

Report of the
WESTERN HEMISPHERE DRUG POLICY COMMISSION

December 2020

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Secretary of State
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Dear Sirs:

On behalf of the Western Hemisphere Drug Policy Commission, and pursuant to Public Law 114-323, we are pleased to submit the following report with our review of US foreign policy in the Americas to reduce the flow of illicit drugs and the damage associated with drug trafficking.

Our recommendations provide a roadmap for cost-effective, evidence-based drug control policies that will address their fundamental objective: reducing the number of American lives lost to drug abuse.

Drug trafficking is a complex, constantly evolving threat that requires a comprehensive but flexible approach. We believe our recommendations will enable the US government to implement a long-term, inter-agency strategy that can be adapted to the needs of our Latin American partners. It also provides for an evidence-based approach based on relevant indicators and periodic assessments.

Over the past year and a half, the Western Hemisphere Drug Policy (WHDPC) has held meetings and workshops with US officials, foreign diplomats, and independent experts in the fields of drug control and foreign assistance. Commissioners and staff members also traveled to Colombia, Mexico, and Central America to assess US policies in the field.

The findings and recommendations in this report have been agreed to unanimously by the eight Members of the Commission. We call on Congress and the President to consider this report fully and take action to address the ongoing tragedy of illegal drug abuse and trafficking.

Finally, we would like to thank Congressman Eliot Engel, Chair of the House Foreign Affairs Committee, for his leadership on this issue. As Representative Engel remarked in May 2019 when he swore the Commissioners in: “It is long past time to take a fresh look at U.S. drug policy and make sure we have the best strategy moving forward.”

Respectfully yours,



Shannon O'Neil, Chair



Clifford Sobel, Vice Chair



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Executive Summary

Our collective failure to control either drug abuse or drug trafficking has exacted an enormous human toll. In the United States more than 500,000 people have died from overdoses over the past decade, soaring to an unprecedented 71,000 deaths in 2019. In Latin America, increasing substance abuse combined with drug-related homicides have ruined many more lives.

The illicit drug industry has evolved far more rapidly than our efforts to contain it. Traditional dichotomies no longer apply. Developed nations both manufacture and abuse synthetic opioids; developing countries both produce and consume dangerously addictive plant-based substances. Throughout our hemisphere, the poor suffer most: those who are socially and economically marginalized are more likely to develop drug use disorders and more likely to be victimized by criminal gangs.

The Western Hemisphere Drug Policy Commission is an independent, bipartisan entity with a two-fold mission: evaluate a range of US counternarcotics programs in the Americas and then make recommendations to improve them.

Our mandate is to review policies in this hemisphere, though we recognize that drug abuse and trafficking are global problems, especially with the rise of powerful synthetics that can be produced and sold almost anywhere.

Organized crime – powered largely but not exclusively by illegal drug trafficking – also threatens the region’s still fragile democracies. The most extreme example is Venezuela, a democracy that has devolved into dictatorship, defying financial sanctions with the help not only of other unfriendly states – such as Cuba, Russia, and Iran – but also of transnational criminal organizations, including illegal drug and gold smugglers.

An increasingly complex threat requires a more agile, adaptive long-term strategy. We need smarter international policies within an interagency effort led by the State Department. Our overall effort should focus on accomplishing a fundamental foreign policy goal: reducing the supply of dangerous drugs by helping partner governments in Latin America counter vicious transnational criminal organizations.

This inter-agency effort must also address the challenge of money-laundering. US policymakers need to develop data-driven tools to detect and block the flow of illicit funds using new techniques, such as cryptocurrencies and complex cross-border financial transactions.

The White House Office of National Drug Control Policy should ensure that these policies are cost effective, providing the executive branch with research-based analysis and performance evaluations that measure both the positive and negative impacts of law enforcement and foreign assistance.

The Commission’s evaluation of US policy in the region shows promising results: our assistance programs in Colombia are providing licit livelihoods in coca-growing regions; our capacity building in Mexico has strengthened criminal justice reforms; and our police reform, anti-corruption, and violence prevention efforts have helped the troubled nations of Central America’s Northern Triangle – El Salvador, Guatemala, and Honduras – make progress – albeit unevenly – toward more effective governance.

The United States and its partners have also strengthened anti-money-laundering regulations, collecting data that can potentially be used to uncover the financial networks that perpetuate organized crime, corruption, and terrorism.

US-supported counternarcotics policies sometimes cause considerable harm, however, complicating rather than curbing drug trafficking and drug-related crimes. Coca eradication has moved illicit crops to marginal regions, threatening vulnerable communities. Kingpin targeting has fractured drug cartels, heightening inter- and intra-gang violence. Anti-money laundering efforts have spurred black and grey market innovations as traffickers and their financial enablers move from bulk cash smuggling into elaborate trade-based schemes and digital transactions.

Amid the economic havoc wreaked by COVID-19, it is more important than ever for the US government to spend its counternarcotics budget effectively. The pandemic has exacerbated conditions that are worsening our ongoing opioid crisis, such as lack of adequate treatment, economic distress, and social isolation. It is also likely to further weaken security and justice institutions in the Latin American countries that produce drugs or lie along drug transit routes.

Two truisms about counternarcotics policy bear repeating: we cannot control the supply of dangerous drugs without also reducing demand and we cannot curb demand without also limiting supply. We may never end illegal drug trafficking, just as we cannot eliminate substance abuse. But we can better manage these deadly problems with a comprehensive strategy designed to address underlying causes and conditions, carefully measure progress, and eliminate or mitigate adverse consequences.

US policy to reduce drug demand has evolved in recent years. Since 2010, Congress has increased spending on treatment and prevention significantly, appropriating nearly double the amount spent during the previous decade. Though funding remains inadequate, policymakers understand the need for science-based approaches that treat substance abuse as a disease, not simply a crime or moral failing.

The federal government should apply the same scientific rigor to foreign supply-reduction efforts: designing and implementing a cost-effective, interagency strategy with carefully targeted policies to curb the flow of dangerous drugs into the United States while addressing institutional weaknesses in drug producing and transit countries that allow transnational criminal organizations to flourish.

Recommendations:

1) Empower the State Department to develop and coordinate a whole-of-government effort to counter transnational criminal organizations abroad and reduce the foreign supply of illicit drugs. The Under Secretary for Political Affairs should be charged with coordinating a whole-of-government effort to counter transnational organized crime.

- The Undersecretary for Political Affairs should work with all relevant departments and agencies, including USAID, federal law enforcement agencies, the US Treasury and the Department of Defense, to develop and implement coherent regional five-year international drug control strategies to reduce illicit drug trafficking, disrupt criminal networks, and discourage money laundering.
- To maximize organizational efficiencies and effectiveness, the Bureau of International Narcotics and Law Enforcement Affairs (INL) should be moved into Political Affairs at the Department of State.
- The Department of State needs long-term, flexible funding authorities, as well as the authority to disburse emergency funds to provide targeted assistance so that partner governments can prevent or contain emerging threats.

2) Replace the drug certification and designation process with more effective tools to assess country efforts to counter transnational crime and sanction those who fail to act. The current certification process offends our partners and does little to deter corrupt practices in unfriendly nations.

- INL should produce a global report reviewing country efforts to counter trafficking and other transnational crimes, including US policies. This report should also assess whether US sanctions, such as the Kingpin Act, effectively target the most dangerous criminal organizations, especially those responsible for trafficking or producing fentanyl and other highly toxic substances.

3) Develop compact-based counternarcotics and law enforcement assistance programs. The Undersecretary of Political Affairs should empower US ambassadors to fashion foreign assistance compacts, based on the model pioneered by the Millennium Challenge Corporation.

- These country-led agreements should identify shared goals for combatting organized crime, strengthening criminal justice institutions, and protecting citizen security and human rights. The multi-year agreements should specify the roles and responsibilities of both the US and host government, as well as civil society stakeholders.
- This process should bring the US government and other donors together with political leaders and security officials to identify an appropriate, cost-effective reform agenda.
- The resulting agreements should be as transparent as possible and include robust monitoring and evaluation mechanisms, based on quantitative and qualitative indicators collected by both program implementers and independent experts.
- These agreements should also include commitments by host governments to implement

vigorous anti-corruption mechanisms and ensure transparency.

4) Reorient the White House Office of National Drug Control Policy (ONDCP). The ONDCP should support drug control policies by providing data-drive evaluations of both domestic and foreign counternarcotics efforts, establishing outcome metrics and benchmarks.

- The ONDCP should work with other agencies to develop new long-, medium-, and short-term supply control performance metrics linked to its primary objective: saving lives.
- The ONDCP, implementing agencies, and partner governments should evaluate the second- and third-order effects associated with both drug trafficking and law enforcement efforts at each point in the drug supply chain. It should also work with the interagency to collect timely data on emerging drug trends.

5) Strengthen US Treasury capacity to investigate illicit financial flows. The international anti-money laundering/counter terrorism financing (AML/CTF) regime has grown increasingly complex, generating enormous amounts of data but relatively few successful prosecutions.

- Congress should provide additional resources to Treasury's Financial Crimes Enforcement Network (FinCEN), strengthening its capacity to investigate money-laundering and other financial crimes and to assist foreign partners.
- Regulators should work with the private sector to improve the efficiency and quality of reporting.

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Glossary

ACA	The American Correctional Association
ADAM	Áreas de Desarrollo Alternativo Municipal, Colombia
AML/CTF	Anti-money laundering/counter terrorism finance
ATF	US Bureau of Alcohol, Tobacco, Firearms and Explosives
CARSI	Central American Regional Security Initiative
CBSI	Caribbean Basin Security Initiative
CDC	Centers for Disease Control and Prevention
CICIG	International Commission Against Impunity in Guatemala
CJNG	Cartel Jalisco Nueva Generación
CRS	Congressional Research Service
CSDI	Colombia Strategic Development Initiative
DEA	Drug Enforcement Agency
DFC	The US Development Finance Corporation
FARC	Fuerzas Armadas Revolucionarias de Colombia
FATF	Financial Action Task Force
FinCEN	US Treasury s Financial Crimes Enforcement Network
GAO	Government Accountability Office
GFI	Global Financial Integrity
HIDTA	High Intensity Drug Trafficking Areas program
ICE	Immigration and Customs Enforcement
IFFs	Illicit financial flows
INEGI	National Institute of Statistics and Geography, Mexican Government
INL	Bureau of International Narcotics and Law Enforcement Affairs
MEM	Multilateral Evaluation Mechanism, The Organization of American States
MIDAS	Más Inversión para el Desarrollo Alternativo, Colombia
MPP	Model Police Precincts
NDCS	National Drug Control Strategy
NTCA	Northern Triangle of Central America
OCDETF	Organized Crime Drug Enforcement Task Force
OECD	Organization for Economic Cooperation and Development
OFAC	The US Office of Foreign Assets Control
OMB	Office of Management and Budget, US Department of State
ONDCP	Office of National Drug Control Policy, White House
OTI	Office of Transition Initiatives, USAID
PCIM	Plan de Consolidación Integral de la Macarena, Colombia
PCT	Plan de Control Territorial, El Salvador
PDETs	Territorially Focused Development Plans, Colombia
PESS	Plan El Salvador Seguro, El Salvador
SARs	Suspicious Activity Reports
SEGOB	Secretaría de Gobernación, Mexican Government
SIUs	Sensitive Investigative Units, SIUs
TBML	Trade-based money laundering
TCOs	Transnational criminal organizations
UN	United Nations
UNODC	United Nations Office on Drugs and Crime
USAID	United States Agency for International Development
WHO	World Health Organization
WHDPC	Western Hemisphere Drug Policy Commission

Chapter 1: Introduction

Congress created the Western Hemisphere Drug Policy Commission (WHDPC) to address a dilemma that has long plagued US policymakers: why, despite aggressive enforcement, have illicit drugs remained plentiful and increasingly potent while drug trafficking organizations have grown stronger and more violent?

Our mission is twofold: evaluate a range of US counternarcotics policies in the Americas and then help Congress and the White House recalibrate these efforts with practical recommendations for change.

The top priority of US policy, according to the President's most recent National Drug Control Strategy, is to protect public health by decreasing "the number of Americans dying from these dangerous drugs."¹ For our Latin American partners, the priority is public security: the region is among the most violent in the world, with homicides claiming nearly twice as many lives in this region as armed conflicts kill in the rest of the world.² Organized crime, fueled largely by drug trafficking, is a major driver of this violence.

Our research has unfolded as the COVID-19 pandemic puts institutions under enormous strain. Governments throughout the hemisphere are coping with the public health crisis and its devastating economic fall-out. Even in a country as wealthy as the United States, the pressure is overwhelming. In Latin America, where weak commodity prices had undermined economic growth before the pandemic, the consequences could be catastrophic.

