of the drug supply chain take place in the region, including drug crop cultivation, drug production, drug trafficking, and, ultimately, drug consumption. Today, South America is the sole producer of cocaine for the global market; Mexico and Colombia are the primary sources of opiates in the United States; Mexico and the Caribbean are major foreign sources of cannabis (marijuana) consumed in the United States; and Mexico is the primary source of foreign methamphetamine in the United States.<sup>2</sup> Marijuana and methamphetamine are also produced domestically.<sup>3</sup>

Major drug crops in Latin America include coca bush, used to produce cocaine, and opium poppy, used to produce opiates, including heroin. Source zones for coca bush cover the Andean region of South America, particularly Colombia, Peru, and Bolivia. Source zones for opium poppy include Mexico, Colombia, and to a lesser extent, Guatemala. Cannabis is cultivated in virtually all countries in the region, mainly for local consumption, but notable cannabis exporters include Mexico and Jamaica. Drug processing and refining may take place in source zones as well as along transit routes. Key chemical ingredients used to process coca bush and opium poppy into their refined, finished products, as well as those used to produce methamphetamine, are legally manufactured for legitimate industry purposes, but diverted clandestinely for use in the illegal drug trade. Precursor chemicals are also imported from third countries like India and China.<sup>4</sup>

Drug consumption in Latin America remains low, compared to the primary global consumption markets led by the United States, Canada, and Western Europe. In recent years, however, data indicate that drug consumption, particularly cocaine use, within the region has grown, mainly along trafficking transit pathways en route to the core consumption markets. According to the most recent data from the U.N. Office on Drugs and Crime (UNODC), increases in cocaine use have been reported in Venezuela, Ecuador, Brazil, Argentina, Uruguay, Guatemala, Honduras, Jamaica, and Haiti.<sup>5</sup> These countries are notably located along major cocaine transit routes.

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<sup>1</sup> Prepared by Liana Sun Wyler, Analyst in International Crime and Narcotics.

<sup>2</sup> In recent years, U.S. government estimates indicate that marijuana and opium poppy cultivation in rural Mexico has expanded significantly. At the same time, despite Mexican government import restrictions on precursor chemicals, the production of methamphetamine in clandestine labs also appears to have increased significantly. U.S. Department of State, *International Narcotics Control Strategy Report (INCSR)*, March 2011.

<sup>3</sup> The amount of marijuana produced in the United States is unknown. According to the U.S. Department of Justice's National Drug Intelligence Center (NDIC), however, "eradication data and law enforcement reporting indicate that the amount of marijuana produced in the United States appears to be very high, based in part on the continual increases in the number of plants eradicated nationally." NDIC, National Drug Threat Assessment, February 2010. Methamphetamine is also produced in the United States. Again, according to NDIC, "When methamphetamine production in Mexico was disrupted in 2007 and 2008, production in the United States increased as users and distributors compensated for the reduced foreign supply. However, even as production in Mexico increased in 2009, production in the United States showed no decline. In fact, U.S. methamphetamine laboratory seizures in 2009 exceeded seizures in 2008."

<sup>4</sup> For this reason, Mexico banned all imports of pseudoephedrine and ephedrine in 2008.

<sup>5</sup> U.N. Office on Drugs and Crime (UNODC), *World Drug Report*, 2010. Brazil and Argentina have historically been the largest consumption markets in Latin America.

The primary pathway today for illegal drugs entering the United States from abroad is through the Central America-Mexico corridor (see **Figure 1**). Currently, roughly 95% of all cocaine entering the United States flows through Mexico or its territorial waters, with 60% of that cocaine having first transited through Central America.<sup>6</sup> Traffickers appear to be using overland smuggling, littoral maritime trafficking, and short-distance aerial trafficking to transport cocaine from South America to Mexico. A large but unknown proportion of opiates, as well as foreign-produced marijuana and methamphetamine, also flow through the same pathways. The overwhelming use of the Central America-Mexico corridor as a transit zone represents a major shift in trafficking routes. In the 1980s and early 1990s, for example, drugs primarily transited through the Caribbean into South Florida.

The Caribbean-South Florida route continues to be active, and although it is currently less utilized than the Central America-Mexico route, some observers have warned that activity along this route may surge once more in the near future. As U.S. counternarcotics cooperation with Venezuela has diminished since 2005, Venezuela has become a major transit point for drug flights through the Caribbean—particularly Haiti and the Dominican Republic—into the United States as well as to Europe. Elsewhere in the Caribbean, the Bahamas continues to serve as a major transit country for both Jamaican marijuana and South American cocaine.

Besides going to the United States, Latin American drugs, particularly cocaine, are also shipped to Europe. An increasing percentage of drug shipments from Latin America to Europe now transit West Africa.<sup>7</sup> The European Police Organization, EUROPOL, has estimated that approximately 250 metric tons of cocaine (between 25% and 30% of global cocaine production) from Latin America enters European markets annually.<sup>8</sup> Drugs destined for Europe mainly depart Latin America via Venezuela through the Caribbean or via the eastern coast of Brazil. While Europe has long been the second-largest cocaine consumption market after North America, UNODC reports that the number of European users has been increasing over the last decade as the number of North American users has declined.<sup>9</sup>

Latin America's central role in the illicit drug market stems largely from the Andean region's unique position as the world's only source region for coca and cocaine. Another major factor contributing to the region's prominence in today's drug trade is its proximity to the United States, a major drug consumption market. Underlying factors that have allowed drug trafficking to flourish include poverty, inequality, and a lack of viable economic opportunities for farmers and youth in many countries aside from emigration. At the same time, underfunded security forces and the failure to complete institutional reform efforts have generally left police, prisons, and judicial systems weak and susceptible to corruption. On average, fewer than 5% of murders committed in Latin America result in criminal convictions, which gives drug traffickers the freedom to act with relative impunity.<sup>10</sup> The presence of insurgent groups involved in drug production and trafficking in some countries and geographical impediments to interdiction have

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<sup>6</sup> INCSR, March 2011, op. cit.

<sup>7</sup> CRS Report R40838, *Illegal Drug Trade in Africa: Trends and U.S. Policy*, by Liana Sun Wyler and Nicolas Cook.

<sup>8</sup> European Police Organization (EUROPOL), Project COLA: European Union Cocaine Situation Report 2007, September 5, 2007; also cited in UNODC, *Transnational Trafficking and the Rule of Law in Africa: A Threat Assessment*, July 2009. For global potential cocaine production estimates, UNODC, *World Drug Report, 2010*.

<sup>9</sup> UNODC, *World Drug Report, 2010*.

<sup>10</sup> Mark Ungar, "Democracy, Law, and Order," *Latin American Research Review*, vol. 44, no. 3 (2009).

impeded antidrug efforts. Uneven political support for counterdrug efforts may also fuel drug trafficking.

**Figure I. Major Drug Trafficking Routes in Latin America and the Caribbean**



**Source:** United Nations Office on Drugs and Crime, *World Drug Report, 2010*; National Drug Intelligence Center, *2010 National Drug Threat Assessment*, February 2010; Barack Obama, Presidential Determination No. 2009-30, "Memorandum to the Secretary of State: Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2011," September 16, 2010, adapted by CRS graphics.

## **Drug Traffickers and Related Criminal-Terrorist Actors**

Latin American drug trafficking organizations (DTOs) control various aspects of the drug supply chain and vary in terms of capabilities, organizational structures, and levels of associated violence. Some of the more sophisticated groups possess extensive paramilitary and counterintelligence capabilities that allow them to rival state security forces and operate with

relative impunity through deep networks of corrupt officials in key offices. Some of the most successful groups operating today have also shifted from a hierarchical, personality-driven leadership that dominated the Pablo Escobar-type “cartels” in the 1980s and 1990s to a networked and more fluid organizational structure that is more resilient in the face of law enforcement pressure.<sup>11</sup> Many smaller drug trafficking organizations in the hemisphere nevertheless remain family-based, operating in a limited territory and specializing in a particular aspect of the drug trade.

The most prominent DTOs in the region are of Mexican and Colombian origin. Combined, Mexican and Colombian DTOs reportedly “generate, remove, and launder” between \$18 billion and \$39 billion in wholesale drug proceeds annually, according to the U.S. Department of Justice.<sup>12</sup> They operate not only in the Western Hemisphere, but are known to be aggressively transnational, seeking to expand their consumer markets and explore new transit routes and safe havens with low law enforcement capacity and high corruption. News and various government reports suggest that Mexican and Colombian DTOs have a presence throughout Europe, West Africa, and the Asia-Pacific regions.<sup>13</sup> They are also known to participate in a diversity of criminal enterprises and to collaborate with other organized crime and terrorist elements.

U.S. government reports have characterized Mexican drug trafficking organizations as representing the “greatest organized crime threat” to the United States.<sup>14</sup> Mexican DTOs have expanded their U.S. presence by increasing their transportation and distribution networks, as well as displacing other Latin American traffickers, primarily Colombians.<sup>15</sup> Seven major Mexican drug trafficking organizations control trafficking routes into the United States, including the Arellano Felix Organization (Tijuana), Beltran Leyva Organization, Los Zetas, Sinaloa (La Federación), Carillo Fuentes Organization (Juárez), Gulf, and La Familia Michoacana.<sup>16</sup> Drug trafficking-related violence has surged in Mexico since late 2006, when Mexican President Felipe Calderón began to increase security pressure against drug trafficking organizations (see **Figure 3**). The brutality of the Mexican DTOs has escalated as an increasing number of groups have battled each other and the Calderón government for control of lucrative drug trafficking routes into the United States.<sup>17</sup> Prior to the beginning of President Calderón’s campaign, the Gulf Cartel was generally considered the most powerful Mexican DTO.<sup>18</sup> Today, the Sinaloa organization,

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<sup>11</sup> Pablo Escobar (1949-1993) was a notorious Colombian drug lord and leader of the Medellín Cartel, which largely controlled the global cocaine market in the late 1980s.

<sup>12</sup> NDIC, *2009 National Drug Threat Assessment*, December 2008. The *2010 National Drug Threat Assessment* does not contain a more recent estimate of the wholesale drug proceeds generated by Mexican and Colombian DTOs. Another, more recent, U.S. government study found that between \$19 billion and \$29 billion in illicit proceeds flow from the United States to Mexican DTOs each year. See U.S. Department of Homeland Security (DHS), *United States-Mexico Bi-National Criminal Proceeds Study*, June 2010.

<sup>13</sup> See for example, U.S. Department of State, Bureau for International Narcotics and Law Enforcement Affairs, and U.S. Department of Homeland Security, Immigration and Customs Enforcement, *Chair’s Report: Trans-Pacific Symposium on Dismantling Transnational Illicit Networks*, February 2010; Silvia Otero et al, “Carteles de Mexico Toman El Continente,” *El Universal*, January 29, 2010.

<sup>14</sup> NDIC, *2009 National Drug Threat Assessment*, December 2008. See also INCSR 2010.

<sup>15</sup> NDIC, *2010 National Drug Threat Assessment*, February 2010.

<sup>16</sup> While several Mexican DTOs are colloquially described as “drug cartels,” they are not necessarily engaged in price-fixing and other forms of collusive economic behavior ascribed to cartels.

<sup>17</sup> CRS Report R41576, *Mexico’s Drug Trafficking Organizations: Source and Scope of the Rising Violence*, by June S. Beittel.

<sup>18</sup> Since then, the Gulf Cartel’s primary “security enforcers,” Los Zetas, originally composed of elite airborne special forces members of the Mexican Army, have split off and formed a separate drug trafficking organization which is now (continued...)

composed of a network of smaller drug trafficking groups, is now widely believed to be the dominant Mexican DTO.<sup>19</sup>

Prior to the Mexican drug trafficking organizations' rise to prominence, Colombian DTOs, primarily the Cali and Medellín drug cartels, reigned. Since their height in the late 1980s and early 1990s, several generations of DTOs have followed. Immediately following the Cali and Medellín's dismantlement, the Norte del Valle DTO emerged from the vacuum. Less hierarchical and more decentralized than its predecessors, Norte Del Valle has been described as being composed of many smaller organizations, or "baby cartels."<sup>20</sup>

In addition, by the late 1990s, left-wing insurgent groups and rightwing paramilitary groups in Colombia had become extensively involved in the drug trade. The two main left-wing insurgent groups (also State Department-designated Foreign Terrorist Organizations or FTOs<sup>21</sup>), the Revolutionary Armed Forces of Colombia (FARC) and the National Liberation Army (ELN), are now primarily funded through drug production and trafficking operations. While the two groups differ in terms of size and territorial reach, both have increased their involvement in the drug trade from levying "taxes" on coca harvesters and mid-level buyers to directly controlling multiple aspects of the drug supply chain.<sup>22</sup> The FARC, in contrast to the smaller ELN, is particularly known for its international contacts and relationships with foreign terrorist groups, transnational organized crime groups, and even some state actors.<sup>23</sup>

The largest right-wing paramilitary group in Colombia (also a State Department-designated FTO), the United Defense Forces of Colombia (AUC), which sought the political goal of defeating leftist guerrillas, began the process of demobilization in 2003. Not all paramilitaries demobilized, however, and still others have returned to paramilitary activities since demobilizing. Former and non-disbanded paramilitary elements are increasingly involved in the drug trade, having formed

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(...continued)

active in Central America and competing with the Gulf Cartel for control of drug trafficking routes in northeastern Mexico. Samuel Logan and John P. Sullivan, "Los Zetas: Massacres, Assassinations, and Infantry Tactics," *The Counter Terrorist*, November 24, 2010.

<sup>19</sup> "Outsmarted by Sinaloa: Why the Biggest Drug Gang Has Been Least Hit," *The Economist*, January 7, 2010. See also Stratfor, *Mexican Drug Wars: Bloodiest Year to Date*, December 20, 2010.

<sup>20</sup> As many as 300 "baby cartels" reportedly emerged following the demise of the Cali Cartel. See Shari Grossman, "Death and Drugs," *Harvard International Review*, Fall 2005.

