Woodrow Wilson International Center for Scholars

OVERVIEW OF THE MERIDA INITIATIVE: MAY 2008

ANDREW SELEE*

Main Points

- Congress is currently considering a proposal to provide $1.4 billion in equipment, software, and technical assistance to Mexico over three years as well as a smaller but still unspecified amount to Central America over the same period. The first year of the initiative is part of the Iraq Supplemental, while the second and third years will be discussed as part of the regular FY09 and FY10 appropriations process.

- The Merida Initiative is actually more than an assistance package—rather it is one element in a broader strategy of growing cooperation between the U.S. and Mexico to address a shared threat presented by organized crime involved in drug trafficking. The U.S. and Mexican governments have increased joint efforts significantly in recent years in order to protect communities on both sides of the border. Moreover, both countries recognize the need to engage Central America in broader regional efforts.

- The Mexican government has made addressing organized crime its top priority and has succeeded in making inroads against the drug cartels. They have also approved a sweeping judicial reform and thoroughly overhauled the federal police. There are, however, still legitimate concerns about civilian oversight of the military's role in law enforcement operations and the effectiveness of state and local police, including the absence of a national police database. There are also real concerns about the trafficking of arms, bulk cash, and precursor chemicals for synthetic drugs from the United States to Mexico, and the continued demand for narcotics in the U.S. along with rising demand in Mexico.

- Some in Congress are skeptical of the Merida Initiative because the proposal was developed in negotiations between the administration and the Mexican government without prior consultation with Congress. As a result, Congress will almost certainly reshape the initiative. Members have indicated that they will assess tradeoffs between short-term law enforcement and longer-term institution building objectives, and they will also demand benchmarks for progress. These discussions can help produce an even stronger proposal.

- Some Members of Congress have also indicated they want to find ways to hold the administration accountable for its responsibilities for the flow of arms, financial resources, and precursor chemicals from the U.S. to Mexico.

- A well-crafted bill could serve to reaffirm the commitment of the U.S. government to improving cooperation with the Mexican government and build confidence between the two countries, while helping to modernize Mexico's police and judicial institutions.

STRENGTHENING COOPERATION

The Merida Initiative, which has been proposed by the U.S. and Mexican governments, would provide $1.4 billion over three years in equipment and training from the U.S. to the Mexican government to support both law enforcement efforts directed against organized crime and long-term institution building for federal police and the judicial system. The proposal also includes additional aid for seven Central American countries although the total amount of this is not yet specified. The first year of this initiative is likely to come up for debate in the U.S. Congress starting in May and has been attached to an emergency supplemental bill to fund efforts in Iraq and Afghanistan as well as several relief projects around the world.

The proposal included in the supplemental for FY08 includes $500 for equipment, software, and training in Mexico and an additional $50 million for related efforts in Central America. The second year of the initiative would provide $450 million to Mexico and $100 million to seven Central American countries. Among the most significant elements of the initiative are funds for transport helicopters for the Mexican army; surveillance planes for the navy; inspection equipment for the customs service; software, forensic equipment, and training for the federal police; case management software for the court system; and support for demand-reduction efforts. Roughly 41% of the spending for Mexico in year one is for the army and navy but this drops to 26% in year two. For Central America, the funding is aimed at strengthening law enforcement, enhancing border inspection, and preventing crime. (See the attached charts for a summary of the budget).

More than an assistance package, the Merida Initiative should be seen a central element in a broader strategy of growing cooperation between the United States and Mexico to address a shared threat presented by organized crime. Drug traffickers have increasingly turned to Mexico as a transshipment point for cocaine from South America, and the country ranks second to the United States as a producer of methamphetamines. Three major cartels control the narcotics trade in Mexico and have increasingly sought to take control over communities on the border between Mexico and the United States, usually operating on both sides of the border. They have also established a presence along key transportation corridors in Mexico, often fighting with each other for control over highways, ports, and other strategic locations.

The rising strength of drug cartels poses important challenges for both countries—and especially for border communities in both countries—and can only be tackled with a series of coordinated efforts. These include joint law enforcement operations to track, identify, and arrest cartel leaders and those involved in organized crime; shared efforts against money laundering and arms smuggling from the United States to Mexico; long-term efforts to strengthen Mexico's judicial system and significantly revamp its national and local police forces; and strategies in both countries to reduce the demand for narcotics. The Merida Initiative represents only one element—although a crucial one—within this larger strategy of cooperation. However, the success of this initiative will depend on its component parts and the way the final bill is crafted, as well as the commitment of both governments to address these challenges in creative and effective ways.