Criminal groups are taking advantage of the pandemic to solidify territorial control and build social capital, filling the void left by weak government institutions.³ Mexican drug gangs play Robin Hood by handing out boxes of food emblazoned with cartel logos.⁴ The MS-13 in El Salvador circulated warnings on messaging apps to enforce lockdowns in gang-dominated areas, which they reinforced with videos that showed masked enforcers beating those who failed to comply.⁵ Armed groups in Colombia have killed or attacked those who ignore rebel-imposed curfews and lockdowns.⁶

In the United States, overdose deaths appear to be heading toward an all-time high. Health experts blame economic stress, isolation, and the disruption of treatment and recovery programs.⁷ The Centers for Disease Control counted 74,000 overdose deaths from April 2019 to March 2020, up from 68,000 during the same period a year earlier.⁸

¹ [National Drug Control Strategy](#), Office of National Drug Control Policy, Feb. 2020, p. 1.

² According to the UNODC, 89,000 people died in armed conflicts during 2017 while homicides killed about 172,000 people in Latin America and the Caribbean. See United Nations Office on Drugs and Crime, "[Homicide kills far more people than armed conflict, says new UNODC study](#)," Press Release, 2019.

³ Kevin Sieff, Susannah George, and Kareem Fahim, "[Now joining the fight against coronavirus: The world's armed rebels, drug cartels and gangs](#)," *Washington Post*, April 14, 2020; Paul Angelo, "[The Pandemic Could Bring Power to Latin America's Criminal Gangs. But Not If Governments Beat Them to the Punch](#)," *Foreign Affairs*, April 21, 2020.

⁴ José de Córdoba, "[Mexico's Cartels Distribute Coronavirus Aid to Win Popular Support](#)," *Wall Street Journal*, May 14, 2020.

⁵ Kate Linticum, Molly O'Toole, Alexander Renderos, "[In El Salvador, gangs are enforcing the coronavirus lockdown with baseball bats](#)," *Los Angeles Times*, April 7, 2020.

⁶ "[Colombia: Armed Groups' Brutal Covid-19 Measures](#)," Human Rights Watch, July 15, 2020.

⁷ Gera E. Nagelhout, et. al., "[How economic recessions and unemployment affect illegal drug use: A systematic realist literature review](#)," *International Journal of Drug Policy*, vol. 44 (June 2017), pp. 69-83; Olga Khazan, "[How Job Loss Can Lead to Drug Use](#)," *The Atlantic*, July 19, 2017. P. Bruguera, et. al., "[How does Economic Recession Affect Substance Use? A Reality Check with Clients of Drug Treatment Centers](#)," *The Journal of Health Policy and Economics*, Feb. 28, 2018.

⁸ Mike Stobbe and Adrian Sainz, "[US overdose deaths appear to rise amid coronavirus pandemic](#)," *Associated Press*, Oct. 20, 2020.

History suggests that traffickers will adjust their supply chains and transit routes to meet increased demand, whether with plant-based drugs (such as heroin and cocaine) or synthetics (such as fentanyl and meth) or with even more dangerous, psychoactive substances yet to be invented. More illicit drug trafficking likely means increased violence and/or corruption in drug producing and drug transit countries, discouraging private investment and further undermining the region's fragile institutions of law enforcement and justice.

In a severely budget-constrained post-COVID-19 world, it is more important than ever for the US government to spend its counternarcotics budget effectively. The pandemic has exacerbated conditions that are worsening the US opioid crisis, such as lack of adequate treatment, economic distress, and social isolation. It is also likely to further weaken the institutions in producing and transit countries responsible for preventing violence and curbing organized crime and corruption.

The shortcomings of US counternarcotics policies are obvious: drug production remains at historically high levels in Latin America as do drug overdoses (most of which involve powerful synthetic drugs) in the United States.⁹ The achievements are less apparent, but nonetheless important: over the years the United States has developed a network of international alliances not only to interdict drugs and eradicate illicit crops but also – and more importantly in the long run -- to strengthen governance and the rule of law.

US assistance has also built relationships with civil society partners. Foreign aid has helped farmers and entrepreneurs establish and grow legitimate industries while strengthening the human rights advocates, independent journalists, and other watchdog groups that hold governments accountable for abuse and corruption.

This report reviews the strengths and limitations of US policies designed to reduce supply in this hemisphere. **Chapter 2** provides an overview of US counternarcotics policy, including recommendations for strengthening the State Department as the lead agency to coordinate foreign supply control efforts and the Office of National Drug Control Policy as the President's chief advisor on counternarcotics and policy evaluator.

A thorough evaluation of US and regional efforts to resolve the Venezuelan crisis is beyond the scope of this report. Nonetheless the WHDPC recognizes that the United States and its partners cannot control the flow of illicit drugs from South America without halting the political and economic meltdown in Venezuela and encouraging an orderly transition to stable, accountable, democratic rule. Illegal drug trafficking and other illicit activities provide vital support for the country's authoritarian regime, fueling a humanitarian crisis that has spilled over into neighboring countries.

Chapters 3, 4 and 5 examine US assistance to drug production and transit countries, focusing on Colombia, Mexico, and Central America. **Chapter 6** looks at anti-money laundering policies both in the US and its Western Hemisphere partners.

About the WHDPC discusses the WHDPC's enabling legislation and its research. This section

⁹ Office of National Drug Control Policy (ONDCP), "[New Annual Data Released by White House Office of National Drug Control Policy Shows Poppy Cultivation and Potential Heroin Production Remain at Record-High Levels in Mexico](#)," Press release, (June 14, 2019); Office of National Drug Control Policy, "[ONDCP Reports Cocaine Production in Colombia is Leveling Off](#)," Briefing statement, (June 26, 2019).

also includes Commissioner biographies and acknowledgements. **Appendix A** discusses the challenges of using indicators to measure program performance. **Appendix B** provides a brief history of drug certification/designation procedures and their results. These appendices are the result of work done to support the Commission and do not represent the views of the Commission nor, necessarily, of any Commissioner.

Chapter 2: Overview of Counternarcotics Policies

The failure to control drug abuse and drug trafficking has exacted an enormous human toll. In the United States, more than 500,000 people have died from overdoses over the past decade, soaring to an unprecedented 71,000 dead in 2019.¹ Latin American countries that produce or transport illegal drugs not only face growing drug usage but also epidemics of criminal violence that are taking many more lives.²

These mounting casualties have increased calls to end the “war on drugs,” a slogan coined in the 1970s amid surging heroin and marijuana use and amplified during the crack cocaine epidemic of the 1980s. “The global war on drugs has failed with devastating consequences for individuals and societies around the world,” a Global Commission on Drug Policy proclaimed in 2011. Luminaries including four former Latin American presidents and a former US Secretary of State signed a report that demanded an “open and honest debate” about drug legalization.³

An open and honest debate should first acknowledge that “war on drugs” is the wrong metaphor. Drug prohibition is not a conflict where one side wins and the other loses, but a complex, ongoing effort to enforce laws designed (at least in theory) to protect public health. Most opponents of the drug war, including the Global Commission, do not propose the outright legalization of all drugs for all consumers, but rather better regulation designed to minimize the harms caused by both abuse and enforcement.

Two truisms about counternarcotics policy bear repeating, however: we cannot control the supply of dangerous drugs without also reducing demand and we cannot control demand without also limiting supply. We may never end illegal drug trafficking, just as we cannot totally eliminate substance abuse and addiction. But we can better manage these deadly problems with a comprehensive strategy designed to address underlying causes and conditions, carefully measure, and assess progress, and eliminate or mitigate adverse consequences.

This chapter briefly reviews the pros and cons of drug legalization before outlining elements of effective drug control strategy and the federal agencies that should lead these efforts.

The legalization debate

Somewhat lost in the 2020 presidential election were state ballot initiatives on drug decriminalization or legalization. All six state measures passed by wide margins. Oregon became the first state to decriminalize possession of all illicit drugs (including heroin, cocaine, and meth) and to legalize the use of psilocybin (found in hallucinogenic mushrooms) for mental health treatment.⁴ Arizona, Montana, New Jersey, and South Dakota legalized recreational marijuana use and Mississippi legalized medical marijuana. A seventh measure in the District of

¹ National Center for Health Statistics, “[Drug Overdose Deaths in the United States, 1999-2016](#),” NCHS Data Brief No. 295, Dec. 2017; National Center for Health Statistics, “[Drug Overdose Deaths in the United States 1999-2018](#),” NCHS Data Brief No. 356, Jan. 2020.; Brianna Ehley, “[Fatal overdoses climbed to record high in 2019, reversing historic progress](#),” *Politico*, July 15, 2020.

² See [Citizen Security in Latin America: Facts and Figures](#), Igarapé Institute, Strategic Paper 33, April 2018, pp. 2, 8; *Global Study on Homicides 2019: Understanding homicide*, (Vienna, Austria: United Nations Office on Drugs and Crime, 2019), pp. 44-63.

³ George P. Shultz and Paul A. Volcker, “[A Real Debate About Drug Policy](#),” *Wall Street Journal*, June 11, 2011. The Commission’s reports are available at <https://www.globalcommissionondrugs.org>.

⁴ Legalization in Oregon is not absolute: those with large amounts of drugs could still face misdemeanor charges and those selling drugs could be charged with felonies. Cleve R. Wootson Jr. and Jaelyn Peiser, “[Oregon decriminalizes possession of hard drugs, as four other states legalize recreational marijuana](#),” *Washington Post*, Nov. 4, 2020.

Columbia would effectively decriminalize psychedelic mushrooms and other plant-based hallucinogenic substances by instructing prosecutors not to bring charges.

These measures continue a trend toward relaxing marijuana laws that began a decade ago. Thirty-five states now allow medicinal use of cannabis and 15 permit recreational use.⁵ The trend has also spread through the Americas. Uruguay and Canada legalized cannabis in 2013 and 2018, respectively, while Argentina, Brazil, Colombia, Mexico, Chile, Paraguay, Peru, and Jamaica permit some form of medical use.⁶ Legislation before the Mexican Senate could make Mexico the third country to legalize marijuana for adult recreational use.⁷

Opponents of drug prohibition, such as the Global Commission on Drug Policy, point out that despite spending some \$100 billion a year to combat illicit drugs, governments have barely dented an industry with an estimated annual turnover of \$426 billion to \$652 billion.⁸

The better alternative, they argue, is to regulate and tax drug production, using the revenues to fund expanded treatment and research on substance abuse. The Global Commission argues that governments should “provide a legal framework for the production, distribution, and sale of drugs for adult consumption, with appropriate consideration given to the harms associated with each particular substance.”⁹

Is drug regulation a practical alternative to prohibition? Can governments address the harms of highly addictive substances, such as heroin and cocaine, and more effectively combat organized crime by formalizing the illicit drug industry? The economics of these illicit products suggest this would be even harder than regulating marijuana.

Cocaine and heroin are semi-refined agricultural commodities, much like sugar or coffee. Even synthetic drugs like methamphetamine or fentanyl can be produced in primitive labs that are little more advanced than a moonshiner’s still.¹⁰ The price of illicit drugs bears little relation to their cost of production: the peasant farmers who grow these crops and the workers who process them are well-off only in comparison to the poverty prevailing in regions where coca and poppies are grown. But when sold in the developed world, cocaine and heroin are literally worth more than their weight in gold: US retail prices in 2017 were about \$100 and \$300 per gram, respectively.¹¹

These high prices help compensate traffickers for the risk of going to jail or losing shipments

⁵ Donald Morrison, “[Oregon Votes to Decriminalize All Drugs. Allow Psilocybin for Mental-Health Treatment](#),” *Wall Street Journal*, Nov. 4, 2020.

⁶ [A global revolution in attitudes towards cannabis is underway](#),” *The Economist*, Aug. 29, 2019; Summary of the CEDD regional report *Cannabis in Latin America: The Green Wave and Challenges for Regulation*, by Alejandro Corda, Ernesto Cortés and Diego Piñol Arriagada, Colectivo de Estudios en Drogas y Derecho, Feb. 11, 2020.

⁷ [Mexico may become the third country to legalize cannabis](#),” *The Economist*, Nov. 21, 2020; [Vote in Mexico brings world’s largest legal weed market one step closer](#),” Reuters, Nov. 19, 2020.

⁸ See Juan Manuel Santos, Ernesto Zedillo, and Ruth Dreifuss, “[Legalization is the Only Viable Drug Policy](#),” Project Syndicate, March 19, 2019. For estimated world spending on enforcement see Steve Rolles, George Murkin, Martin Powell, Danny Kushlick, Nicky Saunter and Jane Slater, *The Alternative World Drug Report, 2nd edition*, (Bristol, U.K.: Transform Drug Policy Foundation, 2016), p. 10.; for estimates of the value of drug trafficking, see Channing Mavrellis, *Transnational Crime and the Developing World*, (Washington, D.C.: Global Financial Integrity, March 2017). Estimates of the worldwide value of drug trafficking vary widely.

⁹ Santos et al., “Legalization is the Only Viable Drug Policy”

¹⁰ See Mark A.R. Kleiman, Jonathan P. Caulkins, Angela Hawken, *Drugs and Drug Policy: What Everyone Needs to Know*, (Oxford, U.K.: Oxford University Press, 2011), p. 45.