<sup>21</sup> The FTO designation derives from authorities granted to the Secretary of State in the Immigration and Nationality Act, as amended by the Antiterrorism and Effective Death Penalty Act of 1996 (P.L. 104-132). The 1996 Act authorizes the Secretary of State, in consultation with the Attorney General and Secretary of the Treasury, to identify any foreign organization that engages in "premeditated, politically motivated violence perpetrated against noncombatant targets by subnational groups or clandestine agents" (the definition of 'terrorism' as provided in Sec. 140(d)(2) of the Foreign Relations Authorization Act for Fiscal Years 1988 and 1989 (P.L. 100-204; 22 U.S.C. 2656f(d)(2)), "retains the capability and intent to engage in terrorist activity or terrorism", and "threatens the security of United States nationals or the national security of the United States." See: Sec. 219(a)(1)(B) and (C) of the Immigration and Nationality Act (P.L. 82-414; 8 U.S.C. 1189(a)(1)(B), (C)).

<sup>22</sup> See CRS Report R41004, *International Terrorism and Transnational Crime: Security Threats, U.S. Policy, and Considerations for Congress*, by John Rollins and Liana Sun Wyler.

<sup>23</sup> The U.S. Department of Treasury, for example, alleges that Hugo Armando Carvajal Barrios, the director of Venezuela's Military Intelligence Directorate, assisted the FARC by protecting its drug shipments from being seized by Venezuelan authorities. See U.S. Department of the Treasury, "Treasury Targets Venezuelan Government Officials Supporting the FARC," September 12, 2008. See also Doug Farah, *The FARC's International Relations: A Network of Deception*, NEFA Foundation, September 22, 2008; and Farah and Glenn Simpson, *Ecuador at Risk: Drugs, Thugs, Guerillas, and the Citizens' Revolution*, International Assessment and Strategy Center, January 2010.

new illegally armed groups broadly described by the Colombian government as *bandas criminales* (criminal gangs) or BACRIM.

Colombia's AUC, FARC, and ELN are not the only terrorist groups active in the Western Hemisphere. In Peru, the previously dormant *Sendero Luminoso* (Shining Path) has revived its involvement in both terrorist and drug activity, launching small-scale attacks on Peruvian police and military forces. At the same time, *Sendero Luminoso* has begun to re-establish its relationship with Peruvian coca growers, taxing the coca industry in its area of operation in exchange for providing coca growers protection from drug trafficker violence and ensuring fair prices for their coca crops.<sup>24</sup>

International terrorist groups, including Hamas and Hezbollah, have also reportedly raised funding for their terrorist activities through linkages formed with DTOs in South America, particularly those operating in the tri-border area (TBA) of Brazil, Paraguay, and Argentina.<sup>25</sup>

## **Drug Trafficking-Related Crime and Violence**

The Latin America and the Caribbean region has among the highest crime rates, including violent crime rates, of any region in the world. In February 2010, the UNODC released an updated analysis of global homicide rates, which found that in sharp contrast to a global trend of decreasing or stabilizing homicide rates, homicides in Latin America and the Caribbean had, on average, increased from 19.9 per 100,000 people in 2003 to 32.6 per 100,000 people in 2008 (see **Figure 2**).<sup>26</sup>

Research has shown that criminality related to drug trafficking has replaced political and regional conflicts as the primary source of citizen insecurity in the Americas.<sup>27</sup> Drug trafficking-related violence is particularly concentrated in drug production and drug transit zones, affecting the Andean region as well as the drug transit zones through Mexico, Central America, the Caribbean, Venezuela, and Brazil. Some violence is directly associated with the protection of drug trafficking routes and syndicate power struggles. Other violence occurs as drug trafficking organizations corrupt and undermine police and criminal justice institutions. In extreme cases, Mexican DTOs have used car bombs, political assassinations, and coordinated attacks on different cities to intimidate their rivals, citizens, and the government. Criminality directly associated with the illegal drug trade has also increased the prevalence of related crimes, including kidnapping, money laundering, and arms trafficking.

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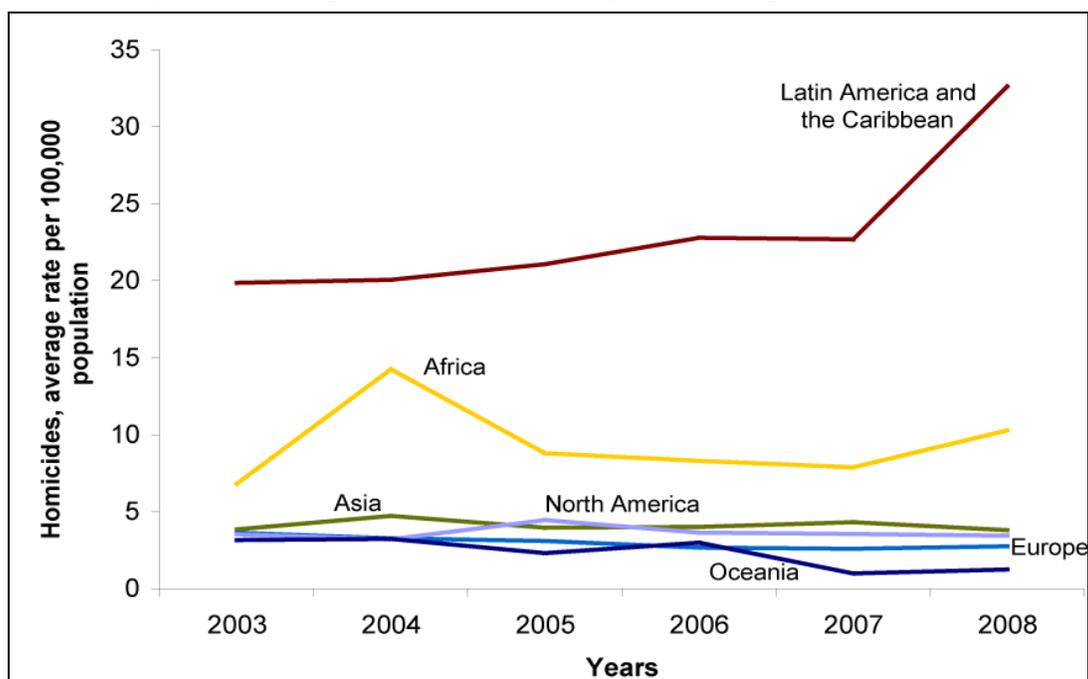
<sup>24</sup> Kathryn Gregory, *Backgrounder: Shining Path, Tupac Amaru*, Council on Foreign Relations, August 27, 2009; "Wiretaps Reveal Peru Coca Growers' Ties to Rebels," *EFE*, December 1, 2010.

<sup>25</sup> See, for example, the statement of Anthony P. Placido, Assistant Administrator for Intelligence, United States Drug Enforcement Administration, before the House Oversight and Government Reform Subcommittee on National Security and Foreign Affairs hearing on Transnational Drug Enterprises, March 3, 2010.

<sup>26</sup> UNODC, *Homicide Statistics*, released February 16, 2010.

<sup>27</sup> See, for example, Vanda Felbab-Brown, "Narcotics International," *Americas Quarterly*, Spring 2010.

**Figure 2. Average Homicide Rates by Global Region: 2003-2008**



**Source:** U.N. Office on Drugs and Crime (UNODC), *Homicide Statistics*, February 2010.

**Notes:** Data derive from public health and police statistics. Homicide is defined as the intentional, unlawful death purposefully inflicted on a person by another person. North America includes Bermuda, Canada, and the United States. While the average percentage of homicides related to drug trafficking is unknown, a number of studies suggest that drug trafficking has become a major contributing factor behind the rising homicide rates in many countries in Latin America and the Caribbean. See, for example, UNODC and the World Bank, *Crime, Violence, and Development: Trends, Costs, and Policy Options in the Caribbean*, Report No. 37820, March 2007 and the World Bank, *Crime and Violence in Central America: A Development Challenge*, 2011. Graphic prepared by Liana Sun Wyler, Analyst in International Crime and Narcotics.

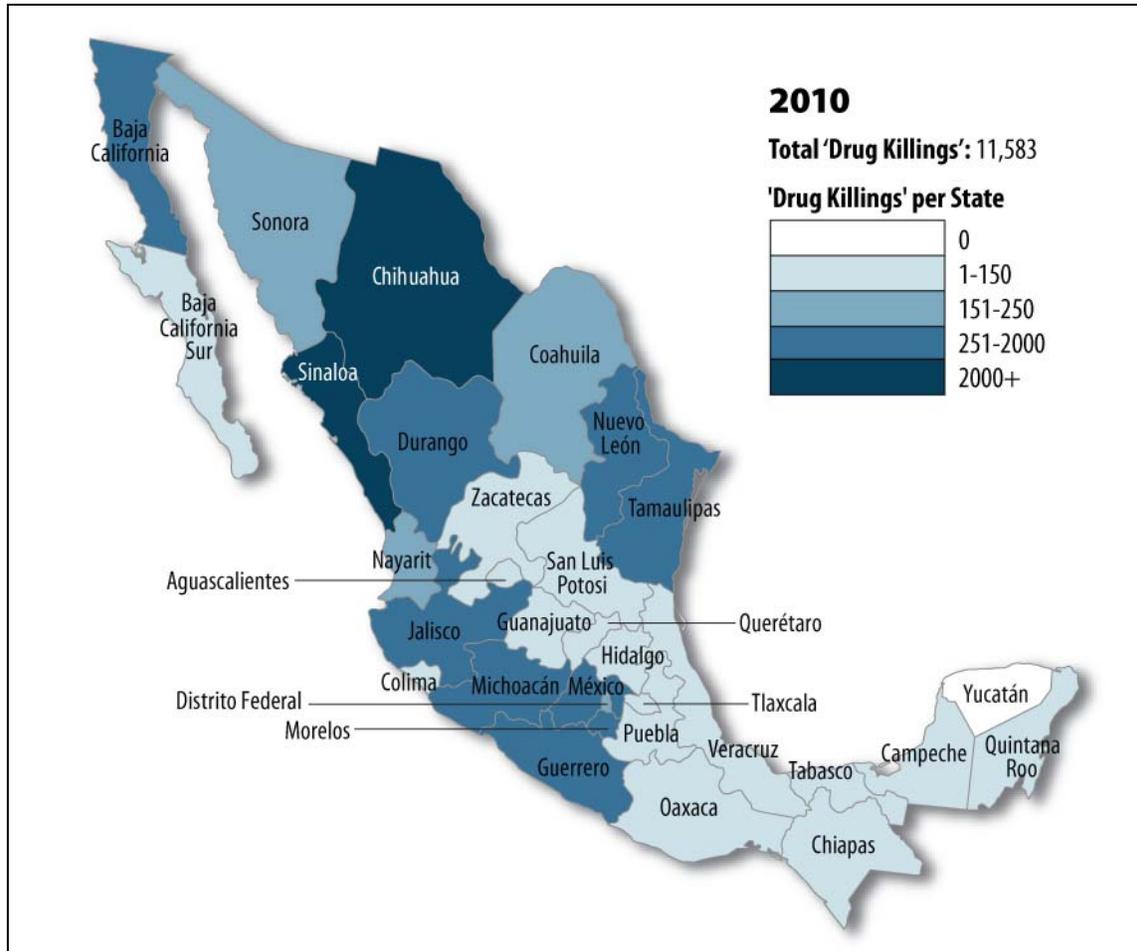
In recent years, drug trafficking-related violence has surged most dramatically in Mexico, as heavily armed drug traffickers have battled each other and the Mexican government for control of drug smuggling routes into the United States. Targets most often include rival DTO or affiliated gang members, but have also included Mexican police, military and government officials; journalists; and civilians, including Americans. Escalating violence in northern Mexico has raised concerns among some U.S. officials about the potential for “spillover violence” seeping into the United States (see **Figure 3**).<sup>28</sup> While Colombia has made significant progress in reducing crime and violence since 2002, in a few parts of the country, drug-related murders are reportedly rising once more.<sup>29</sup> Drug trafficking has also contributed to high levels of violence in several other countries in the region, including Belize, Brazil, El Salvador, Guatemala, Haiti, Honduras, Jamaica, and Venezuela. Central American countries are particularly susceptible to violent crime fueled by drug trafficking because they are geographically located between the world’s largest

<sup>28</sup> See CRS Report R41576, *Mexico’s Drug Trafficking Organizations: Source and Scope of the Rising Violence*, by June S. Beittel and CRS Report R41075, *Southwest Border Violence: Issues in Identifying and Measuring Spillover Violence*, coordinated by Kristin M. Finklea.

<sup>29</sup> See, for example, Sara Miller Llana, “Medellin, Once Epicenter of Colombia’s Drug War, Fights to Keep the Peace,” *Christian Science Monitor*, October 25, 2010.

drug producing and drug consuming countries.<sup>30</sup> Stepped up enforcement efforts in Mexico have led traffickers to use Central America, particularly Guatemala and Honduras, as transshipment points for Andean cocaine, increasing the already endemic levels of violence in those countries.

**Figure 3. Rates of Drug Trafficking-Related Killings in Mexico by State in 2010**



**Source:** Crime Indicator Database at the Trans-Border Institute (TBI) at the University of San Diego, adapted by CRS. The data represented are from *Reforma* newspaper.

<sup>30</sup> World Bank, *Crime and Violence in Central America: A Development Challenge*, 2011; CRS Report R41731, *Central America Regional Security Initiative: Background and Policy Issues for Congress*, by Peter J. Meyer and Clare Ribando Seelke.