MUCH PROGRESS BUT NO EASY SOLUTIONS

The current Mexican government has made dealing with organized crime its top priority**.** The administration of President Felipe Calderón, which took office at the end of 2006, has undertaken an aggressive law enforcement strategy against organized crime by dispatching police and army units to take control of areas once dominated by the cartels. They have also increased extraditions of cartel leaders to the United States dramatically, including 81 in 2007 alone, and banned over-the-counter medicines that use ephedrine, since this can be used as a precursor for methamphetamine. In addition, the Calderón administration has moved to make the federal police more effective and dependable by creating a new command structure and vetting procedures for recruits, starting a national police training institute, and enhancing investigative capabilities.

Perhaps most importantly, the Mexican Congress recently passed a major constitutional reform to overhaul the justice system. The changes have included establishing the presumption of innocence, allowing oral trials, imposing limits on pre-trial detention, suppressing evidence obtained through coercion, improving access to legal counsel, and enhancing the police's investigative capabilities. Over time these changes should dramatically increase the transparency and reliability of the court system and increase the professionalism of the police.

However, there are no easy solutions to these challenges. While some aspects of the justice reform (such as the presumption of innocence) will show immediate results, changing the way judicial proceedings are run will take years. Even with the right incentives, training, and accountability mechanisms in place, it will take time for the federal police to be fully effective against organized crime. Moreover, reforming the federal police does little to change the poor performance of local and state police or the threat of their capture by organized crime. Of particular concern is the lack of a national database of police to ensure that officers fired for corruption in one jurisdiction are not hired elsewhere.

At the same time, while using the army in law enforcement operations is an effective and necessary stop-gap, it opens up the specter of human rights abuses by troops that are not trained for civilian law enforcement and points to the historical lack of transparency and accountability in the army. The army has been particularly resistant to dealing with citizen complaints of rights abuses committed when troops are used in civilian law enforcement operations, preferring to deal with these through internal military proceedings that are not open to public scrutiny. Also especially worrying is the continuing intimidation of journalists by drug cartels in several cities, which the federal government has been unable to stop.

While drugs flow north from Mexico to the United States, several of the key inputs for the drug trade flow south from the United States. The cartels in Mexico receive most of their arms from the United States, usually through purchases at gun shows along the border. The U.S. and Mexican governments have so far been unable to limit the flow of this "iron river" southward and the U.S. government has few resources devoted to this. In addition, precursor chemicals used in the production of methamphetamines usually reach Mexico from China via the U.S. port in Long Beach. Similarly, the proceeds of retail narcotics sales in the United States are sent back to the cartels via complex financial transactions that often involve money laundering in U.S. institutions or the transportation of bulk cash across the border. Perhaps most importantly, the consumption of narcotics in the United States remains high and continues to grow in Mexico, and no law enforcement strategy against drug trafficking will be successful without significantly lowering demand.

CONGRESSIONAL ACTION

Many in the U.S. Congress are understandingly uneasy with the Merida Initiative, in large part because the Bush administration did not consult with them during the formulation of the plan. Some Senators and Members of Congress have expressed reservations about approving the initiative at all, or suggested cutting the level of funding proposed. However, since this initiative was negotiated as part of a broader strategy of cooperation, Congress will have to be especially careful how it manages the messages it sends about U.S. willingness to cooperate with its neighbors in the region. At the same time, Congress has the opportunity to shape a package that will go a long way towards reaffirming U.S.-Mexico cooperation while creating the right incentives for addressing long-term challenges.

Congress will almost certainly demand the inclusion of a system to measure the long-term success of the Merida Initiative. Given the sensitivity of the relationship and the spirit of cooperation, traditional forms of conditionality may not be well received by the Mexican government. Some Senators and Members have suggested that one way around that may be requiring the administration to develop joint benchmarks with the Mexican government so that Congress can evaluate success. Areas in which benchmarking might be appropriate include progress towards civilian leadership of law enforcement operations; successful development of the federal police force under internationally accepted standards; consolidation of a national police database; and the implementation of accountability systems within the Mexican military, especially to deal with complaints of human rights abuses. Others have suggested developing reporting requirements for the use of equipment involved in the proposal. Congress would thus be able to evaluate progress in these areas before approving the second and third years of funding under the initiative without imposing strict conditionality language that might run counter to the spirit of cooperation.