¹¹ “[Heroin and cocaine prices in Europe and USA](#),” UNODC. Latest prices calculated are for 2017. The international price of a gram of gold was about \$50 in 2017, calculated from the price of a troy ounce (about 31 grams) using data from Statista.com.

plus the overall inefficiency of illegal markets.¹² In more efficient, legal markets, drugs like cocaine and heroin would cost a small fraction of their current black market prices unless authorities impose extremely high taxes coupled with draconian measures to minimize evasion.¹³

Regulation is not easy, as the experience of US states that have legalized marijuana demonstrates. Not only has legalization created new cannabis-infused products with poorly understood health effects, it has also failed to eliminate the booming illicit market in states such as California, where the governor has deployed the National Guard to go after illegal pot cultivation.¹⁴ And marijuana, which is bulky and therefore relatively easy to detect, should be far easier to control than more potent and compact drugs, such as cocaine and heroin.

Harm reduction and supply enforcement are mutually reinforcing: “Access to evidence-based treatment will indeed save lives,” writes Stanford psychologist Keith Humphreys, “but health professionals are swimming up a waterfall if this isn’t matched with strong drug supply control.”¹⁵

False choices

The drug policy debate is dominated by “three false dichotomies,” an international group of drug experts wrote in 2010, which “can mislead policymakers about the range of legitimate options and their expected impacts.”¹⁶ Policy options seen as contradictory – public security vs public health (or “cops vs docs”); targeting drug use vs reducing harms; helping drug users vs protecting the rest of society – are often complementary. Enforcement helps reduce substance abuse by raising prices; limiting use reduces the harms caused by addiction; offering treatment to heavy users may decrease overall health costs and prevent the spread of infections, such as HIV, to non-users.

Another misleading dichotomy is that between safe legal pharmaceuticals and unsafe illegal drugs. The opioid epidemic began in the late 1990s with the over prescription of legal painkillers produced by major US pharmaceutical companies. A decade later, heroin use began to increase, and in about 2013, the crisis entered its deadliest phase with the introduction of synthetic drugs, primarily fentanyl and its analogues.¹⁷

Opioids have upended preconceptions about who drug addicts are and where they live. Not only has opioid abuse generated the United States’ deadliest drug epidemic, it has also spread wider than previous crises, both demographically and geographically. Although death rates were highest among White Americans in Appalachia and New England during the epidemic’s early years, overdoses have been increasing since 2010 among Black and Hispanic Americans while

¹² Jonathan P. Caulkins and Peter Reuter, “How Drug Enforcement Affects Drug Prices,” *Crime and Justice*, vol. 39, no. 1 (2010), pp. 213-271.

¹³ See Jonathan P. Caulkins, “[Effects of Prohibition, Enforcement and Interdiction on Drug Use](#),” *Ending the Drug Wars: Report of the LSE Expert Group on the Economics of Drug Policy*, May 2014, p. 21.

¹⁴ Thomas Fuller, “[‘Getting Worse, Not Better’: Illegal Pot Market Booming in California Despite Legalization](#),” *New York Times*, April 27, 2019.

¹⁵ Keith Humphreys, “[We can’t fight opioids by controlling demand alone](#),” *Washington Post*, July 5, 2019. Humphreys was a Senior Policy Advisor at the White House Office of National Drug Control Policy during the Obama administration.

¹⁶ Thomas F. Babor, et. al., *Drug Policy and the Public Good*, (Oxford, U.K: Oxford University Press, 2010), p. 346.

¹⁷ Sarah DeWeerd, “[Tracing the US opioid crisis to its roots](#),” *Nature*, 11 Sept. 2019; Sean E. Goodison, et. al., [Law Enforcement Efforts to Fight the Opioid Crisis](#), (Santa Monica, CA: RAND Corporation, Sept. 6, 2019).

also spreading through the Midwest and Southwest.¹⁸

The epidemic has also changed public opinion about the best way to respond to illicit drug use. Twenty years ago, most Americans favored hardline law enforcement policies, such as interdiction and incarceration, as the best way to address illicit drugs, although the public was evenly divided about sending non-violent offenders to prison.¹⁹ Six years ago, another national survey found that two-thirds of Americans, including majorities across demographic groups and political parties, believed the government should focus on treatment for those who use illegal drugs, such as cocaine and heroin, with only a quarter favoring greater emphasis on prosecution.²⁰

Treatment and prevention

The deadliness and breadth of the opioid crisis has accelerated demands for effective, accessible treatment. The administrations of Barack Obama and Donald Trump have both placed increasing emphasis on public health, including calls to end the stigma that prevents addicts from seeking or receiving treatment.²¹ The emphasis on public health is both humane and practical: research shows that science-based treatment and prevention are cost effective.²² According to one study, treatment generates significant savings on crime costs and productivity losses and produces higher returns than domestic law enforcement targeting of retail markets, interdiction, and eradication.²³

Once controversial policies are now widely accepted as researchers learn more about what works to help users overcome addiction or mitigate its most harmful effects. States and cities across the country have expanded access to medication-assisted treatment (MAT), which shifts users to less powerful opioids, an approach endorsed by President Trump's commission on the opioid crisis. Congress lifted a ban on federal funding for programs that include needle exchange services in 2016 and today more than 300 cities in 39 states allow addicts to exchange dirty syringes for clean ones in order to prevent transmission of blood-borne diseases. Though the long-term impact of needle-exchanges is still unclear, studies suggest they may also encourage addicts to begin treatment.

Prevention has also evolved based on analysis of what works and what doesn't. D.A.R.E (or Drug Abuse Resistance Education), formerly known for the slogan, "Just Say No," began in 1983 and at its peak reached 75 percent of US schools, despite multiple evaluations showing that it had little or no effect on long-term usage or initiation rates.²⁴ This began to change in the early

¹⁸ Josh Katz and Abby Goodnough, "[The Opioid Crisis is Getting Worse, Particularly for Black Americans](#)," *New York Times*, Dec. 22, 2017.

¹⁹ "[Interdiction and Incarceration Still Top Remedies: 74% Say Drug War Being Lost: 74% Say Drug War Being Lost](#)," Pew Research Center, March 21, 2001.

²⁰ "[America's New Drug Policy Landscape: two-thirds favor treatment, not jail, for use of Heroin, Cocaine](#)," Pew Research Center, April 2, 2014.

²¹ Michael Botticelli, "[Changing the Language of Addiction](#)," Blog post, Obama White House, Jan. 13, 2017; Chris Christie, Chair of the President's Commission on Combating Drug Addiction and the Opioid Crisis, in his letter presenting the Commission's [Final Report](#), Nov. 2017.

²² See for example, "[Principles of Drug Addiction Treatment: A Research-Based Guide \(Third Edition\)](#)," National Institute on Drug Abuse, National Institute for Health, Jan. 2019; and, "[Substance Abuse Prevention Dollars and Cents: A Cost-Benefit Analysis](#)," Center for Substance Abuse Prevention, Substance Abuse and Mental Health Services Administration (SAMHSA)

²³ C. Peter Rydell, Susan S. Everingham, "[Controlling Cocaine: Supply versus Demand Programs](#)," vol. 331, (1994) Rand Corporation.

²⁴ See S.T. Ennett, et. al., "[How effective is drug abuse resistance education? A meta-analysis of Project DARE outcome evaluations](#)," *American Journal of Public Health*, vol. 84, pp. 1394-401.

2000s when the program partnered with universities to develop and evaluate a new elementary and middle school curriculum designed to build life skills, which some studies credit with reducing substance abuse and other risky behavior over time.²⁵ Many communities are also developing targeted, evidence-based approaches. The Drug-free Communities Support Program administered by the Centers for Disease Control and Prevention (CDC) helps community coalitions develop data-driven efforts backed by an assessment of local needs and an evaluation of outcomes.²⁶

A bipartisan movement is also addressing the fiscal and social costs of the tough drug enforcement policies implemented in the 1980s and 90s. After years of debate about how to reduce the prison population while protecting public health and safety, Congress in 2018 passed the First Step Act, which limits mandatory minimum sentences for non-violent drug offenses and expands treatment and rehabilitation services for federal prisoners.

Supply and demand

Drug policy is generally framed in economic terms as a balance between efforts to reduce supply (i.e. law enforcement) and demand (i.e. prevention and treatment), based on the fact that illicit drugs are bought and sold in markets. Drug policies are designed to shrink this market by making drug sales harder or riskier for traffickers and by making drug use less attractive or compulsive for consumers.²⁷ The two approaches are complementary (as discussed above), though US counternarcotics strategy in recent decades has tended to focus more on controlling supply than on reducing demand.

This has not always been true. President Richard Nixon is famous for declaring in 1971 that drug abuse was “America’s public enemy number one” and calling for a “war on drugs” to mobilize public opinion and federal resources.²⁸ But the \$155 million (about \$1 billion in 2020 dollars) strategy announced at that press conference focused primarily on reducing domestic demand.

Nixon’s choice to lead his new inter-agency drug task force was Dr. Jerome Jaffe, a psychiatrist who helped create a federally subsidized drug treatment system built largely around the use of methadone as a heroin substitute. The administration was especially concerned about heroin addiction among troops in Vietnam, who were required to take a urine test and, if necessary, submit to treatment before returning home.²⁹

Throughout the 1970s, two Republican presidents (Nixon and Gerald Ford) and one Democrat (Jimmy Carter) emphasized programs for treatment and prevention as much or more than law

²⁵ See Commission on Evidence-Based Policymaking, *The Promise of Evidence-based Policymaking*, (Washington, D.C.: Commission on Evidence-Based Policymaking, Sept. 2017), pp. 9-10, and Amy Nordrum, “[The New D.A.R.E. Program—This One Works](#),” *Scientific American*, Sept. 10, 2014.

²⁶ “[A Guide to SAMHSA’s Strategic Prevention Framework](#),” SAMHSA, June 2019. See also, “[Prevention Works](#),” Community Anti-Drug Coalitions of America (CADCA).

²⁷ See David Boyum and Peter Reuter, *An Analytic Assessment of U.S. Drug Policy*, American Enterprise Institute Press, 2005, pp. 12-13.

²⁸ See Dana Adams Schmidt, “[President Orders Wider Drug Fight: Asks \\$155-Million](#),” *New York Times*, June 18, 1971. Nixon used the term “war on drugs,” at a press conference June 17 available on the [Richard Nixon Foundation](#) website.

²⁹ The experience of Vietnam vets provided important lessons on drug addiction treatment: Follow-up studies showed relapse rates among veterans were far lower than among other addicts. Researchers concluded that a new environment – without battlefield stress or easy access to cheap drugs – had helped change addictive behavior. Lee N. Robins, et. al., “Vietnam veterans three years after Vietnam: how our study changed our view of heroin,” *American Journal on Addictions*, vol. 19, no. 3 (2010). See also Sanjay Gupta, “[Vietnam, heroin and the lesson of disrupting any addiction](#),” *CNN*, Dec. 22, 2015.

enforcement efforts to curb supply. The United States spent from 50 to 69 percent of the 1970's national counternarcotics budget on reducing demand and about a third on domestic law enforcement and foreign interdiction to reduce supply.³⁰

The Nixon and Ford administrations also launched the first major (though short-lived) US efforts to interdict and eradicate drugs entering the country from Mexico. By the late 1970s, the heroin epidemic had peaked and for several years illicit drug use faded from the headlines.

That changed in the mid-1980s with a surge in cocaine use, especially the smokable form known as crack. Rising cocaine use and the urban crime associated with it would preoccupy Presidents Ronald Reagan, George H.W. Bush, and William Clinton. Funding for law enforcement efforts surged relative to treatment and prevention programs, consuming approximately two-thirds of the counternarcotics budget. Much of this went to domestic efforts to combat dealing and possession: from 1980 to 2010, the imprisonment rate for drug crimes rose nearly ten-fold from 15 per 100,000 to 143 per 100,000, a crackdown that disproportionately targeted Blacks and Latinos.³¹

But tough domestic enforcement had little apparent impact on drug availability as measured by prices: economists estimate from 1985 to 2000, cocaine prices rose only 5-15 percent more than they would have otherwise.³² Enforcement, whether domestic or foreign, seems to have diminishing returns: a modest amount can drive drug prices up a lot, but more enforcement leads to only incremental increases.³³

Traditional dichotomies between supply and demand countries, moreover, no longer apply. Developed countries both manufacture and abuse synthetic opioids; developing countries both grow and consume dangerously addictive plant-based substances. Throughout our hemisphere, the poor suffer most: those who are socially and economically marginalized are more likely to develop drug use disorders and more likely to be recruited or victimized by criminal gangs.³⁴

Venezuela

Venezuela, an electoral democracy that has devolved into dictatorship, is the most extreme example of the threat posed by organized crime to the region's fragile democracies.

No diplomatic challenge in the Western Hemisphere looms larger than Venezuela's descent into political and economic turmoil. A thorough evaluation of US and regional efforts to resolve the Venezuelan crisis is beyond the scope of this report. The WHDPC recognizes, however, that the United States and its partners cannot control the flow of illicit drugs from South America without halting the political and economic meltdown in Venezuela and encouraging an orderly transition to stable, accountable, democratic rule.

³⁰ See John Carnevale and Patrick Murphy, "Matching Rhetoric to Dollars: Twenty-five Years of Federal Drug Strategies and Drug Budgets," *Journal of Drug Issues*, vol. 29, no. 2, pp. 299-322.