## **U.S. Antidrug Assistance Programs in Latin America and the Caribbean<sup>31</sup>**

For at least 30 years, combating drug production and trafficking in Latin America and the Caribbean has been a major focus of U.S. international drug control efforts. Amid a broad array of policy tools available to combat drugs, the provision of U.S. counternarcotics assistance to foreign countries has been a key component of the U.S. counterdrug strategy.<sup>32</sup> The central premise of counternarcotics assistance has been to halt drug production and trafficking at the foreign source, both through assistance to eliminate drug crops or to interdict drug shipments, as well as through assistance to address related economic, social, and institutional vulnerabilities that made drug source and transit countries susceptible to the drug trade in the first place.<sup>33</sup>

While the White House Office of National Drug Control Policy (ONDCP) oversees the overall strategy related to U.S. drug control efforts, both domestically and internationally, counterdrug assistance programs in the region are funded by the U.S. Department of State, the U.S. Agency for International Development (USAID), and the U.S. Department of Defense (DOD). The State Department is responsible for coordinating all counterdrug assistance programs in the region and funding most aspects of those programs aside from alternative livelihood programs and some rule of law initiatives supported by USAID. DOD has its own legislative authorities to provide certain counterdrug assistance to train, equip, and improve the counternarcotics capacity and capabilities of relevant agencies of foreign governments. Additional agencies, including various aspects of the U.S. Department of Justice, as well as private contractors, implement the assistance programs. From 1980 to 2009, U.S. antidrug obligations (actual expenditures) from the State Department, USAID, and DOD to Latin America and the Caribbean totaled roughly \$14.6 billion (see **Figure 4**).<sup>34</sup> U.S. State Department appropriations for programs classified under the “counternarcotics” budget objective totaled \$746.6 million in FY2010.

U.S. drug control programs in Latin America and the Caribbean were first authorized by Congress in the mid-1970s, coinciding with national policy debates on the so-called “war on drugs.”<sup>35</sup> At that time, U.S. assistance primarily focused on the drug source countries of Colombia, Bolivia, Peru, and later Mexico, with training and equipment to eradicate illicit drug crops and strengthen counternarcotics law enforcement capabilities. Calls by many policymakers, including by Members of Congress, for the inclusion of the U.S. military in foreign anti-drug efforts began in

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<sup>31</sup> Prepared by Clare Ribando Seelke, Specialist in Latin American Affairs and Liana Sun Wyler, Analyst in International Crime and Narcotics.

<sup>32</sup> For a discussion of the full range of counterdrug policy tools, see CRS Report RL34543, *International Drug Control Policy*, by Liana Sun Wyler.

<sup>33</sup> See for example Statement by the White House Press Secretary on the issuance of Presidential Decision Directive 14 (on counternarcotics), November 3, 1993.

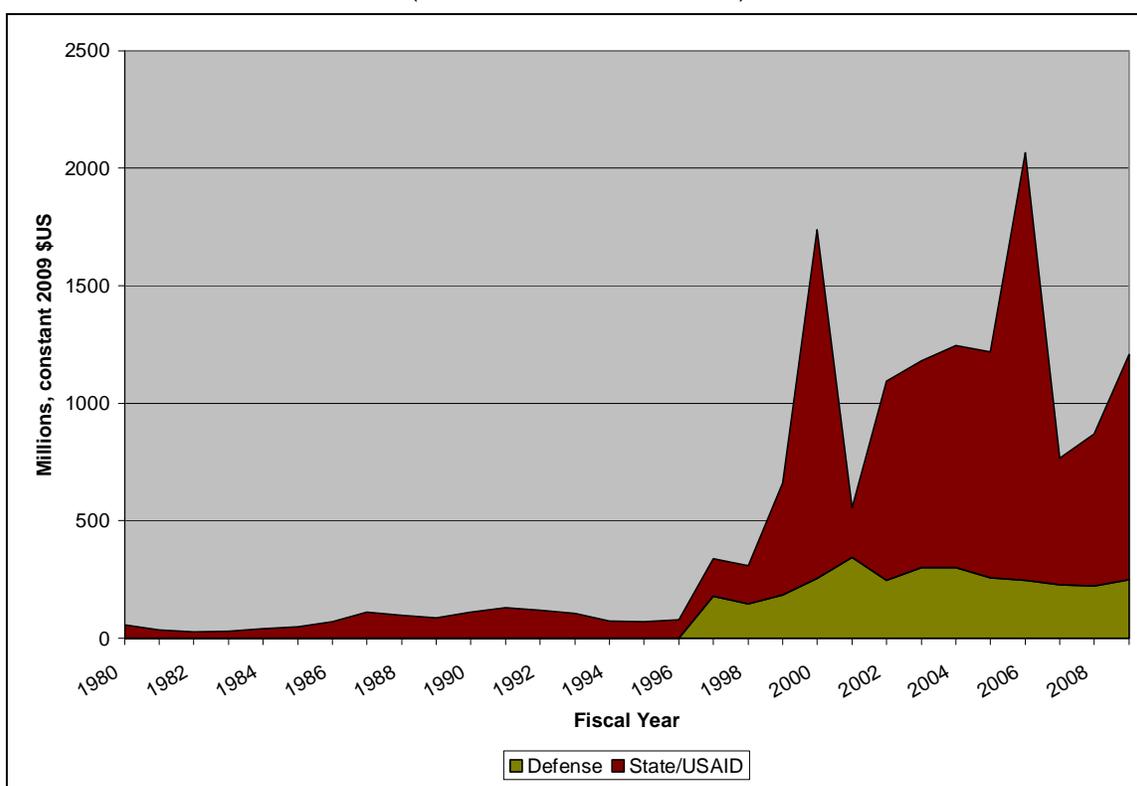
<sup>34</sup> This estimate was calculated by CRS using data from the U.S. Agency for International Development, *U.S. Overseas Loans and Grants: Obligations and Loan Authorizations, July 1, 1945-September 30, 2009*. 2009 is the most recent year available from this source.

<sup>35</sup> In 1971, Congress enacted a chapter in the Foreign Assistance Act of 1961 (FAA) to define U.S. policies and authorities relating to international narcotics control. P.L. 92-226, Section 109, added Ch. 8, International Narcotics Control, to the FAA (P.L. 87-195; 22 U.S.C. 2291 et seq.). Also in 1971, President Richard Nixon famously coined the term “war on drugs” and identified illicit drugs as “public enemy number one.” Such rhetoric and concepts emerged in a time when U.S. drug abuse was becoming increasingly visible in society and was manifesting itself as a priority law enforcement issue.

the 1970s, spurring a lively debate on DOD's role and mission in counternarcotics that would continue decades later. U.S. aid to the region increased gradually, albeit unevenly, through the 1980s, with increased funding provided for interdiction efforts in transit countries, particularly the Caribbean and Eastern Pacific regions. Pressure for U.S. military involvement increased throughout the 1980s, as U.S. officials grew concerned that law enforcement personnel were ill-equipped to effectively combat well-armed drug cartels and operate in conflict situations in drug source countries. Despite objections from top DOD officials, the U.S. military increasingly participated in interdiction operations in the early 1980s and became sporadically engaged in training, equipping, and transporting foreign anti-narcotics personnel in the mid- to late 1980s.

**Figure 4. U.S. Counternarcotics Obligations to Latin America and the Caribbean, FY1980-2009**

(In millions constant 2009 \$US)



**Source:** U.S. Agency for International Development, *U.S. Overseas Loans and Grants: Obligations and Loan Authorizations, July 1, 1945-September 30, 2009*. 2009 are the most recent data available from this source.

**Notes:** Due to the fact that the Department of State did not include a line item specifically for counternarcotics assistance until 2006 and the need for a consistent method to compare U.S. counternarcotics assistance levels over time, the Department of State/USAID figures include all funds obligated under the International Narcotics Control and Law Enforcement (INCLE) and Andean Counterdrug Initiative (ACI) accounts; they do not include any other funds that may have been obligated for counterdrug purposes under other accounts.

In the 1980s and 1990s under Presidents Ronald Reagan and George H. W. Bush, the threat of international drug trafficking, particularly drugs sourced in Latin America, further emerged as a national security priority for the United States. On April 8, 1986, President Reagan issued National Security Decision Directive 221 (NSDD-221), which declared narcotics trafficking a U.S. national security concern, identifying the Western Hemisphere as particularly affected. On

August 21, 1989, President Bush issued National Security Directive 18 (NSD-18), which explicitly states that the “first priority of our international drug control strategy will be to enhance greatly our counternarcotics programs in the Andean region.” In addition, NSD-18 directed the Secretary of Defense to redefine the Pentagon’s mission to include counternarcotics as one of its core priorities. In the same year, President Bush launched the “Andean Initiative” to bolster counternarcotics support to Colombia, Peru, and Bolivia, and Congress provided DOD with its first major counternarcotics authority, identifying DOD as the lead federal agency for the detection and monitoring of aerial and maritime transit of illegal drugs from abroad into the United States.<sup>36</sup> As U.S. counternarcotics engagement in the Andean region continued through the 1990s, Congress authorized DOD to provide a broad range of counternarcotics support, as well as assistance to train and equip foreign governments.

In FY2000, counterdrug assistance to South America increased significantly after the Clinton Administration proposed, and Congress began funding, a multi-year assistance package to complement Colombian President Andres Pastrana’s counterdrug initiative, Plan Colombia.<sup>37</sup> That aid package, then called the Andean Counterdrug Initiative (ACI), aimed to provide a broad variety of counternarcotics assistance—manual and aerial eradication, alternative development, interdiction, and institutional capacity building and support to civilian and military institutions—for Colombia and six neighboring countries. Through ACI, Colombia, along with Peru and Bolivia, received the bulk of U.S. counterdrug aid to the region until Congress increased assistance for Mexico through the Mérida Initiative beginning in FY2008.<sup>38</sup>

The Mérida Initiative developed in response to the Calderón government’s request for U.S. counterdrug cooperation and assistance. It was jointly proposed by the George W. Bush and Calderón Administrations in October 2007 as a new package of U.S. counterdrug and anticrime assistance for Mexico and Central America that would begin in FY2008 and last through FY2010. The Mérida Initiative, as originally conceived, sought to (1) break the power and impunity of criminal organizations; (2) strengthen border, air, and maritime controls; (3) improve the capacity of justice systems in the region; and, (4) curtail gang activity and diminish local drug demand.

U.S. State Department-funded drug control assistance programs in the Western Hemisphere are currently undergoing a period of transition. Counterdrug assistance to Colombia and the Andean region is in decline, after record assistance levels that began with U.S. support for Plan Colombia in FY2000. Conversely, antidrug funding for Mexico, Central America, and the Caribbean has increased as a result of the Mérida Initiative, which began in FY2008, and two related programs that received initial funding in FY2010, the Central American Regional Security Initiative (CARSI) and the Caribbean Basin Security Initiative (CBSI). The strategy undergirding the Mérida Initiative has broadened from primarily providing equipment and training to Mexican officials engaged in combating DTOs to place more of an emphasis on building democratic institutions. It also includes a new focus on facilitating “secure flows” of people and goods through the U.S.-Mexico border and promoting social and economic development in violence-prone communities. Funding for the Mérida Initiative has extended beyond FY2011. Similarly, CARSI and CBSI include some anti-drug components as part of broader regional security

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<sup>36</sup> Sec. 1202, P.L. 101-189; 10 U.S.C. 124.

<sup>37</sup> The first appropriations legislation for Plan Colombia was located in the Military Construction Appropriations Act, 2001 (P.L. 106-246, Title III, Chapters 1 and 2).

<sup>38</sup> The first appropriations legislation for the Merida Initiative was located in the FY2008 Supplemental Appropriations Act (P.L. 110-252).

packages that are also aimed at institutional strengthening and community development. Each of these programs is coordinated by the State Department, but implemented by a wide range of U.S. agencies. Separately, DOD counternarcotics assistance and support continues in the region. (See **Table A-1** in the **Appendix** of this report.)

The following sections provide broad overviews of the current major U.S. antidrug initiatives in Latin America and the Caribbean. Most sections contain appropriations figures through FY2010, as well as the FY2011 and FY2012 budget requests for each program. On April 14, 2011, Congress passed legislation to fund government programs for the remainder of FY2011 (H.R. 1473/P.L. 112-10). While the legislation reduced most foreign aid accounts from FY2010 enacted levels, final funding by country and program has not been established. The State Department has 30 days to inform Congress of its plans to allocate the appropriated funds.

## **Plan Colombia and the Andean Counterdrug Program<sup>39</sup>**

### **Background**

The Andean region has been the focus of intense counterdrug efforts by the United States for more than two decades. The major components of U.S. strategy for the region have been coca crop eradication, interdiction of cocaine, and alternative development programs. Eradication and interdiction efforts in the 1980s and 1990s pushed coca cultivation from Peru and Bolivia—then the largest suppliers—to Colombia, which is now the world’s largest producer of both coca leaf and cocaine. Complicating the fight against drug trafficking in Colombia has been the linkage between the drug trade and terrorist organizations, particularly the armed insurgency of the FARC that has lasted more than 45 years and the right-wing paramilitaries active since the 1980s. Both leftist and rightist groups in Colombia have financed their belligerent activities with drug profits.

Unveiled in 1999 by the government of Andrés Pastrana (1998-2002), “Plan Colombia” was designed as a comprehensive strategy to strengthen democratic institutions; combat drug trafficking and terrorism; promote human rights and the rule of law; and foster economic development. Plan Colombia also aimed to reduce cultivation, processing, and distribution of illicit drugs by 50% over six years—a goal not met for coca and cocaine,<sup>40</sup> although met for opium and heroin, a newer, smaller, less entrenched component of the Colombian drug trade.<sup>41</sup> More recent gains have been made in bringing down coca yields and estimates of potential production.<sup>42</sup> With the election of President Uribe in 2002 (re-elected in 2006), Plan Colombia was reinforced with a strategy of “democratic security” that focused on confronting illegally armed groups and improving public security.

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<sup>39</sup> Prepared by June S. Beittel, Analyst in Latin American Affairs. For more information, see CRS Report RL32250, *Colombia: Issues for Congress*, by June S. Beittel.

<sup>40</sup> U.S. Government Accountability Office (GAO), *Plan Colombia: Drug Reduction Goals Were Not Fully Met, but Security Has Improved; U.S. Agencies Need More Detailed Plans for Reducing Assistance*, GAO-09-71, October 2008.

<sup>41</sup> Vanda Felbab-Brown et al., *Assessment of the Implementation of the United State’s Government’s Support for Plan Colombia’s Illicit Crop Reduction Components*, report produced for review by USAID, April 17, 2009.