In addition**,** Some Members of Congress have indicated that they want to hold the administration accountable for its commitment to address U.S. narcotics consumption, the trafficking of arms and precursor chemicals to Mexico, and financial flows from drug sales in the United States back to the cartels in Mexico. The House Western Hemisphere Subcommittee has already held hearings on this, and further efforts would go a long way towards ensuring that the U.S. government assumes its responsibilities for cooperation with Mexico and helps keep U.S. communities safe.

MEXICO AS A STRATEGIC PARTNER

The United States benefits from having two neighbors in Canada and Mexico that are close allies and reliable partners. The challenge of organized crime tied to drug trafficking is an area where cooperation between the United States and Mexico is particularly needed and would serve to protect communities on both sides of the border. The two governments have a shared interest in improving coordination in law enforcement, institution-building, and demand-reduction in order to face the threat posed by the drug trade. The Merida Initiative can serve as an important element in building confidence and cooperation between the two countries if it is shaped correctly.

In practical terms, the administration's proposal, which was negotiated with the Mexican government, is almost certain to be modified by Congress given both budgetary pressures and the lack of prior consultation. Congress will also want detailed benchmarks and reporting requirements for measuring progress. These efforts can provide needed tools for evaluating success and help ensure that progress is made on institution-building and civilian oversight of military operations. Congress may also decide to ask the administration for a plan to carry out its own domestic commitments under the Merida Initiative as well.

It will be critical that regardless of the specific package that is finally approved, both congressional leaders and the administration see it as part of a larger cooperative effort in working with Mexico on shared challenges and send this message clearly.

This policy bulletin is a personal reflection by the author and does not represent an official position of the Woodrow Wilson Center or the Wilson Center's Mexico Institute. It was produced on May 7, 2008.

* Andrew Selee is Director of the Mexico Institute at the Woodrow Wilson Center and an Adjunct Professor of Government at Johns Hopkins University. He can be reached at andrew.selee@wilsoncenter.org.

Proposed Funding – Mexico
(millions of U.S. Dollars)

Ministry/Agency	FY08	FY09	Explanation
Mexican Army	105,500	20,200	Transport helicopters, training, maintenance; scanners and inspection devices
Mexican Navy	100,000	100,000	Surveillance planes and maintenance
Attorney General's Office	85,387	26,379	Armored vehicles; refurbish surveillance aircraft; forensics equip.; software; etc.
Public Security Ministry	31,950	147,550	Transport helicopters; aircraft; inspection equipment; polygraph; etc.
Immigration Service	31,287	60,470	Equipment for document verification and software for database
Communication & Transportation Ministry	25,310	5,872	Equipment and upgrades for mail service security
Customs Service	31,447	38,400	Inspection equipment--arms trafficking
Intelligence Service (CISEN)	7,933	8,864	Software, equipment, and training
Treasury Department	5,000	0	Financial intelligence software
Network for Technology Transfer in Addictions	15,157	10,950	Prevention , treatment, and rehabilitation programs
Courts management	15,000	0	
Prison System	3,000	1,500	
Support for Non-Governmental Efforts	6,029	7,315	Culture of Lawfulness, bar association, human rights orgs and training, etc.
Program support	37,000	22,500	
TOTAL	**500,000**	**450,000**	

Proposed Funding – Central America
(Guatemala, El Salvador, Honduras, Nicaragua, Costa Rica, Panama, and Belize)
(millions of U.S. dollars)

Category	FY08	FY09	Explanation
Information Sharing and Collection	7,500	10,000	Fingerprint technology and police vetting
Port, Airport, and Border Security	3,843	4,234	Equipment and training for border inspection
Drugs, Arms, and Human Trafficking	5,270	25,750	Maritime interdiction, arms interdiction technology
Crime Prevention	25,674	32,016	Anti-gang strategy, communications equipment
Improved Policing	0	3,000	Training for police academies
Improved Criminal Justice System	7,713	19,000	Assistance to courts, prisons, community policing programs
Anti-Corruption and Transparency	0	1,000	
Administration	0	5,000	
TOTAL	**50,000**	**100,000**	