³¹ "[Between Rhetoric and Reform: Criminal Justice Reform in the United States](#)," WOLA, March 7, 2016; The Drug Policy Alliance, "[The Drug War, Mass Incarceration and Race](#)," Jan. 2018; German López, "[Mass incarceration in America, explained in 22 maps and charts](#)," *Vox*, Oct. 11, 2016.

³² Ilyana Kuziemko and Steven D. Levitt, "An empirical analysis of imprisoning drug offenders," *Journal of Public Economics*, vol. 88 (2004), pp. 2043-2066.

³³ Kleiman, et. al., *Drugs and Drug Policy*, pp. 48-49.

³⁴ [World Drug Report 2020](#), United Nations Office on Drugs and Crime (UNODC), p. 7.

The Maduro regime has persisted despite multiple economic and political crises with the help not only of other unfriendly states, such as Cuba, Russia, and Iran, but also of transnational criminal organizations, including illegal drug and gold smugglers.

Foreign support has both bolstered the economy and helped security forces quash internal dissent. Russia provides military equipment and advisors, as well as investment, especially in the oil industry.³⁵ Cuban operatives reportedly provide crucial support for domestic surveillance.³⁶ Venezuelan intelligence – trained by Cubans – has effectively infiltrated the military. Iran has provided the country with fuel.³⁷

The government has imprisoned hundreds of political opponents and detained thousands of protestors. Security forces, often aided by pro-government thugs, have brutally suppressed opposition demonstrations, killing dozens during 2019 protests by firing pellets or live ammunition at close range.³⁸

Rampant corruption also helps hold the regime together. The so-called “Cartel de los Soles” (or “Cartel of the Suns,” named for the gold stars that generals wear on their uniforms) has allegedly collaborated for decades with Colombian guerrillas, providing weapons in return for cocaine. In March 2020, US prosecutors announced drug trafficking indictments against Maduro and more than a dozen other government officials, including the head of the constituent assembly, the chief justice of the supreme court, and military leaders.³⁹ The US State Department is offering rewards of \$15 million for information leading to Maduro’s arrest and \$10 million for information on four other top officials.⁴⁰

Traffickers operate freely in large swaths of the country’s territory. Dissident elements of the Revolutionary Armed Forces of Colombia (FARC) and the Army of National Liberation (ELN) not only smuggle cocaine but also tax or control much of the mining industry, selling gold within the country or abroad. Armed groups profit from the population’s misery, extorting desperate refugees as they try to flee across the border.⁴¹

Drugs flowing out of Venezuela also threaten the Caribbean. The amount of cocaine moving through the region, mostly on go-fast boats and fishing vessels, has more than quadrupled in recent years, rising from 39 metric tons in 2011 to 185 metric tons in 2017. The Dominican Republic is the largest transit point, though traffickers are also moving large shipments directly into Puerto Rico and the US Virgin Islands.⁴²

Drug trafficking is associated with rising violence in the Caribbean, including US territories.

³⁵ Mariana Zuñiga, Anthony Faiola, and Anton Troianovski, “[As Maduro confronts a crisis, Russia’s footprint in Venezuela grows.](#)” *Washington Post*, March 29, 2019.

³⁶ Kirk Semple, “[With Spies and Other Operatives, a Nation Looms Over Venezuela’s Crisis: Cuba.](#)” *New York Times*, Jan. 26, 2019.

³⁷ Michael Ruiz, “[US moves forward with seizure of Iranian missiles, petroleum bound for Yemen, Venezuela.](#)” *Fox News*, Oct. 29, 2020; Benjamin Gedan, “[Iran and Venezuela: Odd Bedfellows.](#)” Iran Primer, United States Institute for Peace, Nov. 16, 2020.

³⁸ “[Venezuela, Events of 2019.](#)” World Report 2020, Human Rights Watch.

³⁹ “[U.S. Indictment of Top Venezuelan Officials.](#)” CRS, April 2, 2020; “[Venezuela President’s Drug Trafficking Exploits Detailed in US Indictment.](#)” *InSight Crime*, March 26, 2020.

⁴⁰ “Department of State Offers Rewards for Information To Bring Venezuelan Drug Traffickers to Justice,” press statement, March 26, 2020.

⁴¹ For more on official support for Colombian drug traffickers, see Evan Ellis, “[Venezuela: Pandemic and Foreign Intervention in a Collapsing Narcostate.](#)” Center for Strategic and International Studies (CSIS), Aug. 5, 2020; “[Containing the Border Fallout of Colombia’s New Guerrilla Schism.](#)” International Crisis Group, Sept. 20, 2019; and Javier Corrales, “Authoritarian Survival: Why Maduro Hasn’t Fallen,” *Journal of Democracy*, vol. 31, no. 3, July 2020, pp. 39-53.

⁴² DEA 2019 Threat Assessment, pp. 112-113.

Homicide rates in Puerto Rico and the US Virgin Islands have averaged 20 and 40 per 100,000 people in recent years, respectively, or five to nine times the average US per capita rate. Puerto Rican law enforcement estimates that more than half of the island s homicides are drug related.⁴³

Homicide rates in the Caribbean now surpass or rival those in Central America s Northern Triangle. In 2019 Jamaica (with a rate of 47 murders per 100,000) was the second most violent country in the Western Hemisphere, Honduras (41 per 100,000) was the third, while tiny Trinidad and Tobago (37 per 100,000) was the fourth.⁴⁴ In all of these countries criminal groups compete for control of drug trafficking and other violent rackets, such as extortion.

Venezuela far outstrips the rest of the hemisphere in homicides with 60 murders per 100,000 in 2019. Although this represents an improvement over 2018, when the rate surpassed 80 per 100,000, experts fear the decline means that powerful armed groups are consolidating territorial control and forcing weaker factions into other countries.⁴⁵

A long-haul effort

The Commission understands there are no quick fixes. The United States needs a long-term strategy linked to its strategic objective: “drastically reducing the number of Americans losing their lives to drug addiction.”⁴⁶

The 2020 National Drug Control Strategy assumes that education and prevention coupled with better prescribing practices and more effective, widely available treatment will reduce demand. It also assumes that sustained pressure to disrupt and dismantle drug trafficking organizations coupled with effective prosecutions will reduce drug availability.

On the demand side, US policy has evolved significantly as discussed above. Over the past decade, Congress has increased spending on treatment and prevention, appropriating nearly double the amount spent during the previous decade (See figure 1).⁴⁷ Though funding remains inadequate, policymakers understand the need for a public health approach that treats substance abuse as a disease, not simply a crime or moral failing.

⁴³ DEA 2019 Threat Assessment.

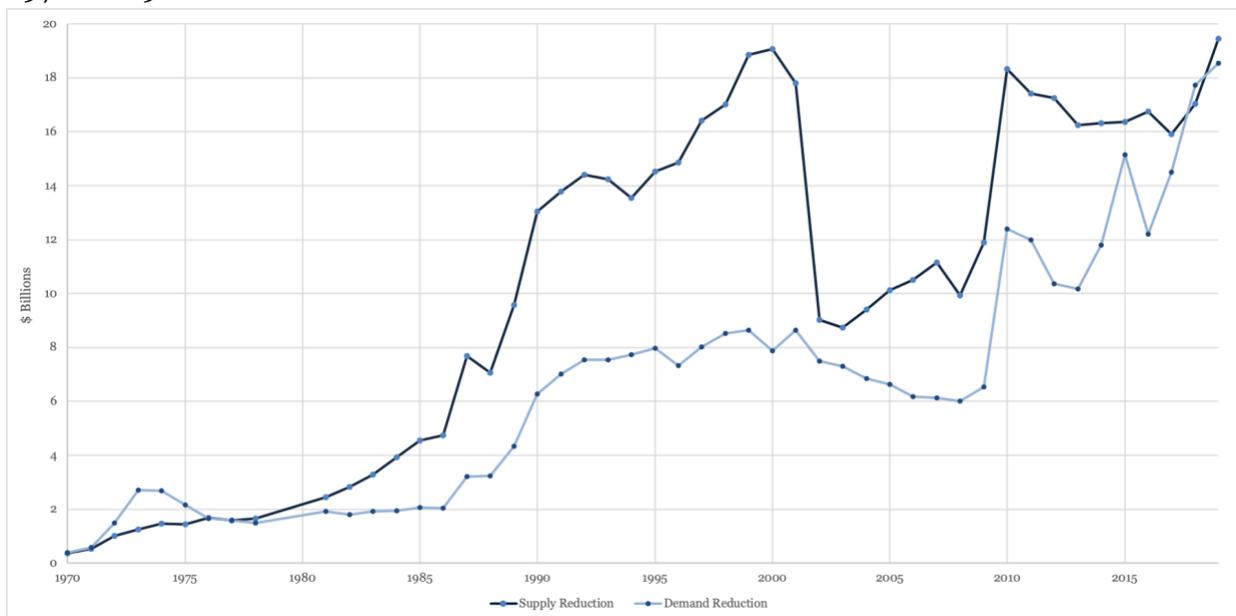
⁴⁴ Parker Asmann and Eimhin O’Reilly, “*InSight Crime’s* 2019 Homicide Round-Up,” *InSight Crime*, Jan. 28, 2020.

⁴⁵ *Ibid.*

⁴⁶ 2020 NDCS, p. 4.

⁴⁷ According to ONDCP figures, constant spending on demand reduction rose to \$134,869,137,934 for 2010-2019 from \$69,604,644,223 for 2000-2009- which represents a 94% increase in spending.

Figure 1. Federal Drug Control Budget: Supply Reduction vs. Demand Reduction, 1970-2019



Source: ONDCP Data

Supply-side policies have changed little, however. The 2020 National Drug Control Strategy still focuses on reducing potential drug production in Latin America and increasing drug removals in the transit zones, despite little evidence that these outputs will impact the desired outcome, i.e. increasing the price and purity of drugs available in the United States.⁴⁸

The federal government should apply the same scientific rigor to foreign supply-reduction efforts: designing and implementing a cost-effective, whole-of-government strategy with carefully targeted policies to curb the flow of dangerous drugs into the United States while addressing the institutional weaknesses in drug producing and transit countries that allow transnational criminal organizations to flourish.

Drug trafficking and drug abuse are complex problems that require a multi-faceted, long-term strategy that addresses not only demand and supply reduction, but also the broader problems created by transnational organized crime, such as violence and corruption. To deal with these issues effectively, a comprehensive strategy should be:

- **Balanced.** US efforts should address the supply and the demand for illicit drugs, both at home and abroad.
- **Shared.** Transnational crime requires transnational solutions, with the US and its partners jointly responsible for stopping trafficking, reducing corruption, and addressing illicit drug consumption.
- **Flexible.** US agencies should have the authorities and the resources to respond quickly

⁴⁸ See [National Drug Control Strategy: Performance Reporting System 2020](#) (Washington, D.C.: Office of National Drug Control Policy, Feb. 2020), pp. 21-28.

to changing patterns of drug use and drug trafficking, collaborating with our partners on country-led reforms to address country-specific challenges.

- **Sustainable.** US initiatives should be cost-effective with relevant long-term goals, including measurable benchmarks to assess progress.
- **Holistic.** US policymakers should address drug trafficking as a subset of the many illicit activities carried out by transnational criminal organizations that threaten citizen security, foster corruption, and undermine US interests throughout the hemisphere.
- **Humane.** US policies should above all promote public health, public security, and human rights throughout the hemisphere. This means that policymakers need to assess the harms of supply reduction polices when evaluating results.

Recommendations

WHDPC recommendations address three fundamental issues: 1) interagency strategy and coordination, 2) evaluation of drug control policies, and 3) global partnerships to counter transnational organized crime and corruption.

- **Strategy and coordination:** Empower the State Department to develop and coordinate a whole-of-government effort to counter transnational criminal organizations abroad and reduce the foreign supply of illicit drugs.
- **Policy evaluation:** Make the White House Office of National Drug Control Policy responsible for evaluating both domestic and foreign counternarcotics efforts, establishing outcome metrics and benchmarks. The ONDCP will provide the President with an annual review of federal counternarcotics policies and programs, ensuring these efforts are evidence-based and cost effective.
- **Global Partnerships:** Instruct US embassies located in regions threatened by transnational criminal organizations to develop country-led, compact-based assistance programs designed to strengthen rule of law while reducing both the supply of and the demand for dangerous illicit substances. These bilateral, interagency compacts should incorporate best practices and utilize relevant indicators to assess progress toward joint strategic goals and objectives.

The Department of State

The State Department should be responsible for developing and coordinating interagency policy to counter transnational organized crime. As the lead agency, the State Department should prepare a whole-of-government strategy with three fundamental goals: 1) reducing and interdicting the flow of drugs into the United States; 2) helping partner governments in the hemisphere build effective, legitimate criminal justice systems; and, 3) curbing the global demand for illicit drugs by leading an international effort to prevent and treat substance use disorders with evidence-based public health policies.

Congress should provide flexible, multi-year funding streams for counternarcotics and counter transnational crime efforts, which can be re-allocated in response to periodic evaluations

conducted by field-based staff and independent experts.