<sup>42</sup> According to the U.S. government, Colombia’s production of pure cocaine has decreased by 61% since 2001—from an estimated 700 metric tons potential cocaine production to only 270 metric tons in 2009. Using a different methodology, the U.N. reports that pure production of cocaine in Colombia fell by 34% between 2001 and 2009, from an estimated 617 metric tons to a reported 410 metric tons. ONCDP, Press Release, “New Data Show Cocaine Market Under Significant Stress,” December 9, 2010; UNODC, *World Drug Report, 2010*.

In 2007, Uribe's security strategy further evolved to focus on "integrated action," a whole-of-government, sequenced approach applied in contested zones where poverty, violence, and illicit crop cultivation converge. Under this approach, security forces enter a contested zone to stabilize and hold the area so that civilian agencies can provide social services such as justice, education, health, and housing to assert a positive state presence. Formally launched in March 2009, Colombia's National Consolidation Plan targets 15 priority zones where Colombian agencies seek to consolidate a continuing government presence and move marginal communities toward better security, lasting drug eradication, and socio-economic development. In September 2010 President Juan Manuel Santos "relaunched" the National Consolidation Plan (NCP) so it dovetails with Colombia's development plans and targets zones that can become the source of new economic growth in Colombia. The U.S. program to align with this plan, the Colombia Strategic Development Initiative (CSDI), has been implemented to better focus resources as funding for Plan Colombia winds down.

Plan Colombia and follow-on strategies received more than \$7 billion in U.S. support from FY2000 through FY2010 from State Department and DOD accounts, with aid to the Colombian military and police conditioned upon vetting requirements for trainees and meeting human rights conditions. Neighboring countries (including Bolivia and Peru, and to a lesser extent Brazil, Panama, Ecuador, and Venezuela) have also received U.S. assistance through the Andean Counterdrug Initiative account.<sup>43</sup> Because narcotics trafficking and the guerrilla insurgency in Colombia had become intertwined problems, in 2002 Congress granted the State Department and DOD flexibility to use U.S. counterdrug funds for a unified campaign to fight drug trafficking and terrorist groups. However, Congress also capped the number of U.S. military personnel and civilian contractors that can be stationed in Colombia at 800 and 600 respectively.<sup>44</sup>

Most analysts agree that Plan Colombia has significantly improved security conditions in Colombia. Proponents and U.S. officials say that Plan Colombia dramatically reduced violence that once threatened to undermine the state, rolled back the power of the illegally armed groups that are largely funded by drug profits, and reduced the role of illegal narcotics in the Colombian economy.<sup>45</sup> However, some observers, while acknowledging the gains made through manual eradication and advances against the FARC, maintain that aerial spraying has had detrimental effects. Those include the displacement of vulnerable populations, environmental damage, and the dispersal of coca cultivation.<sup>46</sup> Critics also argue that U.S. policy has not rigorously promoted human rights, provided sustainable economic alternatives for drug crop farmers, or reduced the amount of drugs available in the United States.

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<sup>43</sup> The ACI was re-named the Andean Counterdrug Program (ACP) in FY2008. In the FY2010 request, the Obama Administration shifted ACP funds back into the International Narcotics Control and Law Enforcement (INCLE) account. Venezuela stopped receiving ACI assistance in FY2005.

<sup>44</sup> The FY2005 National Defense Authorization Act (H.R. 4200; P.L. 108-375), raised the military cap from 400 to 800 and the civilian cap from 400 to 600. The cap does not apply to personnel conducting search and rescue operations, or to U.S. personnel assigned as part of their regular duties to the U.S. embassy.

<sup>45</sup> Peter DeShazo, Johanna Mendelson Forman, and Phillip McClean, *Countering Threats to Security and Stability in a Failing State: Lessons from Colombia*, Center for Strategic & International Studies, Washington, DC, September 2009.

<sup>46</sup> Testimony of Mark Schneider, Senior Vice President of the International Crisis Group, "Assessing U.S. Drug Policy in the Americas," before the House Subcommittee on the Western Hemisphere, October 15, 2009.

## **Current Policy and Future Prospects**

The U.S. and Colombian governments are committed to locking in existing gains as the United States gradually transfers responsibility for security and counterdrug programs to the Colombians. The State Department maintains that two of its core goals for the Colombia program are to “pursue the ‘nationalization’ of security and counternarcotics programs, while strengthening social, economic and rule of law programs; and [to] stabilize U.S. programs at levels sufficient to sustain the progress that has been achieved.”<sup>47</sup> Thus far, the State Department has reduced the number of U.S. contractor personnel in country, withdrawn some U.S. helicopters and spray aircraft, and transferred other equipment and aircraft to the Colombian government. Nationalization plans are to turn over all U.S. Department of State counternarcotics support programs to the Colombian army by 2012, while continuing Foreign Military Financing (FMF) programs, as well as to continue turning over more programs to the Colombian National Police. USAID programs are also being transferred to Colombian nongovernmental organizations and agencies. The nationalization efforts are not intended to end U.S. assistance, but rather to reduce it to pre-Plan Colombia levels adjusted for inflation.

In 2008, there was significant debate in Congress about the proper balance between so-called “hard-side” security assistance (i.e., equipment and training to the Colombian military and police) and “soft-side” traditional development and rule of law programs. Since FY2008, Congress has reduced and rebalanced assistance between security-related programs and economic and social aid in the annual foreign assistance appropriations legislation. In the Administration’s FY2011 budget request, aid to Colombia was proposed to decline by approximately 8%, from an estimated \$507 million appropriated in FY2010 to \$465 million requested for FY2011, with the balance between “soft-side” development assistance and “hard-side” security and counterdrug assistance moving closer to 50/50. However, the Department of Defense and Full-Year Continuing Appropriations Act (P.L. 112-10) provides a total of \$459 million for Colombia for FY2011. The FY2012 budget request would further decrease funding to roughly \$400 million.

## **Mérida Initiative and U.S. Assistance to Mexico**<sup>48</sup>

### **Background**

Mexico is a major producer and supplier to the U.S. market of heroin, methamphetamine, and marijuana and the major transit country for more than 95% of the cocaine sold in the United States.<sup>49</sup> A small number of Mexican drug trafficking organizations control the most significant drug distribution operations along the Southwest border. U.S. government reports have characterized Mexican drug trafficking organizations as representing the “greatest organized crime threat” to the United States today.<sup>50</sup>

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<sup>47</sup> U.S. Department of State, *Report on the Multiyear Strategy for U.S. Assistance Programs in Colombia*, Report to Congress, April 2009. The report notes that future assistance will maintain “high impact” programs such as police interdiction and eradication, support for police aviation, the rural police program and maritime interdiction.

<sup>48</sup> For more information, see CRS Report R41349, *U.S.-Mexican Security Cooperation: the Mérida Initiative and Beyond*, by Clare Ribando Seelke and Kristin M. Finklea.

<sup>49</sup> *INCSR*, March 2011, op. cit.

<sup>50</sup> NDIC, *2009 National Drug Threat Assessment*, December 2008.

In the 1970s, the United States began providing Mexico with equipment and training to eradicate marijuana and opium poppy fields, but bilateral cooperation declined dramatically after Enrique Camarena, a U.S. DEA agent, was assassinated in Mexico in 1985. From the mid-1980s through the end of the 1990s, bilateral cooperation stalled due to U.S. mistrust of Mexican counterdrug officials and concerns about the Mexican government's overall tendency to accommodate drug leaders.<sup>51</sup> At the same time, the Mexican government was reluctant to accept large amounts of U.S. assistance due to its opposition to U.S. drug certification procedures.<sup>52</sup> The Mexican government also expressed opposition to the DEA and other U.S. agencies carrying out operations against DTOs in Mexican territory without authorization.

U.S.-Mexican cooperation began to improve and U.S. assistance to Mexico increased after the two countries signed a Binational Drug Control Strategy in 1998. U.S. assistance to Mexico, which totaled some \$397 million from FY2000-FY2006, supported programs aimed at interdicting cocaine; combating production and trafficking of marijuana, opium poppy, and methamphetamine; strengthening the rule of law; and countering money-laundering. In 2007, the Government Accountability Office (GAO) found that while U.S. programs had helped improve Mexico's counterdrug efforts, seizures in Mexico remained relatively low, and corruption continued to hinder bilateral efforts.<sup>53</sup>

### **The Mérida Initiative and U.S.-Mexican Security Cooperation**

In recent years, U.S.-Mexican security and counterdrug cooperation has increased significantly, largely as a result of the development and implementation of the Mérida Initiative. Named for the location of a March 2007 meeting between then-President George W. Bush and President Felipe Calderón of Mexico, the Mérida Initiative expanded bilateral and regional cooperation to combat drug trafficking organizations, gangs, and other criminal groups.<sup>54</sup> In addition to meeting Mexico's request for increased antidrug assistance, U.S. officials pledged to intensify domestic efforts to address drug demand and the southbound flow of money and arms to criminal groups. Between FY2008 and FY2010, Congress provided \$1.5 billion for Mérida Initiative programs in Mexico, with the bulk of that funding dedicated to training and equipping Mexican security forces engaged in counterdrug efforts. Over that same period, Mexico invested some \$25 billion of its own resources on public safety.<sup>55</sup>

While the Mérida Initiative initially focused on providing "hard-side" assistance, it now concentrates more on addressing the weak judicial and law enforcement institutions and the

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<sup>51</sup> Under this system, arrests and eradication took place, but due to the effects of widespread corruption, the system was "characterized by a working relationship between Mexican authorities and drug lords" through the 1990s. Francisco E. González, "Mexico's Drug Wars Get Brutal," *Current History*, February 2009.

<sup>52</sup> Beginning in 1986, when the U.S. President was required to certify whether drug producing and drug transit countries were cooperating fully with the United States, Mexico usually was criticized for its efforts, which in turn led to increased Mexican government criticism of the U.S. assessment. Reforms to the U.S. drug certification process enacted in September 2002 (P.L. 107-228) essentially eliminated the annual drug certification requirement, and instead required the President to designate and withhold assistance from countries that had "failed demonstrably" to make substantial counternarcotics efforts.

<sup>53</sup> GAO, *U.S. Assistance Has Helped Mexican Counternarcotics Efforts, but the Flow of Illicit Narcotics into the United States Remains High*, October 2007, GAO—08215T.

<sup>54</sup> For historical information on 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>55</sup> Government of Mexico, "Mexico's Fight for Security: Actions and Achievements," February 2011.

underlying societal problems that have allowed the drug trade to flourish in Mexico. The “Beyond Mérida” strategy announced by both governments in March 2010 focuses on (1) disrupting organized criminal groups; (2) institutionalizing the rule of law; (3) building a 21st century border; and (4) building strong and resilient communities. The State Department has indicated that it intends to continue Mérida assistance under this new strategy beyond 2012 (when President Felipe Calderón leaves office) and to provide assistance to states and municipalities, beginning with Chihuahua and Ciudad Juárez. While it is too soon to tell whether this new strategy will ultimately be successful, many experts have described it as a generally well-designed framework for bilateral efforts. The Obama Administration requested \$310 million in FY2011 assistance and \$282 million in FY2012 assistance for Mérida programs in Mexico.

Throughout 2010, escalating drug trafficking-related violence in Mexico and the potential threat of spillover violence along the Southwest border focused congressional concern on the pace of implementation of the Mérida Initiative. After initial implementation delays, which have been detailed in reports by the GAO<sup>56</sup>, the pace of Mérida Initiative deliveries (measured in equipment deliveries and capacity-building events) has quickened. As of March 31, 2011, a total of \$417 million worth of assistance had been provided to Mexico (roughly 28% of the appropriated funds).<sup>57</sup> A total of \$500 million worth of equipment and training are to be provided in 2011.<sup>58</sup>

U.S. officials have publicly continued to praise the Calderón government’s efforts against organized crime and to tout the increase in bilateral cooperation that has occurred as a result of the Mérida Initiative, but tensions have emerged between the two governments. While U.S. officials have generally expressed any concerns that they have had about the efficacy of Mexican institutions involved in antidrug efforts through private diplomatic channels, some of those concerns have been publicly released. Bilateral tensions have reportedly escalated since February 15, 2011, when two U.S. Immigration and Customs Enforcement (ICE) agents were shot by Mexican DTOs, one fatally, raising U.S. concerns about the safety of U.S. officials working in Mexico. President Calderón has expressed frustration at the limited steps that the U.S. government has taken to reduce drug demand or the flow of automatic weapons to the DTOs.<sup>59</sup> While these tensions were likely discussed during private meetings that took place between Presidents Obama and Calderón in Washington, DC, in early March, publicly the two leaders vowed to bolster bilateral security efforts. Some analysts maintain that those efforts may be hindered by the recent resignation of the U.S. Ambassador to Mexico Carlos Pascual.<sup>60</sup>

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<sup>56</sup> See, for example, GAO, *Mérida Initiative: The United States has Provided Counternarcotics and Anticrime Support but Needs Better Performance Measures*, 10-837R.

<sup>57</sup> U.S. Department of State, “Mérida Initiative at a Glance,” March 31, 2011.

<sup>58</sup> U.S. Department of State, Secretary of State Hillary Rodham Clinton, “Remarks with Mexican Foreign Secretary Patricia Espinosa,” January 24, 2011.

<sup>59</sup> See, for example, Ioan Grillo, “U.S. Agent’s Killing Hints at Drug-War Tensions,” *Time*, February 22, 2011.

<sup>60</sup> Prior to his resignation, Ambassador Pascual was criticized by President Calderón for the comments he made about deficiencies in Mexico’s antidrug efforts in confidential diplomatic cables that were leaked to the press. Denise Dresser, “U.S. Ambassador to Mexico Resigned ‘for Doing his Job,’” *Miami Herald*, April 18, 2011.

## **Mérida Initiative/Central American Regional Security Initiative (CARSI)<sup>61</sup>**

Counternarcotics efforts in Colombia and Mexico have put pressure on drug trafficking organizations in those countries. As a result, many DTOs have increased their operations in Central America, a region with fewer resources and weaker institutions with which to combat drug trafficking and related criminality. Increasing flows of narcotics through Central America are contributing to rising levels of violence and the corruption of government officials, both of which are weakening citizens' support for democratic governance and the rule of law.

In contrast to the wide range of programs funded in Mexico, U.S. counterdrug programs in Central America have traditionally focused on interdiction, with some anti-money laundering programs in Panama. Prior to the Mérida Initiative, the vast majority of U.S. counterdrug assistance to Central America had gone to Guatemala and Panama, traditionally the two primary drug transit countries in the region. A 2008 GAO report found that although U.S. assistance had helped Guatemala, Panama, and six other transit countries participate in antidrug operations and prosecute drug-related cases, a lack of political will, budget constraints, and corruption in recipient countries hindered the sustainability of U.S. efforts.<sup>62</sup>

The impetus for increased U.S.-Central American cooperation on security issues stemmed from a trip by then-President George W. Bush to Central America and Mexico in March 2007. Concerns over an increase in narcotics flows and the rapid escalation of crime and violence in the region reportedly dominated the President's conversations with his counterparts, as well as follow-on consultations between U.S., Central American, and Mexican officials. To capitalize on the emergence of a cohesive security dialogue among the seven nations of Central America and the Mexican government's willingness to address the issues of drug trafficking and organized crime, the Bush Administration began to develop the framework for a new regional security partnership. As previously mentioned, in October 2007 the Bush Administration requested funding for a security assistance package known as the Mérida Initiative. Congress split the Central America portion of Mérida into a separate Central American Regional Security Initiative (CARSI) in FY2010. Between FY2008 and FY2010, Congress appropriated \$260 million for the countries of Central America under the Mérida Initiative-Central America/CARSI.

As currently formulated, CARSI provides equipment, training, and technical assistance to build the capacity of Central American institutions to counter criminal threats. In addition, CARSI supports community-based programs designed to address underlying economic and social conditions that leave communities vulnerable to those threats. The five primary goals of CARSI are to (1) create safe streets for the citizens of the region; (2) disrupt the movement of criminals and contraband within and among the nations of Central America; (3) support the development of strong, capable, and accountable Central American governments; (4) establish effective state presence and security in communities at risk; and (5) foster enhanced levels of security and rule of law coordination and cooperation among the nations of the region.<sup>63</sup> The Obama

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<sup>61</sup> This section was drawn from CRS Report R41731, *Central America Regional Security Initiative: Background and Policy Issues for Congress*, by Peter J. Meyer and Clare Ribando Seelke.

<sup>62</sup> GAO, *Cooperation with Many Major Drug Transit Countries Has Improved, but Better Performance Reporting and Sustainability Plans Are Needed*, July 2008, GAO-08-784.

<sup>63</sup> U.S. Department of State, Bureau of Public Affairs, "The Central America Regional Security Initiative: Citizen-Safety—A Shared Partnership," Fact Sheet, January 26, 2011.

Administration requested \$100 million for CARSI in FY2011 and \$100 million for CARSI in FY2012.

## **Caribbean Basin Security Initiative (CBSI)<sup>64</sup>**

Because of their geographic location, many Caribbean nations are transit countries for illicit drugs from South America and the Caribbean destined for the U.S. and European markets. Currently, of the 16 countries in the Caribbean region, President Obama identified four—the Bahamas, the Dominican Republic, Haiti, and Jamaica—as major drug-producing or drug-transit countries in September 2010 pursuant to annual legislative drug certification requirements. Many other Caribbean nations, particularly in the Eastern Caribbean, are also vulnerable to drug trafficking and associated crimes because of their geographic location.

The United States has provided antidrug assistance to Caribbean countries through bilateral assistance programs, USAID's Caribbean Regional Program, and the State Department's Western Hemisphere Regional Program. The Bahamas has cooperated extensively with the United States on interdiction efforts through Operation Bahamas and Turks and Caicos (OPBAT), a multinational interdiction effort first established in 1982. The Dominican Republic has carried out joint counternarcotics operations with the U.S. Coast Guard, received police training from the State Department, and judicial reform assistance from USAID. U.S. counternarcotics efforts in Haiti have focused on providing equipment and training support for the Haitian National Police (HNP), largely in cooperation with the United Nations Stabilization Mission in Haiti (MINUSTAH). The United States has provided training and material support to strengthen Jamaica's counterdrug and anti-corruption capabilities and improve the country's capacity to investigate, arrest, and prosecute organized crime.

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 in P.L. 110-252 and the same amounts again in P.L. 111-8. In Haiti, Mérida funds are being used to install a secure communications network for the 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.

The Obama Administration did not include Haiti and the Dominican Republic in its FY2010 request for Mérida. Instead, the Administration requested \$45 million in initial funding for projects that were developed as part of a new security dialogue with Caribbean Community (CARICOM) member states and the Dominican Republic. When President Obama announced the new security cooperation plan, the Caribbean Basin Security Initiative (CBSI), at the Summit of the Americas in April 2009, he said that it would likely involve increased U.S. assistance to help the region address challenges such as transnational crime, illicit trafficking, and maritime and aviation security. Congress provided "not less than" \$37 million in FY2010 for the CBSI in P.L. 111-117, of which "not less than" \$21 million should be for social justice and education programs. Subsequently, however, the Administration maintained that it had worked with Congress to identify \$45 million in funding (the amount originally requested) for FY2010.<sup>65</sup>

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<sup>64</sup> Prepared by Mark P. Sullivan, Specialist in Latin American Affairs.

<sup>65</sup> CRS confirmation with State Department, May 3, 2011.

The CBSI has been developed through a process of dialogue with Caribbean nations, which are expected to establish complementary programs with their own funding. Initial U.S.-Caribbean meetings were held in Suriname, Barbados, and the Dominican Republic in 2009. In May 2010, U.S. and Caribbean representatives held the inaugural Caribbean-U.S. Security Cooperation Dialogue in Washington, DC, and approved a declaration of principles, a framework for engagement, and a broad action plan.

- In the declaration of principles, Caribbean countries and the United States pledged to work together in three strategic priorities: (1) to substantially reduce illicit trafficking in the Caribbean (including measures to counter and reduce narcotics trafficking, trafficking in small arms and light weapons, trafficking in persons, and money laundering); (2) to advance public safety and security (including measures to deal with crime and violence, organized gangs and gang-related activities, border security, illegal undocumented migration, human smuggling, terrorism threats, criminal deportees, and natural disasters); and (3) to further promote social justice (including crime prevention, justice sector reform, and anti-corruption measures).
- In the joint framework, countries set forth the mechanisms for security cooperation engagement, including an annual security cooperation dialogue, the establishment of a commission responsible for preparing for the annual dialogue and monitoring implementation, and the establishment of ad hoc technical working groups as needed.
- In the action plan on security cooperation, countries set forth specific measures in each of the three strategic areas—reducing illicit trafficking, advancing public safety and security, and promoting social justice—in order to strengthen commitment and accountability and ensure greater support for implementation.

According to the Administration, technical working groups are continuing the dialogue, and are designed to coordinate local, national, and regional security crime prevention activities and polices. The working groups will report to policymakers at a second Caribbean-U.S. Security Cooperation Dialogue to be held in late 2011.<sup>66</sup>

The Administration's FY2011 request for the CBSI is for \$79 million, with about 43% of the requested assistance specifically for counternarcotics efforts and another 23% in military assistance to improve air and maritime security. For FY2012, the Administration is requesting \$73 million for the CBSI, with about 24% for counternarcotics and 33% in military assistance focused on improving maritime security. The Administration requested that CBSI funding for FY2011 be part of a separate State Department operating unit for the CBSI, but in the FY2012 request, funding has been reincorporated into the State Department Western Hemisphere Regional program.

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<sup>66</sup> U.S. Department of State, "The Caribbean Basin Security Initiative," Fact Sheet, March 14, 2011.

## **DOD Counternarcotics Assistance Programs<sup>67</sup>**

The U.S. Department of Defense provides a broad range of counterdrug support to Latin America and the Caribbean, including training and equipping assistance for security forces engaged in counterdrug efforts. Although DOD is a provider of international counterdrug assistance, the Foreign Assistance Act of 1961, as amended, vests responsibility for coordinating all U.S. counterdrug assistance with the Secretary of State.<sup>68</sup> As a result, DOD counterdrug programs generally complement existing foreign assistance programs run mainly by the State Department. However, due to its independent authorities and counterdrug missions, DOD programs are not necessarily integrated into the policy planning and the budgeting process for State Department-led counterdrug assistance programs. Within DOD, the Office of the Deputy Assistant Secretary of Defense for Counternarcotics and Global Threats is the primary source of counternarcotics policy. Two regional combatant commands bear responsibility for DOD operations in the Western Hemisphere: the U.S. Southern Command (SOUTHCOM), which covers Latin America, and the U.S. Northern Command (NORTHCOM), which includes Mexico.

Since Latin America has been the source of most illicit drugs arriving into the United States, DOD's role in the hemisphere has been long-standing. In FY1990, Congress mandated that DOD be the lead federal agency for the detection and monitoring of aerial and maritime transit of illegal drugs into the United States.<sup>69</sup> DOD's lead agency responsibilities extend to support for foreign law enforcement agencies in the detection and monitoring of drugs flowing toward the United States.<sup>70</sup> Support in its current form has evolved over time to include not only detection and monitoring, but also U.S. military deployments, infrastructure support, intelligence support, and operational support.<sup>71</sup> Two legislative authorities define the types of foreign assistance support that DOD can provide for counternarcotics purposes—Sec. 1004 of P.L. 101-510, the National Defense Authorization Act (NDAA) of 1991 as amended through FY2011, and Sec. 1033 of P.L. 105-85, the NDAA of 1998 as amended through FY2011, which allows DOD to provide additional support to certain countries.<sup>72</sup>

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<sup>67</sup> Prepared by Liana Sun Wyler, Analyst in International Crime and Narcotics.

<sup>68</sup> Sec. 481, P.L. 87-195, as amended (22 U.S.C. 2291).

<sup>69</sup> Sec. 1202 of P.L. 101-189, as amended (10 U.S.C. 124).

<sup>70</sup> Sec. 1088 of P.L. 102-190 (U.S.C. 124).

<sup>71</sup> See Paul Wolfowitz, Deputy Secretary of Defense, Memorandum on Department of Defense International Counternarcotics Policy, October 3, 2003, Appendix C, Department International Counternarcotics Support, in House Committee on Government Reform, Subcommittee on Criminal Justice, Drug Policy, and Human Resources, Hearing on DOD Counternarcotics: What is Congress Getting for its Money?, April 21, 2004, Serial No. 108-208.

<sup>72</sup> DOD currently is authorized to assist 22 foreign countries with additional counternarcotics support. Of the 22 countries for which DOD is authorized to provide Sec. 1033 counterdrug assistance, half of them (11) are located in Latin America. They include Peru and Colombia (Sec. 1033, P.L. 105-85); Bolivia and Ecuador (Sec. 1021, P.L. 108-136); Guatemala, Belize, and Panama (Sec. 1022, P.L. 109-364); Mexico and the Dominican Republic (Sec. 1022, P.L. 110-181); and El Salvador, and Honduras (Sec. 1024, P.L. 110-417).

### **Legislative Authorities Regarding DOD's Role in Providing Counterdrug Assistance**

Under Section 1004 of P.L. 101-510, the National Defense Authorization Act (NDAA) of 1991 as amended through FY2011, DOD can provide assistance for (1) transporting U.S. and foreign personnel for the purpose of facilitating counterdrug activities within or outside the United States; (2) establishing and operating bases of operations or training facilities for the purpose of facilitating counterdrug activities within or outside the United States; (3) training law enforcement personnel from foreign countries in how to conduct counterdrug efforts; (4) aerial and ground reconnaissance and detection, monitoring, and communication of air, sea, and surface trafficking en route to the United States; (5) construction of roads and fences and installation of lighting to block drug smuggling corridors across international boundaries of the United States; and, (6) the provision of linguist and intelligence analysis services.

Under Section 1033 of P.L. 105-85, the NDAA of 1998 as amended through FY2011, DOD can provide support to certain countries through the (1) transfer of nonlethal protective and utility personnel equipment; (2) transfer of, as well as repair and parts for, nonlethal specialized equipment, including navigation equipment, communications equipment, photo equipment, radar equipment, and night vision systems; (3) transfer of nonlethal components, accessories, attachments, parts (including ground support equipment), firmware, and software for aircraft or patrol boats, and related repair equipment; transfer of riverine patrol boats; and, maintenance and repair of equipment of the government that is used for counterdrug activities.

For more information, see CRS Report RL34543, *International Drug Control Policy*, by Liana Sun Wyler.

Colombia has historically been the focus of most DOD counterdrug efforts in the region, providing the military aspect of U.S. support for Plan Colombia. DOD counterdrug assistance to Colombia has included training and equipping of both the Colombian military and police, including the Colombian Army's Counternarcotics Brigade, assisting the Colombian Ministry of Defense with the development of a modern budget and logistics organizations, assisting the Colombian government with demobilization programs, and providing humanitarian assistance to local populations affected by the drug situation. Since FY2002, Congress has given DOD a country-specific authority to pursue a "unified campaign" against narcotics trafficking and against designated terrorist organizations operating in Colombia—the FARC, ELN, and AUC.<sup>73</sup>

The tendency of DOD to concentrate most of its counternarcotics assistance programs in Colombia appears to be shifting. (See **Table A-1** in the **Appendix** for an overview of DOD assistance to the region from FY2003-FY2011.) In SOUTHCOM's FY2010 posture statement to Congress, for example, SOUTHCOM's Combatant Commander argues for the expansion of DOD's authority to pursue a unified campaign against drugs and terrorism in more countries in the region than just Colombia.<sup>74</sup> Similarly, Defense Secretary Robert Gates and Chairman of the Joint Chiefs of Staff Admiral Mike Mullen traveled to Mexico in March 2010 along with Secretary Clinton to offer increased military assistance and collaboration to their Mexican counterparts. It remains to be seen, however, the degree to which DOD counterdrug assistance to Mexico, Central America, and the Caribbean will be coordinated with Mérida and follow-on assistance programs in those countries and sub-regions. Since DOD counterdrug assistance is obligated out of global accounts and the agency is not required to submit country-specific requests to Congress for its programs, obtaining recent data on DOD programs and plans for the region can be difficult.