The State Department also needs the authority to disburse emergency funds. Drug trafficking is dynamic: in response to enforcement, traffickers can quickly move production, adjust trafficking routes, develop new smuggling vehicles or methods, and create new, more dangerous, products. The US government needs to become equally agile in its response.

To implement this strategy, the Secretary of State should:

- **Make the Undersecretary for Political Affairs responsible for coordinating a whole-of-government effort to counter transnational organized crime.** The Undersecretary for Political Affairs should oversee the Bureau of International Narcotics and Law Enforcement Affairs (INL) while working with all relevant departments and agencies, including USAID, federal law enforcement agencies, the US Treasury, and the Department of Defense to develop and implement coherent regional strategies to reduce illicit drug trafficking, disrupt criminal networks, and discourage money laundering.

Moving INL into Political Affairs (P), which manages overall regional and bilateral issues, would increase organizational efficiencies and ensure that these efforts receive the high-level attention they deserve, both within the federal government and partner governments.

The Undersecretary for Political Affairs should:

- **Develop a five-year international drug control strategy** with defined annual goals in coordination with partner governments. This should include regional and/or bilateral strategies for strengthening police and justice institutions and promoting citizen security with clearly defined goals and benchmarks based on both qualitative and quantitative evaluations.
- **Work with the Office of Management and Budget (OMB)** to prepare an inter-agency drug control/law enforcement budget for interdiction and foreign assistance programs.
- **Work with Congress on long-term, flexible funding authorities.** The State Department also needs long-term funding and the authority to disburse emergency funds. State should work with OMB and Congress to create a drawdown counternarcotics account (similar to the Emergency Refugee and Migration Assistance fund), which would permit INL to provide targeted assistance so that partner governments can prevent or contain emerging threats.⁴⁹
- **Replace the drug certification and designation process** with more effective tools to assess country efforts to counter transnational crime and sanction those who fail to act. The current certification process offends our partners and does little to deter corrupt practices in unfriendly nations. Instead INL should produce a global report reviewing country efforts to counter trafficking and other transnational crimes, including US policies. This report should also assess whether US sanctions, such as the Kingpin Act,

⁴⁹ Bill Frelick, "[Trump's Budget Would Cut Crucial Emergency Aid.](#)" *Huffington Post*, March 21, 2017.; United States Conference of Catholic Bishops. "[Funding the Refugee Program.](#)" 2011.

effectively target the most dangerous criminal organizations, especially those responsible for trafficking or producing fentanyl and other highly toxic substances.

- **Strengthen multilateral tools** to identify weaknesses, set standards, and encourage reform, such as Organization of American States' Multilateral Evaluation Mechanism (MEM) and the Financial Action Task Force (FATF). The MEM, a peer-review system that publishes periodic country evaluations, could be given teeth by linking assistance to compliance with MEM findings and recommendations.⁵⁰ The FATF is another peer-review mechanism used to evaluate Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) regimes. FATF employs both positive and negative incentives: it offers technical assistance to improve financial regulations while listing those deemed non-compliant on its grey (subject to increased monitoring) and black (subject to sanction) lists.⁵¹
- **Negotiate compact-based assistance programs** based on the model pioneered by the Millennium Challenge Corporation. The Undersecretary should empower US ambassadors to work with partner governments on agreements that identify shared goals for combatting organized crime, strengthening criminal justice institutions, and protecting citizen security and human rights. The agreements should specify the roles and responsibilities of both the US and host government, as well as civil society stakeholders.

This country-led process should bring the US government and other donors together with political leaders and security officials to identify an appropriate, cost-effective reform agenda. The resulting agreements should be made as public as possible and include robust, transparent monitoring and evaluation mechanisms, based on quantitative and qualitative indicators collected by both program implementers and independent experts. These agreements should also include commitments by host governments to implement vigorous anti-corruption mechanisms and ensure transparency.

Congress should provide State with multiyear funding authorities for these compacts, giving it the flexibility to tailor bilateral assistance to each country's commitments, needs, and capacities. It should also provide State with emergency funds to help partner governments deal with emerging threats, particularly from new psychoactive substances, such as fentanyl.

- **Enhance foreign service training and knowledge sharing.** US overseas personnel, starting with the ambassador, should have the expertise needed to oversee and evaluate programs to improve citizen security, strengthen rule of law, and promote alternative development. The rotation of foreign service officers results in a constant loss of institutional knowledge, undermining our ability to implement and sustain long-term efforts.

⁵⁰ See Organization of American States "[About the MEM](#)," for additional information on the Multilateral Evaluation Mechanism.

⁵¹ Only Iran and North Korea are on the FATF blacklist, but 18 countries (including the Bahamas, Jamaica, Nicaragua, and Panama in Latin America and the Caribbean) are grey listed, which means they are considered potential havens for terrorism or organized crime, making it more difficult to attract investment or negotiate trade deals and subjecting them to possible sanction by the World Bank and IMF. See "[Jurisdictions under Increased Monitoring – 30 June 2020](#)," FATF, June 30, 2020.

The State Department should provide additional country- and program-specific training to foreign service personnel involved in justice and security assistance. It should create a centralized, searchable database that includes both INL and USAID best practices and program evaluations, incorporating this into foreign service training. This database should also be made available to outside experts to encourage transparency and independent research.

- **Prioritize global efforts to treat and prevent drug abuse.** The US government should work with partners to establish a global fund to fight substance use disorders. This is especially urgent amid the Covid-19 pandemic, which is amplifying risk factors associated with drug abuse while limiting access to treatment. Supply and demand reduction measures are mutually reinforcing; the United States cannot limit the international supply of illicit drugs without simultaneously reducing international demand.

USAID's Bureau for Global Health should lead this effort, working within the framework of the successful Global Fund to Fight AIDS, Tuberculosis and Malaria. The stigma attached to drug abuse often prevents addicts from seeking treatment, just as stigma used to prevent HIV/AIDS sufferers from receiving treatment. A global effort could help eliminate these barriers while promoting cost-effective medication-assisted treatments.

- **Modernize international drug conventions.** The US government should initiate a process to reform international drug control treaties, which have not been updated for more than three decades. Failure to modernize these rules as governments around the world legalize medical or recreational marijuana use, including 36 US state governments, undermines international controls. The US government should also work with the Commission on Narcotic Drugs, the International Narcotics Control Board and the World Health Organization (WHO) to develop new rules on synthetic substances to ensure access to needed medications while preventing illicit manufacture, trafficking, and abuse.

The White House Office of National Drug Control Policy (ONDCP)

Congress established the ONDCP in 1988 to develop an interagency counternarcotics strategy and oversee drug-control budgets. The law specified that the ONDCP's strategy should include "comprehensive, research-based, long-range goals for reducing drug abuse" along with "short-term, measurable" objectives.⁵² It is the White House office that bridges foreign and domestic counternarcotics policies, including both supply- and demand-control efforts.

The ONDCP has rarely lived up to expectations, however. Its ability to coordinate and implement a national drug control strategy hinges on its authority to decertify agency budgets, a power it has exercised only once.⁵³ Compared to the Office of Management and Budget (OMB),

⁵² H.R.5210 - Anti-Drug Abuse Act of 1988.

⁵³ The ONDCP has publicly decertified an agency budget only once: in 1997 Barry McCaffrey instructed the Defense Department to resubmit a larger anti-drug budget to the OMB. President Clinton increased the military counternarcotics budget, though not as much as the ONDCP had requested. See "[The General and the 'War' on Drugs: Barry McCaffrey and the Office of National Drug Control Policy](#)," Kennedy School of Government Case Program, Harvard University, 1998.

the ultimate enforcer of presidential priorities, the ONDCP's influence over White House domestic and foreign policies has been minimal.

The Commission recommends that the ONDCP function instead as the president's chief advisor on counternarcotics, providing objective, reliable information about which policies are most effective. It should also serve as the president's forum for managing both supply-reduction and demand-reduction policies, ensuring that options are fully analyzed before reaching the White House. It should evaluate ongoing efforts and monitor trends to anticipate drug risks before they become full-blown epidemics.

The ONDCP needs to develop more effective measures of supply-control policies, most of which still focus on plant-based drugs. While demand-side efforts have benefitted from public health research, there is a dearth of research on supply-side measures. For example, the 2020 National Drug Control Strategy (NDCS) focuses on reducing drug availability as reflected by purity-adjusted prices, although the impact of supply interventions (such as eradication and interdiction) on these prices, which have fallen or remained stable over the past decade, remains unclear.⁵⁴

Moreover, the ONDCP's long-standing goal of reducing purity-adjusted prices does not address the problem of heroin or cocaine adulterated with fentanyl and other psychoactive substances. A more appropriate goal may be to reduce drug toxicity by focusing law enforcement on disrupting fentanyl supply chains.⁵⁵

The ONDCP should also consider the harm caused by law enforcement efforts both abroad and at home. Performance measures should include indicators that measure both the costs and benefits of law enforcement strategies, such as whether crop eradication, drug interdiction, and kingpin targeting outweigh the social, economic, and political costs to our partners.

To make ONDCP more effective, the President should:

- **Require the ONDCP to develop new supply control performance measures.** The ONDCP should support the State Department by convening an interagency task force to develop new long-, medium-, and short-term metrics. The supply-control indicators in the 2020 NDCS – potential production of plant-based drugs (cocaine and heroin), cocaine removals in the transit zone, and drug seizures at the US border and points of entry – focus principally on plant-based drugs.⁵⁶ The ONDCP needs to work with implementing agencies to develop and test new performance measures linked to its primary objective: saving lives. This means measuring not just the price and purity of illicit drugs, but also their toxicity.
- **Incorporate cost-benefit analysis into drug control strategy.** The ONDCP should work with implementing agencies and partner governments to evaluate the second and third-order effects associated with both drug trafficking and law enforcement efforts at each point in the drug supply chain.⁵⁷ A cost-benefit analysis should weigh the ecological and social harm caused by both coca cultivation and crop eradication in

⁵⁴ Bryce Pardo, "[Considering the Harms: Drug Supply Indicators](#)," April 2020, paper prepared for the WHDPC, p. 20.

⁵⁵ Pardo and Reuter, p. 3.

⁵⁶ See *NDCS: Performance Reporting System 2020*, pp. 21-22.

⁵⁷ See Bryce Pardo, "[Considering the Harms: Drug Supply Indicators](#)."

Colombia; evaluate the impact of interdiction on drug flows, and explore the relationship between kingpin targeting and criminal violence in Mexico.

- **Direct the ONDCP to work with the interagency to collect timely data on emerging drug trends.** The ONDCP cannot develop pro-active, evidence-based metrics without real-time data, especially on highly toxic synthetics. The ONDCP should take the lead on assessing technologies, such as wastewater testing, to monitor the spread of synthetic drugs to new markets. It should work with both law enforcement and public health authorities to find more effective ways to share intelligence and toxicology data from postmortems or hospital emergency departments. It should also assess whether US law enforcement and foreign partners are effectively targeting fentanyl trafficking networks.
- **Provide the ONDCP with discretionary funding for research to counter regional illicit drug networks.** Congress should give the ONDCP additional resources for research grants to study the impact of law enforcement efforts both at home and abroad. These grants could be used to apply innovative law enforcement practices to counternarcotics policy.⁵⁸ For example, focused deterrence, which has been used successfully in the United States to prevent gang violence, could also be applied in cooperation with Mexican state and local law enforcement to deter fentanyl production.

⁵⁸ On focused deterrence see the Rand Corporation's "[Focused Deterrence Strategy Guide](#)." On how this strategy could be used to deter fentanyl trafficking, see Bryce Pardo and Peter Reuter, [Enforcement Strategies for fentanyl and other synthetic opioids](#) (Washington, D.C.: Brookings Institution, June 2020).

Chapter 3: Colombia, Eradication and Alternative Development

I. Introduction

Since 2000, the United States has approved \$11.6 billion in foreign assistance for Colombia, including \$10 billion for Plan Colombia, the largest and longest-lasting bilateral aid program in this hemisphere.¹ Plan Colombia and its successor programs had two inter-connected goals: 1) to curb cocaine production in a country that furnishes more than 90 percent of the US supply; and, 2) to help the Colombian state regain authority in marginalized regions vulnerable to leftist insurgents and other armed groups.

Colombia has made remarkable progress toward the second goal. A state that 20 years ago seemed on the brink of collapse – with guerrilla insurgents and paramilitary groups in control of much of the countryside, one of Latin America’s highest homicide rates, and a struggling economy – is the firmest US ally in the region, boasting a “vibrant democracy with a stable, market-oriented economy.”²

While Plan Colombia was a counterinsurgency success, it was a counternarcotics failure. The country is the world’s largest cocaine producer, despite decades of US-supported efforts to eradicate crops and interdict shipments. The amount of coca cultivated reached a record 212,000 hectares in 2019 even as the country stepped up efforts, eradicating more than 100,000 hectares.³

Now even counterinsurgency gains are receding as armed groups step up attacks on civilians. The UN has registered more massacres in 2020 than in any year since the signing of the 2016 peace accords: at least 42 as of September 2020.⁴ Colombian human rights groups say the number is higher: 68 massacres in the first three quarters of 2020, with 270 fatalities.⁵

Many of the victims are ex-combatants; others are simply local leaders, including some who have promoted government crop substitution efforts. Indigenous and Afro-Colombian leaders in conflict-affected regions have been especially hard hit. Many accuse the government of failing to provide either security or development in their communities, leaving them vulnerable to the armed groups that profit from drug trafficking and other illicit activities.⁶

While there are deep disagreements among Colombian officials and experts about how to combat drug trafficking, there was universal agreement among those consulted by WHDPC that eradicating coca is not enough. Colombia cannot secure peace and control trafficking without simultaneously addressing the absence of security and development in vast regions of the

¹ Congressional Research Service (CRS), [Colombia: Background and US Relations](#), Nov. 29, 2019.