<sup>73</sup> Sec. 305, P.L. 107-206; while this authority was not granted for FY2003, it was subsequently reauthorized in FY2004 in Sec. 1023, P.L. 108-136, as amended through FY2010.

<sup>74</sup> Posture Statement of General Douglas M. Fraser, Commander, U.S. Southern Command before the Senate Armed Services Committee, March 11, 2010.

## Foreign Assistance Prohibitions and Conditions<sup>75</sup>

In addition to defining the authorities by which the State Department and DOD fund counterdrug efforts and determining the types and levels of funding to appropriate for those efforts, Congress requires that the provision of that assistance be conditioned on certain counterdrug-related performance measures. Such aid conditions are intended to discourage aid recipients from shirking their commitments to combating drugs, as well as to ensure that they are cooperating with the U.S. government on related foreign policy priorities, including human rights and anti-corruption efforts.

### Annual Drug Certification Process

Beginning in 1986 (P.L. 99-570), Congress introduced an annual procedure to withhold certain types of bilateral foreign assistance, not including counternarcotics assistance, to major drug producing and major drug transit countries worldwide, commonly termed the “drug majors.”<sup>76</sup> In the past, this certification process had generated both criticism for the severity of its penalties as well as praise for its ability to improve political will internationally to combat drugs. Today, however, it is widely viewed as having lost much of its strength as a diplomatic tool.<sup>77</sup>

The President is required annually to issue a presidential determination to identify which countries are to be included in the list of drug majors for the following fiscal year. For FY2011, President Barack Obama identified 20 drug majors—75% of which are countries in the Western Hemisphere.<sup>78</sup> Twelve of the Latin American and Caribbean countries identified this year have been on the drug majors list for at least the past decade, including the Bahamas, Bolivia, Colombia, the Dominican Republic, Ecuador, Guatemala, Haiti, Jamaica, Mexico, Panama, Peru, and Venezuela. Three are new to the drug majors list: Costa Rica, Honduras, and Nicaragua.

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<sup>75</sup> Prepared by Liana Sun Wyler, Analyst in International Crime and Narcotics.

<sup>76</sup> Drug majors are statutorily defined in Sec. 481 of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 1191(e)) as a country in which (1) 1,000 hectares or more of illicit opium or coca is cultivated or harvested during a single year; (2) 5,000 hectares or more of illicit cannabis is cultivated or harvested; (3) there is a significant direct source of illicit narcotic or psychotropic drugs or other controlled substances significantly affecting the United States; or (4) drugs or other controlled substances are transiting.

<sup>77</sup> Current law provides two certification procedure options from which the President can choose in order to determine which countries will be sanctioned. The selection of which certification procedure to use is widely understood to have implications on the severity and strength of this counterdrug policy tool. In the original procedure, codified at 22 U.S.C. 2291j, the President was required to decertify all drug majors that had not proven to “cooperate fully” in international efforts to combat drug trafficking. Beginning in FY2002, subsequently codified at 22 U.S.C. 2291j-1, the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 2002 (P.L. 107-115) allowed for the suspension of the prior certification procedures and their replacement with a new set of procedures. In place of the “cooperate fully” threshold, the new certification procedure allows the President to designate and withhold assistance from only the worst-offending drug majors – those that were determined by the President as having “failed demonstrably” to make substantial efforts to combat drugs. The change in standards from whether a country had “cooperated fully” to “whether it had “failed demonstrably” effectively shifted the “burden of proof to an assumption that foreign nations were cooperating with the United States and had to be proven otherwise to trigger the restrictions” in foreign assistance.

<sup>78</sup> Barack Obama, Presidential Determination No. 2009-30, “Memorandum to the Secretary of State: Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2011,” September 16, 2010.

The drug majors are then evaluated on the basis of their efforts to combat drugs and cooperate with the U.S. government on drug policy issues. The President must accordingly “certify” to Congress that drug majors have either “cooperated fully” or have “failed demonstrably” in U.S. and international counternarcotics efforts. If the President does not certify a drug major country, it is “decertified” and ultimately subject to possible sanction from receiving certain types of bilateral assistance. Decertification can have implications for country eligibility for other assistance programs, including eligibility for debt relief. For FY2011, three drug majors were “decertified” after the President determined that they “failed demonstrably” at cooperating with the U.S. government and international community on counternarcotics measures. Two of the three are countries in the Western Hemisphere: Bolivia and Venezuela.

The President, however, reserves the discretion to waive the foreign assistance prohibition that decertification triggers if it is of vital national interest that U.S. aid continue to those countries. In the case of both Bolivia and Venezuela, President Obama waived the aid sanctions, thus allowing for bilateral assistance to continue in the case of Bolivia and assistance related to democracy promotion programming to continue in Venezuela.

## **Conditions on Counternarcotics Assistance**

Several conditions on counternarcotics assistance exist in current law, including general and country-specific prohibitions on providing aid to security forces (potentially including counterdrug forces) and drug eradication-related conditions. In order for the counterdrug funding to be released, these conditions require the Secretary of State to certify that the countries in question have achieved certain performance criteria. These assistance restrictions have been variously viewed as either supplements to the drug certification process, providing additional diplomatic pressure to support counternarcotics and related foreign policy goals, or additional bureaucratic obstacles to overcome. In the case of aid conditions on counternarcotics assistance for Mexico through the Mérida Initiative, for example, the delay of funds has become a source of policy frustration.<sup>79</sup>

## **Human Rights Prohibitions on Assistance to Security Forces**

Congress has taken measures to ensure that U.S. security assistance not be provided to foreign security forces that have been associated with gross human rights violations. Human rights conditions restrict foreign assistance to security forces authorized under the Foreign Assistance Act of 1961 (FAA), as amended, and the Arms Export Control Act (AECA), as amended. Specifically, units of a foreign country’s security forces are prohibited from receiving assistance if the Secretary of State receives “credible evidence” that such units have committed “gross violations of human rights.”<sup>80</sup> In response to these provisions, the State Department has developed vetting procedures for potential security force trainees. A modified and non-codified, but similar, provision restricts DOD training of foreign security forces in cases where the

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<sup>79</sup> The GAO identified “statutory conditions on the funds” as one of three factors that have slowed down implementation of the Mérida Initiative. U.S. Government Accountability Office (GAO), *Status of Funds for the Mérida Initiative*, December 3, 2009, GAO 10-253R.

<sup>80</sup> Sec. 620J of the Foreign Assistance Act of 1961, as amended. This aid condition originated in a provision first introduced by Senator Patrick Leahy as an amendment to the 1997 Foreign Operations Appropriations Act (P.L. 104-208) restricting International Narcotics Control assistance to foreign security forces found to have committed gross violations.

Secretary of Defense receives “credible evidence” that units of foreign security forces have committed “gross violations of human rights.”<sup>81</sup> While the term “security forces” is not defined in the FAA, AECA, or the FY2010 DOD appropriations measure (P.L. 111-118), in practice these provisions often affect assistance to foreign counternarcotics units.

### **Country-Specific Prohibitions on Certain Counterdrug Assistance**

In FY2010, Congress conditioned the provision of certain counterdrug-related aid to 10 countries in the Americas on the Secretary of State reporting to congressional appropriators on a range of human rights, corruption, and rule of law issues. The 10 countries were Haiti, Mexico, Colombia, and the Central American countries of Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama. (See **Table A-2** for a list of country-specific prohibitions on counterdrug aid included in the FY2010 Consolidated Appropriations Act (P.L. 111-117) and the FY2010 Supplemental Appropriations Act (P.L. 111-212)).

For FY2011, the same conditions appear to apply to assistance provided through the FY2011 Department of Defense and Full-Year Continuing Appropriations Act (H.R. 1473/P.L. 112-10).

### **Drug Eradication-Related Conditions**

Colombia, the only country in the world to which the U.S. government provides assistance for eradicating drug crops through the aerial application of herbicide, is also subject to several aerial eradication-related conditions (sec. 7046 of P.L. 111-117). Similar conditions apply to FY2011 assistance to Colombia provided in P.L. 112-10. Legislation caps total assistance to the Colombian national police for the procurement of chemicals for aerial coca and poppy eradication programs at 20% until the Secretary of State submits a report to Congress. That report must certify that the herbicide is being used in a manner that complies with Environmental Protection Agency standards and Colombian law, and that it does not pose unreasonable risks or adverse effects to humans or the environment. Further, funds for eradication are not available until the Secretary of State certifies to Congress that complaints related to fumigation are thoroughly evaluated and compensation provided in the case of meritorious claims. In addition, funds for eradication are not available unless alternative development programs are being implemented, where security permits, for small-acreage growers and communities targeted by aerial eradication.

## **Issues for Congress<sup>82</sup>**

Congress is playing an active role in shaping the design of U.S. antidrug programs in Latin America at a time when regional support for U.S. counternarcotics policy appears to be at a crossroads. The United States enjoys sustained counterdrug partnerships with countries like Peru and Colombia in South America and multilateral support from the U.N. and Organization of American States,<sup>83</sup> as well as expanding relationships on drug issues with Mexico, Central

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<sup>81</sup> Sec. 8061 of P.L. 111-118.

<sup>82</sup> Prepared by Liana Sun Wyler, Analyst in International Crime and Narcotics and Clare Ribando Seelke, Specialist in Latin American Affairs.

<sup>83</sup> For recent information on the Inter-American Drug Abuse Control Commission (CICAD) of the Organization of American States (OAS), see: Betty Horwitz, “The role of the Inter-American Drug Abuse Control Commission (continued...)”

America, and the Caribbean through the Mérida Initiative, CARSI, and CBSI. While many governments continue to support U.S. drug control efforts, some policymakers in the region have concluded that the current U.S.-led counterdrug approach needs to be re-evaluated. Criticism of U.S. drug activities has translated into a reduction in U.S. participation in counternarcotics efforts in certain countries, particularly Bolivia and Venezuela, as well as a growth in support in some countries for a range of alternative drug policy approaches, including drug decriminalization.<sup>84</sup>

There has been increasing criticism of U.S. drug policy coming from prominent observers in countries that have been key partners in the struggle against illicit drug trafficking. In February 2009, for example, an independent study group called the Latin American Commission on Drugs and Democracy—co-chaired by former presidents from Brazil, Colombia, and Mexico—issued a report concluding that the current U.S.-led international drug control regime, which has focused on criminalizing drug production and use, has largely failed. The report urged the United States and other governments to accelerate efforts to reduce drug demand and treat drug use as a matter of public health, focus repressive efforts on the illicit activities of organized criminal groups, and increase support for viable alternative development programs.<sup>85</sup> These recommendations are similar to some of the suggestions that have been made by U.S. drug policy experts.<sup>86</sup>

Congress has influenced aspects of U.S. counterdrug assistance programs in Latin America through the appropriations process, in oversight hearings, and in stand-alone legislation. During the 111<sup>th</sup> Congress, congressional action focused on the appropriations process by, for example, ensuring that assistance provided to Colombia, Mexico, and Central America was balanced between support for supply control programs, on the one hand, and funding for institution-building and rule of law programs, on the other. Additionally, the 111<sup>th</sup> Congress conducted a significant number of oversight hearings on U.S. drug control programs in Latin America and on confronting the increased drug trafficking-related violence occurring along the U.S.-Mexico border. The House-passed H.R. 2134, the Western Hemisphere Drug Policy Commission Act (Engel), would have created a commission to review U.S. drug policy in the region and identify options to improve international and domestic efforts. In December 2010, similar legislation was introduced in the Senate, S. 4011 (Menendez).

Thus far, the 112<sup>th</sup> Congress has convened hearings on the President's FY2012 request for foreign assistance programs in Latin America (including regional security initiatives), citizen security in the Americas, the Mérida Initiative, and bulk cash smuggling along the Southwest border. Congress is likely to consider several questions as it continues to fund, oversee, and evaluate U.S. drug control programs in Latin America and the Caribbean. Some of these questions might include what, if anything does the growing regional support for alternatives to the current counterdrug policy mix suggest in terms of U.S. drug policy priorities and strategies? How might the U.S. government better plan, implement, and evaluate counterdrug assistance programs in Latin America? What should be the future of eradication and alternative development programs in

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(...continued)

(CICAD) in *Confronting the Problem of Illegal Drugs in the Americas*, *Latin American Politics and Society*, vol. 52, no. 2 (Summer 2010).

<sup>84</sup> "Drug Policy Reforms in the Americas," *Reuters*, January 29, 2010.

<sup>85</sup> Latin American Commission on Drugs and Democracy, *Drugs and Democracy: Towards a Paradigm Shift*, February 2009, available in English at [http://www.drogasedemocracia.org/Arquivos/livro\\_ingles\\_02.pdf](http://www.drogasedemocracia.org/Arquivos/livro_ingles_02.pdf).

<sup>86</sup> See, for example, International Crisis Group, *Latin American Drugs II: Improving Policy and Reducing Harm*, March 14, 2008; Peter Hakim, *Rethinking U.S. Drug Policy*, Inter-American Dialogue, February 2011.

the Andes? To what extent are U.S. domestic drug policy efforts complementing counterdrug assistance programs in Latin America?