² Kirsten D. Madison, Assistant Secretary, Bureau of International Narcotics and Law Enforcement Affairs (INL), [US-Colombia Relations: New Opportunities to Reinforce and Strengthen our Bilateral Relationship](#), Testimony, Senate Foreign Relations Subcommittee on Western Hemisphere, Sept. 19, 2019.

³ Christine Armario, [US report: Colombia coca production still at record high](#), AP, March 5, 2020; [Colombia eradicates record amount of coca fields last year, president says](#), Reuters, Jan. 9, 2020. Some experts question these figures, however, suggesting the government may be inflating manual eradication numbers. WHDPC interviews, Bogotá, Feb. 2020.

⁴ United Nations Verification Mission in Colombia, [Report of the Secretary General](#), 25 Sept. 2020, p. 11. A massacre is defined as the killing of three or more people. See also [Colombia sees surge in mass killings in 2020: UN](#), Aljazeera, Oct. 2, 2020.

⁵ [Informe de Masacres en Colombia durante el 2020](#), Instituto de Estudios para el Desarrollo y la Paz (INDEPAZ), Oct. 18, 2020.

⁶ Julie Turkewitz and Sofia Villamil, [Indigenous Colombians, Facing New Wave of Brutality, Demand Government Action](#), New York Times, Oct. 24, 2020; [Leaders under Fire: Defending Colombia's Front Line of Peace](#), International Crisis Group, Oct. 6, 2020.

country.

The resurgence of violence in outlying areas is not the only crisis Colombia faces: Covid-19 hit an economy already weakened by falling oil and other commodity prices. The country has also borne the brunt of the region's refugee crisis: close to two million Venezuelans fleeing political turmoil and economic collapse at home have settled in Colombia.⁷ Pandemic lockdowns slowed the exodus for several months in mid-2020, but the exodus resumed later in the year while many of the shelters that used to house them remained closed.⁸

Mass eradication remains central to US counternarcotics policy in Colombia, despite enormous costs and dismal results. At their High-Level Dialogue in October 2019, the two governments reaffirmed their "joint 2023 goals of reducing coca cultivation and cocaine production by 50 percent."⁹ That's the same target declared at the launch of Plan Colombia in 1999, when Colombia cultivated about 160,000 hectares; now it grows more than 210,000.¹⁰

Even massive spraying failed to achieve the ultimate goal of decreasing cocaine supplies (i.e. raising street prices) in the United States. US cocaine prices have remained largely stable over the past decade despite large variations in Colombian supply.¹¹ Unless the state is able to provide both physical and economic security, the history of counternarcotics in Colombia demonstrates that farmers will revert to coca, often relying on guerrillas or other trafficking groups for protection.

Some US-supported programs appear to be working, however. Former coca farmers are growing marketable goods, such as cacao and coffee, in certain regions. Many have finally secured formal title to their land, enabling them to secure credit for the first time. The government and private companies are building rural roads, constructing schools, and providing sanitation in areas long without public services. But it is a long-term effort, which will require consistent support from a government that is beset by urgent demands on multiple fronts.

US political and economic support is critical to these efforts. USAID is Colombia's largest bilateral donor while the State Department's Bureau of Narcotics and Law Enforcement Affairs (INL) has built strong partnerships with Colombian security and justice institutions. It has an enormous stake in ensuring that Colombia brings rule of law and economic prosperity to regions battered by violence and poverty.

This chapter focuses on two interrelated counternarcotics policies: eradication and alternative development. The US has supported these efforts for decades, though it is important to remember that Colombia itself has borne most of the burden. Even at the height of US assistance under Plan Colombia, Colombian taxpayers shouldered more than 90 percent of the cost of counterinsurgency and counternarcotics operations.¹²

⁷ [Venezuelan Refugee and Migrant Crisis](#), International Organization for Migration (IOM). Overview based on government figures, March 2020.

⁸ [Lockdowns over, Venezuelans are fleeing their country once again](#), Associated Press via *Los Angeles Times*, Oct. 9, 2020.

⁹ [U.S.-Colombia High Level Dialogue Joint Communique](#), Department of State, Oct. 9, 2019.

¹⁰ Juan Carlos Garzón-Vergara, "US Foreign Assistance and Alternative Development in Colombia," paper prepared for WHDPC, p. 3; UNODC, [Colombia Coca Survey for 2002](#), Sept., 2003, p. 3.

¹¹ See discussion in Chapter 1, pp. 14-15; Bryce Pardo, "[Considering the Harms: Drug Supply Indicators](#)," April 2020, paper prepared for the WHDPC, p. 20.

¹² [The Untapped potential of the US-Colombia Partnership: Creating a Modernized Plan for the Bilateral Relationship](#), Independent Task Force Report, Atlantic Council, Sept. 2019, p. 14; [Assessing the Colombia Peace Process: The Way Forward in](#)

Section 2 of this chapter provides a brief overview of eradication and its consequences. **Section 3** examines the challenges of alternative development programs. **Section 4** reviews US assistance since the 2016 peace accords and **Section 5** offers recommendations going forward.

II. Eradication

Colombia is the only country that has produced the three major plant-based psychoactive drugs –marijuana, heroin, and cocaine – in significant quantities. The country’s climate and geography are ideal: all three illicit crops thrive in subtropical climates with mountainous, inaccessible terrain, and river access to the sea. Most importantly, vast regions of Colombia have little effective state presence, providing an ideal environment for drug production and trafficking.¹³

From marijuana to cocaine

Marijuana was Colombia’s gateway to the international drug trade. It started producing large amounts of marijuana for US consumption in the 1970s, after the Mexican military (with assistance from the recently created DEA) launched a massive eradication campaign using paraquat, a highly toxic herbicide.¹⁴ Mexican traffickers undermined demand for their own product by harvesting tainted plants, prompting US health authorities to issue public warnings against Mexican weed and sending dealers in search of new suppliers. (A popular bumper sticker in the late 1970s told pot smokers to “Buy Colombian”.)¹⁵

Within a few years, Colombian marijuana –especially “Santa Marta Gold” – had largely displaced Mexican weed, supplying 70 percent of US imports.¹⁶ Under US pressure, Colombian President Julio César Turbay declared trafficking a national security threat and launched “Operation Fulminant,” sending 10,000 troops to manually eradicate marijuana in the Guajira peninsula and the Sierra Nevada, a range that runs along the Caribbean coast.¹⁷

Enforcement made drug traffickers change their modes of operation. Marijuana fields in both countries became smaller, harder to discover, and spread to new regions, such as Colombia’s *Llanos Orientales* (Eastern Plains).¹⁸ Poppy plantings also spread through the Colombian Andes and by the late 1990s the country was a major supplier of white powder heroin to the eastern

[U.S.-Colombia Relations](#), Hearing Before the Subcommittee on Western Hemisphere, Transnational Crime, Civilian Security, Democracy, Human Rights, and Global Women’s Issues, 115th Congress, (Statement of Hon. Camilo Reyes, Ambassador of Colombia) (Aug. 2017).

¹³ See Francisco E. Thoumi, *Illegal Drugs, Economy, and Society in the Andes*, Woodrow Wilson Center Press, 2003.

¹⁴ On Mexico’s attempt to eradicate marijuana and opium poppies in the 1970s, see George W. Grayson, *Mexico: Narco-Violence and a Failed State?* (New York, 2010), p. 31; and, Richard Craig, “Condor: Mexico’s Antidrug Campaign Enters a New Era,” *Journal of Interamerican Studies and World Affairs*, vol. 22, no. 3 (Aug. 1980).

¹⁵ [“Marijuana Outrage,”](#) *Washington Post*, April 22, 1978

¹⁶ Narcotics Intelligence Estimate, The National Narcotics Intelligence Consumers Intelligence Committee, [1979], p. 6. (Digitized by Google Books and available here: <https://bit.ly/392Toxm>.)

¹⁷ Francisco Thoumi, *Political Economy and Illegal Drugs in Colombia* (Boulder, Colo, 1995), p. 210.

¹⁸ Thoumi, *Political Economy*, pp. 127, 128. According to Thoumi, Colombian marijuana cultivation “grew significantly” from 1982 to 1984, though it had declined by the end of the decade.

US¹⁹

But the most important shift was into the growing market for cocaine, which was more profitable and more easily smuggled than marijuana. Colombians imported coca leaves or paste from Bolivia or Peru, manufacturing cocaine in small-scale labs that were hard to detect or destroy.²⁰ Mexican traffickers then shipped the powder into the United States.

During the 1990s, the quantity of coca cultivated in the three Andean countries (about 200,000 hectares) remained relatively stable, though the share produced in each country changed drastically. In 1990 Peru had the largest number of hectares (about 57 percent of the total) while Colombia had the smallest (19 percent). By the end of the decade, Colombia had become the largest producer (67 percent of total hectares) with Peru (21 percent) and Bolivia (12 percent) trailing by wide margins.²¹

Various factors account for the shift. Peruvian and US forces closed the air bridge used to transport product to Colombia while also stepping up manual eradication coupled with alternative development programs.²² Meanwhile, in Colombia the government captured or killed leaders of both the Medellín and Cali cartels, splitting them into “baby cartels,” which fought viciously among themselves, helping to spur homicides to record highs.²³ The decline of Peruvian coca combined with the collapse of the cartels provided openings for Colombian guerrilla and paramilitary groups to assume larger roles in the drug trade, bringing both cultivation and production in-country.

Alarmed by the growing cocaine industry and increasingly bold guerrilla attacks, US and Colombian officials began work on the joint strategy known as Plan Colombia. Although both countries understood the connection between drugs and armed actors, US officials billed the plan as a counter-drug effort to win Congressional support.²⁴ It began with a push into southern Colombia by counternarcotics battalions equipped with US-supplied helicopters. It also included a massive effort to destroy coca cultivations with armored sprayer planes, becoming the only Andean country to use aerial fumigation against coca.²⁵

Aerial fumigation

From 2000 to 2008, the government eradicated approximately 1.4 million hectares, including about 1.15 million using aerial spraying of the herbicide glyphosate. The area cultivated declined from about 163,000 to 81,000 hectares. The combination of military operations to control territory and massive eradication cut into guerrilla revenues. According to some sources, FARC

¹⁹ Thoumi, *Illegal Drugs*, p. 91. Mexican black tar heroin dominated the west, while Colombian and Southeast Asian heroin competed in the east. Today, Mexican black tar heroin dominates the US market. Over 90% of heroin seized in the US comes from Mexico. Drug Enforcement Administration, [2019 National Drug Threat Assessment](#), Dec. 2019, p.24.

²⁰ Russell Crandall, *Driven by Drugs: US Policy Toward Colombia*, (Boulder, Colo, 2008), p. 24.

²¹ Daniel Mejía and Carlos E. Posada, [“Cocaine Production and Trafficking. What do we know?”](#) (Policy Research Working Paper Series, World Bank, 2007), p. 8.

²² Observers also cite other factors, including a soil fungus that destroyed Peruvian coca plants. See Connie Veillette and Carolina Navarrete-Frías, [“Drug Crop Eradication and Alternative Development in the Andes.”](#) CRS, p. 6.

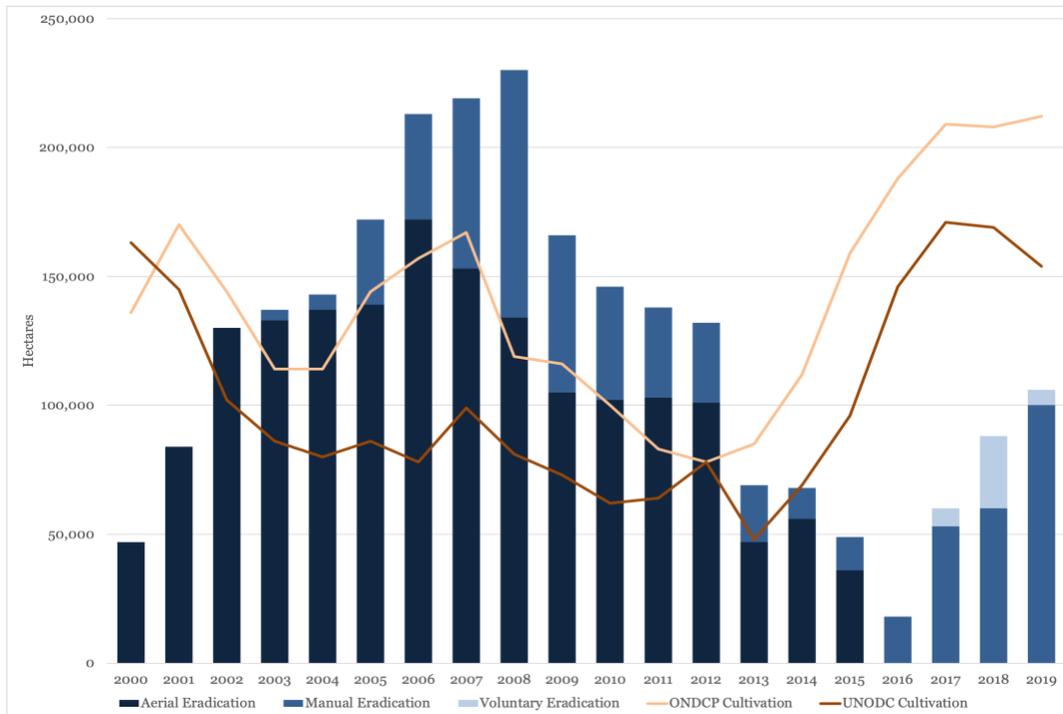
²³ Daniel Mejía, [“Plan Colombia: An Analysis of Effectiveness and Costs,”](#) Brookings Institute, 2016, p. 3.

²⁴ See Peter DeShazo, Johanna Mendelson Forma, Phillip McLean, [“Countering Threats to Security and Stability in a Failing State: Lessons from Colombia,”](#) CSIS, Sept. 2009, pp.15-17.

²⁵ DeShazo et. al. “Countering Threats to Security and Stability,” pp. 16, 46. After the 9/11 attacks, Congress provided DoD and State with broader authorities to support Colombia’s campaign against designated terrorist organizations, including the FARC (Revolutionary Armed Forces of Colombia), the ELN (National Liberation Army) and the AUC (United Self-Defense Forces of Colombia), a paramilitary organization.

income from counternarcotics fell by 50 percent from 2003 to 2007, though the guerrillas continued to earn a formidable \$500-\$600 million a year, principally by “taxing” growers and processing cocaine.²⁶

Figure 2. Coca Eradication in Colombia, 2000-2019



Source: UNODC and ONDCP data

The gains from forced eradication were impossible to sustain without a permanent military or police presence, however. “Aerial spraying,” concluded a 2009 study, “could only disrupt the drug market and force growers to move production elsewhere.”²⁷ It was also unpopular, undermining government efforts to expand state presence in coca growing areas. When forced eradication is the only government intervention, critics argue, it alienates rural communities, who will refuse to collaborate or provide intelligence because they see “the government as an oppressive actor that seeks to starve and impoverish them.”²⁸

Aerial fumigation of coca further undermines state legitimacy in remote rural areas, said a Colombian expert: “*Campesinos* only encounter the state in the form of a plane spraying herbicide.”²⁹

Aerial fumigation is also expensive. It requires armored spray planes with specially trained pilots, who have to fly low, often over mountainous terrain, spraying in spurts to target small fields hidden in the jungle. Coca growers, moreover, have learned to adapt to fumigation, using methods such as spraying leaves with molasses, cutting plants back before the herbicide has had

²⁶ International Crisis Group, “[Ending Colombia’s FARC Conflict: Dealing the Right Card](#),” p. 12

²⁷ DeShazo, et. al., “Countering Threats,” p. 67.

²⁸ Vanda Felbab-Brown, “[Detoxifying Colombia’s Drug Policy: Colombia’s counternarcotics options and their impact on peace and state building](#),” Brookings Institute, Jan. 2020, p.6.

²⁹ WHDPC interviews, Bogotá, Feb. 2020.

time to kill them, or moving crops into national parks and other protected areas.³⁰ With an effectiveness rate of about 4.2 percent, according to one study, it cost the government approximately \$57,000 to eliminate one hectare of coca leaves worth about \$450.³¹

During the second term of President Álvaro Uribe (2006-2010), the government reduced aerial spraying, acknowledging that the effort had been counterproductive. “Instead of uniting Colombians around the idea of eradicating drugs,” Uribe said, it “causes complaints and provokes reactions against eradication.”³² Instead his government increased cocaine interdiction and expanded alternative development under its National Consolidation Plan (see below). Both seizures and the number of labs destroyed increased significantly.³³

Some analysts credit increased interdiction with causing a “supply shock” that sent US cocaine street prices up sharply after 2008.³⁴ Studies suggest that destroying labs and confiscating precursor chemicals may be more cost effective and less harmful to local communities than eradicating coca crops.³⁵ Others point to additional factors, such as criminal diversification into other illicit industries. As gold prices soared from 2005 to 2011, illegal mining in Colombia rivaled cocaine as a source of illicit income.³⁶

In 2015, President Juan Manuel Santos suspended aerial eradication despite US objections, citing a World Health Organization study identifying glyphosate as a probable carcinogen.³⁷ Colombian courts backed the decision, ruling that the government could not renew spraying until it had a plan to minimize and monitor health and environmental risks. The ruling also required the government to consult affected communities before renewing aerial spraying.³⁸

Coca’s resurgence

Colombian cocaine production began to surge after 2012, several years before Colombia suspended fumigation. Interestingly US prices have remained largely stable even as Colombian production soars, perhaps because traffickers are not shipping additional product to the US but instead exploiting markets in Europe and South America.³⁹

Declining eradication was likely not the only reason for coca’s resurgence. Many analysts blame the government’s crop substitution program, which it announced in May 2014 during the peace

³⁰ Mejía, “Plan Colombia,” p.9.

³¹ See Mejía, “Plan Colombia,” p. 9. This study assumes that it costs about \$2,400 to fumigate one hectare of coca. The government’s own estimates, as presented to the Constitutional Court in 2019, range from \$600 per hectare, according to the Defense Ministry, to \$21,000 per hectare, according to the Presidential Substitution Directorate. See Adam Isacson, “[The Costs of Restarting Aerial Coca Spraying in Colombia](#),” WOLA, Feb. 11, 2020.

³² David Adams, “[Colombia Sheds Messy Drug Spraying at Last](#),” *Tampa Bay Times*, Sept. 14, 2009.

³³ UNODC, “[Colombia: Monitoreo de Cultivos de Coca 2013](#),” June 2014, pp. 99-100.

³⁴ Daniel Mejía, “Plan Colombia,” Brookings Institution, 2016, p. 11.

³⁵ Mejía, “Plan Colombia.”

³⁶ Geoffrey Ramsey, “[Gold Overtaking Coca for Colombia’s Gangs: Report](#),” *InSight Crime*, Sept. 12, 2012.

³⁷ The US Environmental Protection Agency has concluded that glyphosate is “not likely to be carcinogenic.” For more on these competing assessments, see Charles M. Benbrook, “[How did the US EPA and IARC reach diametrically opposed conclusions on the genotoxicity of glyphosate-based herbicides?](#)” *Environmental Sciences Europe*, 2 (2019). Bayer, which owns Monsanto, the maker of Roundup (whose key ingredient is glyphosate) recently agreed to pay \$10 billion to settle the claims of cancer victims, though it maintains the product is safe. See Patricia Cohen, “[Roundup Maker to Pay \\$10 Billion to Settle Cancer Suits](#),” *New York Times*, June 24, 2020.

³⁸ “[Colombia court upholds conditions for restarting aerial coca fumigation](#),” *Reuters*, July 18, 2019. The Duque government planned to restart by July 2019, though it has struggled to meet the court’s requirements while also securing planes, personnel, and supplies. WHDPC interviews, Bogotá, Feb. 2020. The Covid-19 pandemic has also delayed community consultations. See Kata Karath, “[Pandemic upends Colombia’s controversial drug war plan to resume aerial spraying](#),” *Science*, June 11, 2020.

³⁹ Pardo, WHDPC paper, p. 20.

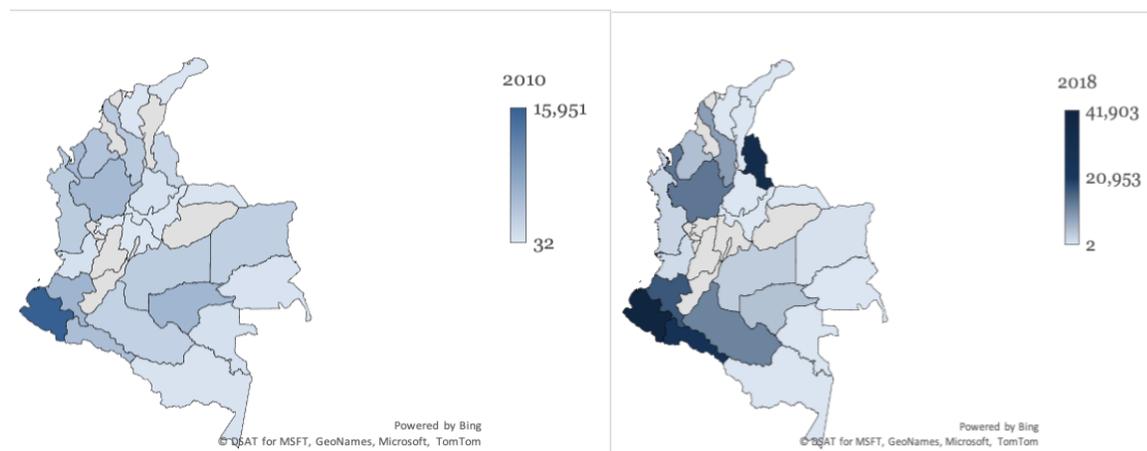
negotiations with FARC guerrillas. By promising cash subsidies in exchange for voluntary eradication, the government created perverse incentives that encouraged farmers to plant more coca. Officials rushed to register families for the program after the 2016 accords, often without verifying how much, where, or when coca was planted.⁴⁰

Traffickers are also adept at switching between illicit products. As gold prices surged during the commodities boom, coca production declined, particularly in areas with illegal mining, such as Baja Cauca in Antioquia.⁴¹ When gold prices fell after 2012, some seem to have switched back to coca. Enforcement against illegal mining also increased as the government –alarmed by the involvement of armed groups and the poisoning of waterways – stepped up military and police operations against illegal mining and banned the unlicensed use of mercury to remove gold.⁴²

Perhaps most importantly, the FARC’s withdrawal from cocaine trafficking after the 2016 accords opened the drug business up to other groups who have ramped up cultivation. A variety of illegal actors -- dissident FARC groups, the ELN (*Ejército de Liberación Nacional* or National Liberation Army), and apolitical criminal bands -- operate in remote, ecologically fragile areas, profiting not only from coca but also other illegal rackets, from illegal mining and logging to wildlife trafficking to extortion.⁴³

Although coca cultivation has expanded, it is concentrated in a relatively small amount of territory. Nearly half of Colombia’s coca crops are located in ten municipalities. Just two of these – Tibú in Norte de Santander and Tumaco in Nariño – account for 20 percent of the crop. Between 2010 and 2018, the number of municipalities with coca dropped from 226 to 176.⁴⁴

Figure 3. Coca Cultivation in 2010 and 2018, by hectares



Source: UNODC data

⁴⁰ Daniel Mejia, Mounu Prem, Juan F. Vargas, [The Rise and Persistence of Illegal Crops: Evidence From A Naive Policy Announcement](#), Latin American and the Caribbean Economic Association, Oct. 2019. WHDPC interviews, Bogotá, Jan. 2020.

⁴¹ James Bargent, [Colombia: From Coca Cultivation to Gold Mining and Back](#) *InSight Crime*, Sept. 22, 2015.

⁴² [“Santos declara guerra a la minería ilegal negocio que mueve 7 billones de pesos,”](#) *El País*, July 30, 2015; [“Prohíben el mercurio en la minería de oro en Colombia,”](#) *El Tiempo*, July 16, 2018.

⁴³ Juan Carlos Garzón and María Victoria Llorente, [¿Por qué siguen aumentando los cultivos de coca en Colombia?](#) Fundación Ideas para la Paz, June 2018. For more on illegal groups in Colombia, see the website of the [Colombian Organized Crime Observatory](#), a joint project by the Universidad de Rosario and *InSight Crime*.

⁴⁴ Estimates by Juan Carlos Garzón based on data from the Ministry of Justice and Law’s [Observatorio de Drogas de Colombia \(ODC\)](#).

These illicit crops are increasingly located in regions where aerial spraying is prohibited or restricted, including natural parks, indigenous reserves, lands belonging to Afro-Colombians, and borderlands.⁴⁵ The national government's ability to intervene in these areas is subject to legal restrictions designed to protect the environment and the rights of ethnic communities. Under an agreement with the government of Ecuador, moreover, the government has promised not to spray glyphosate from planes within 10 kilometers of border, which has become a major coca cultivation area.⁴⁶

This means that aerial fumigation on the scale of Plan Colombia is impossible today, even if the government manages to overcome the legal, financial, and political hurdles to restarting the program.