## **An Integrated Approach to Counternarcotics in the Region?**

Some Members of Congress have raised questions regarding whether there is the need for a more integrated approach to counternarcotics policies in the region. Members have expressed concern that the overall effectiveness of hemispheric counterdrug efforts has been hindered by “fragmented management, unclear reporting chains, and duplicative and overlapping agendas” among the agencies charged with implementing aspects of antidrug programs in the region.<sup>87</sup> Some Members have argued that a more integrated effort might include having the State Department develop a multi-year drug strategy for the region that would seek to avoid the so-called “balloon effect” in which successful efforts in one area drive drug-related activities to another area.<sup>88</sup> Members have also urged the Administration to establish a coordinator within the State Department to oversee the planning and implementation of the various counterdrug assistance programs in Latin America.<sup>89</sup>

The Obama Administration has recently taken steps to better coordinate the country and regional antidrug programs previously discussed, and to ensure that U.S.-funded efforts complement the efforts of partner governments and other donors. The Administration has appointed a coordinator within the State Department to oversee the planning and implementation of the aforementioned regional security assistance packages. The Office of National Drug Control Policy (ONDCP) is also working with other federal agencies, as well as independent policy experts, to develop a Western Hemisphere Counterdrug Strategy that is scheduled to be published later this year. According to ONDCP, the strategy will emphasize “interdiction and disrupting transnational criminal organizations, institutional strengthening, building strong and resilient communities, and drug demand reduction.”<sup>90</sup> The Administration is encouraging countries that have received U.S. assistance in the past—particularly Colombia—to share technical expertise with other countries in the region, a strategy that analysts have recommended.<sup>91</sup> Colombia and Mexico will be among the countries participating in a donor’s conference to support regional security efforts in Central America scheduled to be held in Guatemala in June 2011.

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<sup>87</sup> Office of Senator Robert Menendez, “Press Release: Menendez-Kerry Bill to Strengthen Counternarcotics Cooperation in the Americas,” March 26, 2010.

<sup>88</sup> The FY2010 Supplemental Assistance Act (P.L. 111-212) contained a condition on assistance provided to Mexico requiring the Secretary of State to submit a report to the Appropriations Committees containing a “multi-year, interagency strategy to address the causes of drug-related violence and other organized criminal activity in Central and South America, Mexico, and the Caribbean.”

<sup>89</sup> See, for example, the Opening Statement of Chairmen Eliot L. Engel at a Subcommittee on the Western Hemisphere hearing on “Assessing U.S. Drug Policy in the Americas,” October 15, 2009; “Rep. Connie Mack: We Must Examine U.S. Drug Policy in Latin America From All Angles,” *U.S. Fed News*, October 19, 2009.

<sup>90</sup> Testimony of R. Gil Kerlikowske, Director of the Office of National Drug Control Policy (ONDCP), before the Senate Committee on Foreign Relations, Subcommittee on Western Hemisphere, Peace Corps, and Global Narcotics Affairs, March 31, 2011.

<sup>91</sup> Bob Killebrew and Matthew Irvine, *Security Through Partnership: Fighting Transnational Cartels in the Western Hemisphere*, Center for a New American Security, March 2011.

Another aspect of developing a more integrated approach to counterdrug efforts in Latin America involves ensuring that non-aid programs related to drug policy complement the goals of U.S. counterdrug assistance programs.<sup>92</sup> Those include:

- **Drug Kingpin Sanctions:** The U.S. Department of the Treasury’s Office of Foreign Assets Control (OFAC) targets and blocks financial assets, subject to U.S. jurisdiction, of drug kingpins and related associates and entities. First instituted in 1995 to block assets owned by principal figures of the Colombia’s Cali Cartel (E.O. 12978), a second, expanded sanctions program was later introduced in 1999, which has a global scope (Foreign Narcotics Kingpin Designation Act). Targets from Latin America and the Caribbean are a central focus of both programs, with traffickers centered in Colombia constituting the entirety of E.O. 12978 and Latin American and Caribbean kingpins representing 64% of all listed kingpins since 2000.
- **International Trade Incentives to the Andes:** Through the 1991 Andean Trade Preference Act (ATPA) and its subsequent replacement, the 2002 Andean Trade Preference and Drug Eradication Act (ATPDEA), as amended, the U.S. government has historically sought to offer trade benefits to four partner nations in the Andes—Colombia, Ecuador, Peru, and Bolivia—as part of a broader effort to combat drug production and trafficking in the region. The program was suspended for Bolivia in December 2008, because it failed to meet one of the eligibility requirements for the program. Specifically, the President determined that Bolivia “failed demonstrably” to make substantial efforts to uphold its international commitments to combat drugs. The benefits to Peru expired at the end of 2010 and were not renewed because Peru has entered into a free trade agreement with the United States, which was implemented in February 2009. The most recent extension of ATPA for Colombia and Ecuador took place late in December 2010 when the 111th Congress enacted legislation for a six-week extension of benefits until February 12, 2011 (H.R. 6517).
- **Intelligence and Law Enforcement Activities:** U.S. efforts to identify and dismantle drug networks include intelligence and law enforcement activities that are not categorized as foreign assistance. DOD plays a key role in collecting, analyzing, and sharing intelligence on illegal drug flows through its regional operational assets, including the Joint Interagency Task Force-South (JIATF-South), which coordinates multi-agency drug intelligence; and Forward Operating Locations (FOLs), where drug interdiction aircraft can be deployed close to drug production sources and transit zones. International drug interdiction efforts in the Western Hemisphere account for approximately 81% of all cocaine interdictions worldwide. The U.S. Drug Enforcement Administration (DEA) maintains 37 country or regional DEA offices at U.S. embassies in Latin America and the Caribbean. DEA, with the support of other law enforcement agencies, use a variety of legal tools to ensure that international criminals are prosecuted to the fullest extent of the law, including extradition and extra-territorial law enforcement authorities to investigate and prosecute drug offenses overseas.

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<sup>92</sup> For more information on the programs highlighted below, see: CRS Report RL34543, *International Drug Control Policy*, by Liana Sun Wyler.

These non-foreign aid programs have figured prominently in U.S. counterdrug efforts in Latin America for some time. Yet it remains a challenge for policymakers to evaluate how such programs—conducted by a variety of U.S. agencies and offices, with separate budgets, planning procedures, and priorities and missions—may improve, detract from, or prove ineffective in the overall U.S. approach to combating drugs in the region. As Congress evaluates U.S. drug policy towards Latin America, it may choose to consider whether it is feasible and desirable to incorporate non-foreign assistance programs into a counterdrug strategy for the region.

The ability to monitor progress and make adjustments in programs that are not achieving their intended results has been identified as another key component of a well-integrated drug policy. Supply control programs have traditionally been evaluated by calculating the acreage of crops eradicated, drugs interdicted, or DTO leaders arrested, or by examining the price and purity of drugs in the United States. These measures, though important, can sometimes fail to capture progress that has taken place in terms of advancing bilateral or regional cooperation on anti-drug efforts and/or problems in existing policies. Measuring the effects of institution-building and development programs may prove to be even more difficult, particularly in the short term. Across the U.S. government, there has historically been a tendency to calculate the impact of particular programs by measuring “outputs,” such as the number of individuals trained by a justice sector program or served by a particular development program. The GAO and others have urged U.S. officials, particularly those carrying out so-called “soft-side” institution-building and development programs, to develop performance indicators that attempt to measure the societal “outcomes” that occur as result of U.S. efforts.<sup>93</sup> Congress may suggest new ways for the Administration to assess the effectiveness of drug control programs across different agencies, funding streams, and jurisdictions. Congress might also consider including more funding for program evaluations in foreign appropriations measures.

## **The Future of Drug Eradication and Alternative Development in the Andes<sup>94</sup>**

In recent years, Congress has increased funding for drug interdiction programs in Mexico, Central America and the Caribbean, but has gradually reduced funding for eradication and alternative development programs in the Andean region. Eradication has been a long-standing but often controversial U.S. drug control tool, particularly in Latin America. As recently as 2008, the State Department had asserted that “drug crops are the weakest link in the drug production chain” and that source-zone eradication remained “the cornerstone of U.S. supply reduction strategy.”<sup>95</sup> More recently, some U.S. officials have argued that there are certain situations, including in conflict or post-conflict environments like the current situation in Afghanistan, in which eradication might be ineffective, or even counterproductive. When the late Ambassador Richard Holbrooke, then the Obama Administration’s Special Representative for Afghanistan and Pakistan, halted U.S.-funded eradication programs in Afghanistan, he echoed the arguments made by many Andean

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<sup>93</sup> GAO, *Cooperation with Many Major Drug Transit Countries Has Improved, but Better Performance Reporting and Sustainability Plans Are Needed*, GAO-08-784, July 2008.

<sup>94</sup> For more analysis on eradication, see CRS Report RL34543, *International Drug Control Policy*, by Liana Sun Wyler; CRS Report RL33163, *Drug Crop Eradication and Alternative Development in the Andes*, by Connie Veillette and Carolina Navarrete-Frias.

<sup>95</sup> *INCSR*, March 2008. More recent *INCSR* reports have not placed as much of an emphasis on crop eradication.

drug policy experts regarding the importance of having “alternative livelihoods”<sup>96</sup> and some level of security conditions in place before eradication programs are undertaken.<sup>97</sup> Without those conditions in place, analysts have warned that eradication programs, particularly of an involuntary nature, risk alienating poor farmers and peasants and driving them into the hands of insurgent groups like the FARC in Colombia and the Shining Path in Peru.<sup>98</sup> In some parts of Colombia and Peru, anti-government groups continue to provide security and protection to peasant farmers growing illicit drug crops, while in others, farmers have sought government assistance for alternative crop cultivation so as to free their communities from the influence of drug traffickers and allied criminal groups.<sup>99</sup> Given these concerns, Congress is likely to continue evaluating the amount of foreign assistance devoted to eradication in the Andes and the circumstances under which eradication programs are carried out, as well as how eradication efforts should be sequenced with alternative development programs.

Eradication of drug crops occurs through manual removal, which involves the physical up-rooting and destruction of crops, mechanical removal, which involves the use of tractors and all-terrain vehicles to harrow the fields, or by aerial spraying, which involves the spraying of fields with herbicide mixture. Eradication can be conducted with the voluntary agreement of growers, or involuntarily. The United States supports programs to eradicate coca, opium, and marijuana in several countries in Latin America, primarily in Colombia, but also in Bolivia, Peru, Guatemala, and Mexico. Manual eradication is the preferred method for eradicating in areas where illicit plants have been interspersed with licit crops, such as in national parks. Aerial eradication is only permitted in Colombia, where proponents of the practice say it remains the safest and most effective means to defoliate large areas being used for drug crop cultivation. U.S. officials have credited years of repeated aerial spraying with reducing the productivity of coca plants and fields in Colombia.<sup>100</sup> However, since 2006, the percentage of illicit crops eradicated through aerial spraying in Colombia has declined vis-à-vis the percentage eradicated by manual eradication.

Despite eradication’s perceived benefits, it has also been a subject of long-standing criticism. Manual eradication requires significant time and human resources and aerial application of herbicide is not legal or feasible in many countries and is expensive to implement where it is

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<sup>96</sup> This term is often used to describe programs geared at providing alternatives to drug crop cultivation for farmers in source countries. U.S.-funded alternative development programs, most of which are administered by USAID, began in the 1970s in Bolivia and the 1980s in Peru as relatively simple crop substitution programs. As a result of the limited effects of those efforts, alternative development programs gradually evolved into broader initiatives aimed at expanding roads, infrastructure, healthcare, and other government services in coca-growing areas, many of which were poor and isolated. Francisco E. Thoumi, *Illegal Drugs, Economy, and Society in the Andes*, Baltimore: The Johns Hopkins University Press, 2003.

<sup>97</sup> In July 2009, Ambassador Holbrooke, the Obama Administration’s Special Representative for Afghanistan and Pakistan, announced that the U.S. government would no longer participate in eradication efforts in Afghanistan. Holbrooke called Western eradication policies in Afghanistan “a failure” and stated that the United States has “wasted hundreds and hundreds of millions of dollars” funding them. At the heart of Holbrooke’s argument was the concern that eradication policies, particularly in conflict zones and in the absence of viable alternative livelihood options, can alienate poor farmers and peasants and drive them into the hands of insurgent and rebel groups, in turn providing such anti-government movements a lucrative and consistent source of funding. Richard C. Holbrooke, “Holbrooke’s Briefing on Trip to Pakistan, Afghanistan, and Brussels, July 2009,” July 29, 2009. For more information, CRS Report RL32686, *Afghanistan: Narcotics and U.S. Policy*, by Christopher M. Blanchard.

<sup>98</sup> Testimony of Vanda Felbab-Brown, Fellow, the Brookings Institution, before the House Oversight and Government Reform Domestic Policy Subcommittee, April 14, 2010.

<sup>99</sup> See, for example, UNODC, *Peru: Coca Cultivation Survey*, June 2009, which describes the success that alternative development programs supported by the Peruvian government and USAID have had in the San Martín area of Peru.

<sup>100</sup> *INCSR* 2010, p. 206.

permitted. Eradication remains a high-risk activity, as spray planes and manual eradication crews are often targeted by drug traffickers. Critics have also asserted that aerial spraying in Colombia has caused negative human, animal, and environmental damage.<sup>101</sup> However, a series of reports produced by the Inter-American Drug Abuse Control Commission of the Organization of American States have concluded that the herbicide chemical used for aerial fumigation in Colombia has not caused damage to humans or wildlife.<sup>102</sup> The Secretary of State has reported similar findings to Congress.

In the case of eradication in Colombia, results have been mixed. Crop eradication efforts provided short-term instances of success in the early 2000s when aerial spraying was first permitted. In the following years, however, farmers adapted to eradication efforts through a variety of strategies that essentially involved farmers moving cultivation locations or growing practices, but not reducing the overall harvest size.<sup>103</sup> Some of these coping strategies included replanting or pruning back coca plants after spraying and increasing the number of harvest cycles per season. Other coping strategies, such as interspersing licit crops with coca crops and growing coca plants under dense foliage as well as in national parks, proved to make detection much more difficult. Nevertheless, both U.S. and U.N. estimates for 2008 showed dramatic declines in overall coca cultivation and cocaine production projections.<sup>104</sup> For 2009, the U.N. and the U.S. government again reported declines in estimated coca cultivation and potential production in Colombia.

In the absence of the credible threat of eradication, critics question what alternative strategies exist to effectively deter drug producers from cultivating drug crops in the first place. The development of licit livelihood options in drug producing areas is often raised as an alternative option to eradication. Essentially, such a strategy would provide a positive incentive for farmers to abandon their drug crops, rather than serve as a negative deterrent. However, policymakers have been challenged to find viable income alternatives in often remote, underdeveloped regions for impoverished peasants who lack basic skills. In conflict regions, where insecurity prevails, alternative development may not even be an option. In best case scenarios, alternative development can take years to show results, rendering it an ineffective short-term solution.

Alternative development need not be a zero-sum drug policy option. With regard to Colombia, for example, recent studies have found that the combination of jointly implemented eradication, alternative development, and interdiction is more effective than the independent application of any one of these three strategies.<sup>105</sup> In La Macarena, Colombia, for example, the Colombian government has had success by focusing its efforts on improving security conditions and government services in that area and by coordinating eradication with food security for farmers and then with alternative livelihoods projects.<sup>106</sup> As previously mentioned, many analysts have suggested that the likelihood of success would increase if there were modifications in the

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<sup>101</sup> See, for example, Washington Office on Latin America (WOLA), *Chemical Reactions*, February 29, 2008.

<sup>102</sup> The most recent CICAD reports were published in August 2009. They are available at <http://www.cicad.oas.org/en/glifosateFinalReport.pdf>.

<sup>103</sup> Vanda Felbab-Brown, *Shooting Up: Counterinsurgency and the War on Drugs*, Washington, DC: Brookings Institution, 2010.

<sup>104</sup> *INCSR* 2010, p. 206.

<sup>105</sup> Vanda Felbab-Brown, Joel M. Jutkowitz, Sergio Rivas, et al. *Assessment of the Implementation of the United States Government's Support for Plan Colombia's Illicit Crop Reduction Components*, report produced for review by USAID, April 17, 2009.

<sup>106</sup> USAID Front Lines, "Colombia Increases Security, Services in La Macarena to Overturn Coca and Conflict," press release, June 2009.

sequencing of eradication and alternative development strategies, implementing alternative development programs first and eradication programs later.<sup>107</sup> Others have urged Andean governments, as well as USAID, not to disqualify an entire community from participating in an alternative development project if a few families are found to be producing coca.<sup>108</sup>

## **U.S. Domestic Initiatives to Counter Drug Demand**

Congress has also taken an increasing interest in the extent to which U.S. domestic initiatives to counter drug demand affect counterdrug assistance efforts in Latin America. During the 111<sup>th</sup> Congress, the House passed H.R. 2134, the Western Hemisphere Drug Policy Commission Act (Engel), which would have established a commission to review U.S. antidrug efforts in Latin America, but also domestic demand reduction programs. The 111<sup>th</sup> Congress also considered the interplay between domestic and international drug control efforts during oversight hearings on the budget for ONDCP and on U.S. domestic efforts to support the Mérida Initiative. The 112<sup>th</sup> Congress may choose to rebalance funding for international and domestic drug control programs as it considers the Obama Administration's current and future drug control budget proposals.

The U.S. drug control budget has, until recently, emphasized supply-side programs, including drug crop eradication in source countries, interdiction, and domestic law enforcement efforts. From FY2002 through FY2009, for example, funding for supply side programs reportedly increased by 64%, whereas support for demand reduction efforts increased by only 9%.<sup>109</sup> By FY2009, supply-side programs constituted nearly two-thirds of the drug control budget.

In recent years, analysts from a range of organizations have called for a new U.S. counternarcotics policy focused on reducing demand as well as supply.<sup>110</sup> Some studies have shown that addressing drug demand through a combination of treatment programs for heavy users and prevention programs is a more successful and cost-effective way to combat drug trafficking than through supply reduction programs.<sup>111</sup> At the same time, others argue that further emphasis on supply-side drug control activities is warranted, as transnational drug trafficking organizations continue to pose serious threats to U.S. interests, citizen security, and, in some cases, government stability in Latin America.

High-ranking Administration officials and experts alike have acknowledged that U.S. domestic demand for illegal drugs is a significant factor driving the global drug trade, including the drug trafficking-related crime and violence that is occurring in Mexico and other source and transit countries.<sup>112</sup> The Obama Administration released its 2010 National Drug Control Strategy report

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<sup>107</sup> WOLA, *Development First: A More Humane and Promising Approach to Reducing Cultivation of Crops for Illicit Markets*, December 8, 2009.

<sup>108</sup> Testimony of Vanda Felbab-Brown, Fellow, the Brookings Institution, before the Senate Foreign Relations Committee, March 31, 2011.

<sup>109</sup> Carnevale Associates, *The Continued Standstill in Reducing Illicit Drug Use*, September 2009.

<sup>110</sup> See, for example, 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.

<sup>111</sup> David Boyum and Peter Reuter, *An Analytic Assessment of U.S. Drug Policy*, Washington, DC: American Enterprise Institute, 2005.

<sup>112</sup> See, for example, testimony of R. Gil Kerlikowske, Director of ONDCP, before the U.S. Congress, House Committee on Oversight and Government Reform, Subcommittee on National Security and Foreign Affairs, *Transnational Drug Enterprises (Part II): U.S. Government Perspectives on the Threat to Global Stability and U.S.* (continued...)

on May 11, 2010, which includes an increased focus on reducing U.S. drug demand, particularly among youth. Drug policy experts have praised the Administration's focus on reducing consumption, but criticized its FY2011 and FY2012 budget requests for including relatively modest increases in funding for treatment programs of 3.7% and 1% above the FY2010 enacted level.<sup>113</sup> They further maintain that while the FY2011 request included an increase in funding for prevention efforts of 13.4%, the funds requested were still less than what was spent in the early 2000s and 5.3% lower than what the Bush Administration funded in FY2009.<sup>114</sup> The FY2012 request for prevention programs is roughly 8% higher than the FY2010 enacted level. Some have questioned whether the federal government allocates enough of the drug budget to adequately address the demand side; the FY2011 and FY2012 drug budgets propose to continue to spend a majority of funds on supply reduction programs including drug crop eradication in source countries, interdiction, and domestic law enforcement efforts. It is important to note, however, that many state, local, and non-profit agencies also channel funds toward demand reduction.

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(...continued)

*National Security*, 111<sup>th</sup> Cong., 2<sup>nd</sup> sess., March 30, 2010. See also "U.S. Secretary of State Hillary Rodham Clinton Remarks With Mexican Foreign Secretary Patricia Espinosa After Their Meeting," March 23, 2010.

<sup>113</sup> See, for example, Testimony of John T. Carnevale, President, Carnevale Associates, before the House Oversight and Government Reform Subcommittee on Domestic Policy, April 14, 2010. For an overview of the proposed FY2011 National Drug Control Budget, see Executive Office of the President of the United States (EOP), "National Drug Control Budget: FY2011 Funding Highlights," Feb. 2010, <http://www.whitehousedrugpolicy.gov/publications/policy/11budget/fy11highlight.pdf>. For the FY2012 National Drug Control Budget, see EOP, "National Drug Control Budget: FY2012 Funding Highlights," Feb. 2011, <http://www.whitehousedrugpolicy.gov/policy/12budget/fy12Highlight.pdf>.

<sup>114</sup> *Ibid.*

# Appendix. Appendix Tables

**Table A-1. DOD Counternarcotics Support to Latin America and the Caribbean, FY2003-2011**

estimates in current US\$ thousands

Country	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Argentina	261	184	192	173	434	452	583	581	1,724
Bahamas	1,391	1,525	4,722	6,427	12,645	9,935	6,502	3,735	5,265
Barbados	406	180	150	148	145	155	130	203	2,659
Belize	271	202	282	1,896	869	1,416	5,133	8,993	3,919
Bolivia	3,971	5,604	3,942	1,967	1,414	431	2,300	3,000	850
Brazil	796	649	967	734	1,997	709	583	601	1,469
Caribbean Region	68,454	53,134	58,878	114,232	115,733	154,853	74,637	97,333	96,890
Chile	707	433	165	142	151	477	782	830	3,119
Colombia	178,229	155,313	140,522	129,406	119,862	127,872	129,367	105,186	94,153
Costa Rica	1,134	742	623	819	2,452	830	1,604	2,196	2,681
Dominican Republic	758	875	663	841	1,033	1,115	7,090	7,831	5,614
Ecuador	18,771	21,085	23,764	21,765	20,397	20,064	11,713	11,433	13,138
El Salvador	5,900	6,575	6,083	1,139	1,035	1,538	4,291	4,715	2,173
Guatemala	769	661	1,378	1,865	2,479	2,478	9,152	16,709	9,145
Haiti	144	102	105	90	93	101	110	111	113
Honduras	1,032	598	639	1,091	3,629	3,824	2,357	4,221	2,753
Jamaica	456	1,415	592	481	649	769	1,165	1,808	770
Latin America Region	101,332	142,426	107,034	61,709	71,035	78,594	61,301	65,970	68,435
Martinique	0	0	0	25	30	31	20	20	21
Mexico	10,493	9,650	15,166	15,508	12,171	34,164	89,749	71,674	75,508

Country	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011	FY2012
Netherlands Antilles/Curacao	15,095	16,672	16,315	18,539	19,460	25,550	25,677	21,286	21,871
Nicaragua	176	485	517	2,984	2,655	5,034	1,367	2,175	2,754
Panama	1,605	912	925	2,372	3,640	2,616	4,413	6,378	8,225
Paraguay	1,059	488	1,215	1,619	2,361	1,313	1,710	1,841	5,943
Peru	7,070	7,260	11,937	7,984	8,386	8,908	18,830	15,363	12,162
Suriname	0	0	85	73	82	290	477	471	474
Trinidad and Tobago	166	116	108	118	126	136	130	140	328
Uruguay	176	225	241	227	121	131	110	120	502
Venezuela	1,005	772	526	529	540	544	329	333	340
Total	421,647	428,283	397,736	394,903	405,621	484,330	461,612	455,266	443,192

**Source:** DOD response to CRS request, March 21, 2011.

**Notes:** These data reflect non-budget quality estimates of DOD counternarcotics support provided or efforts in these nations/regions; DOD does not budget counternarcotics programs by regions/countries, but by program. These figures reflect both “direct” support to those countries (e.g., training, equipment, information sharing, infrastructure and other categories) and “indirect” support via DOD and other U.S. Government counterdrug operations with regard to those countries (e.g., transportation, communications, intelligence analysis, radar, air and maritime patrol, liaison personnel, and other categories) as well as operation of Forward Operating Locations.

**Table A-2. Country-Specific Prohibitions on Drug-Related Assistance: FY2010 and FY2011**

Country/Sub-Region	Source	Assistance Affected	Reporting Requirement
Haiti	Sec. 7045(b)(3), P.L. 111-117	INCLE funds barred from use to “transfer excess weapons, ammunition, or other lethal property of an agency of the United States Government to the Government of Haiti for use by the Haitian National Police” until the reporting requirement is fulfilled.	The Secretary of State must report to Congress that “any members of the Haitian National Police who have been credibly alleged to have committed serious crimes, including drug trafficking and violations of internationally recognized human rights, have been suspended.”
Mexico	Sec. 7045(e)(2), P.L. 111-117	15% of INCLE, FMF, and ESF funds, not including assistance for judicial reform, institution building, anti-corruption, and rule of law activities, may not be obligated until the reporting requirement is fulfilled.	The Secretary of State must report to Congress that the Government of Mexico is continuing to: (1) “improve the transparency and accountability” of the Federal police forces and State and municipal police forces; (2) regularly consult “with Mexican human rights and civil society organization on recommendations for the implementation of the Mérida Initiative”; (3) ensure that “members of the Federal police and military forces who have been credibly alleged to have violated internationally recognized human rights” are investigated and prosecuted in the civilian justice system, with full cooperation of the Federal police and military forces; and (4) enforce the prohibition on the “use of testimony obtained through torture or other ill-treatment.”
	Sec. 1010 (a) and (b) P.L. 111-212	15% of INCLE may not be obligated until the reporting requirements are fulfilled.	(a) Same as above. (b) The Secretary of State must also submit a report to the Committees on Appropriations detailing a coordinated, multi-year, interagency strategy to address the causes of drug-related violence and other organized criminal activity in Central and South America, Mexico, and the Caribbean.

Country/Sub-Region	Source	Assistance Affected	Reporting Requirement
Colombia	Sec. 7046(b), P.L. 111-117	Up to 70% of assistance in P.L. 111-117 for the Colombian Armed forces may be obligated prior to the certification and reporting requirement and up to 15% of such aid may be obligated only after certification and reporting requirement.	The Secretary of State must consult with, and subsequently certify and submit a written report to Congress that: (1) all members of the Colombian Armed Forces who have been “credibly alleged to have committed violations of internationally recognized human rights” or who have” aided, abetted or benefitted from paramilitary organizations or successor armed groups” are suspended, investigated, and prosecuted in the civilian justice system with full cooperation of the Colombian Armed Forces; (2) the Colombian Government has “taken all necessary steps to sever links with paramilitary organizations or successor armed groups”; (3) the Colombian Government is “dismantling paramilitary networks” and “returning land and other assets illegally acquired by such organizations or their associates to their rightful occupants or owners”; and (4) the Colombia Government “respects the rights of human rights defenders, journalists, trade unionists, political opposition and religious leaders, and indigenous and Afro-Colombian communities, and that Colombian Armed Forces are implementing procedures to distinguish between civilians, including displaced persons, and combatants in their operations.”
Central America, defined as Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, and Panama	Sec. 7045(f)(1), P.L. 111-117	15% of INCLE and FMF funds may not be obligated until the reporting requirement is fulfilled.	The Secretary of State must report to Congress that the governments of these countries are continuing to: (1) “support police complaints commissions with authority and independence to receive complaints and carry out effective investigations;” (2) “implement reforms to improve the capacity and ensure the independence of the judiciary; and” (3) “investigate and prosecute members of the Federal police and military forces who have been credibly alleged to have committed violations of internationally recognized human rights.”

**Source:** Division F, Department of State, Foreign Operations, and Related Programs Appropriations Act, 2010, of the Consolidated Appropriations Act, 2010, P.L. 111-117 (December 16, 2009); Title XI, Department of State, Foreign Operations, and Related Programs in the Department of Defense and Full-Year Continuing Appropriations Act, 2011, (P.L. 112-10).

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

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