As it prepares to renew aerial fumigation, the Duque government has promised to use “all available tools” to reduce drug trafficking along the entire value chain from eradicating crops to destroying labs and seizing cocaine. In 2019, the Colombian government seized 433,036 kilograms of cocaine (up 6 percent from the previous year) and destroyed 5,461 labs (up 16 percent).⁴⁷ It has stepped up manual eradication, increasing the number of mobile eradication teams from 23 to 150.⁴⁸ The work can be deadly. Over the past decade, 136 public security personnel and civilians have died and more than 725 have been maimed or wounded, often by land mines, during manual eradication operations.⁴⁹

WHDPC visited an eradication site in Tumaco, Nariño, by police helicopter in February 2020. The mobile eradication team had hiked several days to reach fields located on remote mountainsides, where they would camp for more than two months. In addition to the civilian eradicators – generally farm laborers recruited from another region – the team required multiple layers of security: riot police to handle protestors, an elite tactical squad for protection from armed actors, plus handheld bomb detectors and a bomb-sniffing dog to find improvised explosive devices.

None of this ensures lasting results: the field visited by WHDPC had been eradicated before.

Because manual eradication is so difficult and dangerous, some outside experts argue that the government should renew aerial spraying, though only as a last resort. “Conditions on the ground should determine which tool to use,” said one USAID advisor, who said spraying may be necessary where manual eradication teams are at risk of attack.⁵⁰ Another argued that spraying should be limited to “industrial-sized” plots or those planted away from established communities, where alternative development is not feasible.⁵¹

All agreed, however, that eradication alone was not sustainable. Over the long run, the only way to control coca cultivation is to provide communities with security and viable economic alternatives.

⁴⁵ UNODC, “[Monitoreo de territorios afectados por cultivos ilícitos 2018](#),” p. 16

⁴⁶ “[Ecuador supervisa en frontera que fumigación colombiana no afecte al país](#),” *El Comercio*, March 15, 2014. The Colombian government may use low-flying drones along the border and other special areas. “[Vuelve el glifosato, pero ahora en drones. ¿Qué significa este cambio de política?](#)” *La Semana*, June 27, 2018.

⁴⁷ UNODC, “Monitoreo 2019,” p. 15.

⁴⁸ WHDPC interviews, Bogotá, Feb. 2020.

⁴⁹ “[Disidencias, ELN y ‘clan del Golfo’, los que atacan a erradicadores](#),” *El Tiempo*, Sept. 8, 2020.

⁵⁰ WHDPC interviews, Bogotá, Feb. 2020.

⁵¹ WHDPC interview, Dec. 2019.

III. Alternative Development

Alternative development combines eradication with positive incentives to help those dependent on illegal crops transition to legal activities. US support for these efforts in the Andes dates back to the crop substitution policies of the 1970s and 80s. Although these projects identified and promoted alternative crops, they generally failed to address the financial and infrastructural constraints faced by impoverished farmers in remote rural areas.⁵²

Coca cultivation has key advantages that most other agricultural goods lack: it can be harvested up to six times a year, the paste can be easily transported even in regions lacking good roads, and it has an assured market.⁵³ That does not mean that coca farmers – who have to accept prices set by the armed groups that control cultivation areas-- are prosperous. The net annual income of a grower with one acre of coca is about \$3,500, according to UNODC surveys.⁵⁴

To address these issues, crop substitution has given way to integrated rural development approaches, whose goal is not simply to replace illicit sources of income but to transform territories, integrating post-conflict, coca-growing regions into the wider economy.⁵⁵

These broader strategies, however, require a long-term “whole of government” approach, which the Colombian government and its donors have not managed to coordinate or sustain. Past US efforts had a major limitation, moreover. Under its “zero-coca” model, the US could only provide assistance in areas shown to be coca-free. In theory this would promote a culture of legality, but in reality, “USAID was unable to provide assistance for coca growers to switch to and remain in legal livelihoods.”⁵⁶

Under Plan Colombia, USAID implemented two major rural programs between 2006 and 2011: ADAM (*Áreas de Desarrollo Alternativo Municipal* or Areas for Municipal Level Alternative Development) and MIDAS (*Más Inversión para el Desarrollo Alternativo*, or More Investment for Sustainable Alternative Development). ADAM, which had \$189 million in funding, targeted 75 municipalities to promote productive projects and institution building, by strengthening municipal governments and civil society collaboration. MIDAS, with \$180 million promoted marketable crops, such as cacao and specialty coffee, promoting public/private alliances in six geographical corridors.⁵⁷

Neither program contributed to a significant reduction of illicit crops, however, which was their overall objective. Insecurity within coca-growing regions amid Colombia’s ongoing conflict limited their reach, as did the “zero-coca” approach, which allowed USAID to work only in

⁵² [Drug Crop Eradication and Alternative Development in the Andes](#), CRS, Nov. 18, 2005, p. 8.

⁵³ UNODC, “Colombia: Monitoreo de territorios afectados por cultivos ilícitos 2018,” Aug. 2019, p. 51; Jeremy McDermott, “[Is Colombia Again the World’s Top Cocaine Producer?](#),” *InSight Crime*, May, 6, 2015.

⁵⁴ UNODC, “[Colombia: Monitoreo de territorios afectados por cultivos ilícitos 2019](#),” July, 2020, p.53.

⁵⁵ See, for example, David Mansfield, “[Alternative Development: The Modern Thrust of Supply Side Policy](#),” *Bulletin on narcotics*, vol. 51, no. 1, Dec. 1998; also Garzón, WHDPC paper.

⁵⁶ [U.S. Counternarcotics Assistance Achieved Some Positive Results, but State Needs to Review the Overall U.S. Approach](#), (Washington, D.C.: Government Accountability Office, Dec. 2018), p. 60. The Obama administration abandoned the zero-coca requirement. See Felbab-Brown, p. 9-10.

⁵⁷ [Post-implementation evaluation of the programs More Investment in Sustainable Alternative Development \(MIDAS\) and Areas for Municipal-Level Alternative Development \(ADAM\)](#), (Washington, D.C.: Management Systems International, March 2014) ;

Felbab-Brown et al., “Assessment of the Implementation of the United States Government’s Support for Plan Colombia’s Illicit Crop Reduction Components,” USAID, April 17, 2009, p.34.

communities that lacked or had already eradicated coca.⁵⁸

Consolidation

President Uribe's second term focused on building an effective state presence in strategic zones, an effort supported by the US government's Colombia Strategic Development Initiative (CSDI), which implemented programs in 40 of the government's 58 priority municipalities.⁵⁹ Its signature effort was the *Plan de Consolidación Integral de la Macarena* (Plan for Integral Consolidation of the Macarena or PCIM), which called for sequenced steps to establish state authority and promote development in the central department of Meta, a historic FARC stronghold.⁶⁰

PCIM, funded by the Colombian government and USAID's Office of Transition Initiatives (OTI), first established a police presence in urban centers, freeing the military to operate in outlying rural areas. Only after areas were secure did the government begin eradication, whether voluntary or forced. OTI focused on quick-impact programs, primarily rural infrastructure and income-generating activities, designed to showcase the positive impact of state presence. The program also emphasized local participation, "with investment decisions worked out based on the priorities of each rural settlement and municipality."⁶¹

Coca cultivation in the region declined significantly under PCIM, from 14,206 hectares in 2005 to 3,857 in 2009.⁶² Potential cocaine production also fell from 26 metric tons in 2008 to 14 in 2009.⁶³ The program relied mainly on manual eradication by mobile teams, along with the surgical use of aerial fumigation.⁶⁴

Another USAID-supported program – *Familias Guardabosques* (Family Forest Wardens) – offered incentives to rural communities in areas that could not be sprayed, such as national parks or reserves. In return for conditional cash transfers, beneficiaries participate in eradication along with reforestation and conservation efforts. The program also offered productive projects and land formalization for families outside protected areas. Participants voluntarily eradicated just over 14,500 hectares of illicit crops, with a replanting rate of only 5 percent.⁶⁵

Most other consolidation areas failed to replicate these results, however. The pilot program in La Macarena had more autonomy than subsequent efforts, allowing local authorities to coordinate the military and police. In other areas, consolidation programs consisted of small construction and investment projects, implemented with little strategic vision.⁶⁶ In coca-

⁵⁸ Felbab-Brown, et. al., "Assessment," p. 38.

⁵⁹ USAID, [Colombia Program At-A-Glance](#), Aug. 2013.

⁶⁰ See DeShazo, et. al., "Countering", pp. 27-32; Robert D. Lamb, et. al., [USAID/OTI's Initial Governance Response Program in Colombia: A Final Evaluation](#), June 30, 2011; Adam Isaacson, [Consolidating Consolidation](#), WOLA, Dec. 2012; Garzon, WHDPC paper, p.19.

⁶¹ Gustavo Duncan Cruz and Alejandro Reyes Posada, [Policy Paper: Plan de Consolidación de la Macarena](#), Sept., 2009, p. 4.

⁶² Estimates by Juan Carlos Garzón based on data from the Ministry of Justice and Law's Observatorio de Drogas de Colombia (ODC).

⁶³ UNODC, [Colombia: Monitoreo de Cultivos de Coca 2010](#), p. 80.

⁶⁴ Juan Carlos Palou, Gerson Arias, Carlos Barajas, Miguel Ortega, Juan Pablo Liévano, Carlos Otálora, [Balance de la Política Nacional de Consolidación Territorial](#), Fundación Ideas para la Paz, Sept., 2011.

⁶⁵ National Planning Department, [Evaluación del Programa Familias Guardabosques y Grupo Móvil de Erradicación. Informe Final](#), 2012, p. 48.

⁶⁶ Comments provided to WHDPC.

growing regions such as Bajo Cauca Antioquia, authorities continued to rely heavily on aerial fumigation, provoking farmer protests, “at a serious cost to the plan’s legitimacy.”⁶⁷

President Juan Manuel Santos, though he had promoted consolidation as defense minister, concentrated on peace negotiations with the FARC and implementation of the 2011 victims’ and land restitution law.⁶⁸ Without strong presidential support, the program lost the clout needed to force national agencies to cooperate. Politics took precedence over strategy. Consolidation efforts became “less a state-building program and more of a traditional, clientelistic giveaway program.”⁶⁹

In its assessment of US counternarcotics assistance, the GAO noted that “coordination challenges with the Colombian government” were undermining the consolidation program, including “a lack of political support, disorganization at the top levels of the Colombian government, [...] and the politicization of the Colombian government’s administrative entity leading the effort.”⁷⁰

IV. Post-Conflict Assistance

Colombia’s 310-page peace agreement signed in 2016 had two broad goals, ending the conflict and addressing its root causes. The most immediate objective was to disarm and demobilize the FARC while providing justice and reparations for victims; the ultimate goal was to establish a positive state presence in historically neglected rural communities by implementing ambitious land reform and rural development programs.⁷¹ The initial price tag was estimated to be approximately \$45 billion.⁷²

The 2016 peace accords require implementation over 15 years, i.e. three presidential terms. Whether its rural development programs will receive the high-level political commitment needed to succeed, however, is unclear. Although President Duque has criticized the accords (especially some transitional justice provisions), he has promised to implement them. He has little choice. The accords are enshrined in the Colombian constitution, which means changes require a two-thirds majority.⁷³

Rural reforms could still die of neglect. The government planned to use oil royalties and tax breaks, including a program called *Obras por Impuestos* (Works for Taxes) that allows private companies to cover a portion of their taxes by financing and executing roads, sanitation, education, and other public works. But low global prices – compounded by coronavirus shutdowns – have battered the oil industry. While the government reports good results from its tax incentives programs, investments have been concentrated in a few regions, limiting the

⁶⁷ Palou et al., “Balance de la Política Nacional de Consolidación Territorial,” p. 26.

⁶⁸ Adam Isacson, “Consolidating,” p.15.

⁶⁹ *Ibid.*, p. 17.

⁷⁰ [Colombia: U.S. Counternarcotics Assistance Achieved Some Positive Results, but State Needs to Review the Overall U.S. Approach](#), (Washington, D.C.: GAO, Dec. 2018) p. 61.

⁷¹ See [In the Shadow of No : Peace after Colombia s Plebiscite](#),” International Crisis Group, Jan. 31, 2017; [Rural development as a path to peace in Colombia is an example for the world](#),” FAO, July 5, 2017; [The Colombian Peace Process after Two Years](#),” Washington D.C. Seminar, Kroc Institute for international Peace Studies, June 10-11, 2019.

⁷² [Peace will cost Colombia \\$44 billion over 10 years, senator says](#),” *Reuters*, Oct. 4, 2014.

⁷³ Francisco Serrano, [Colombia s Uneasy Peace](#),” *Foreign Policy*, July 16, 2019.

program's impact.⁷⁴

Providing massive assistance to remote rural communities will be politically challenging, especially as the economy struggles to recover from the Covid-19 pandemic. Colombia, moreover, still faces a refugee crisis. Providing health care, education, and humanitarian assistance to more than a million Venezuelan refugees costs the treasury more than \$1 billion a year.⁷⁵

"It's not insecurity or lack of [local] acceptance that's holding us back," said an official working on post-conflict stabilization programs. "It's lack of money."⁷⁶

At the center of rural development plans under the peace accords are the Territorially Focused Development Plans (PDETs), which are designed to transform 171 municipalities in 16 subregions with histories of armed conflict, extreme poverty, illicit economics, and low fiscal capacity. The PDETs establish local priorities for a variety of projects or services – roads, health care, education, technical assistance, market access – that must now be incorporated into local and national development programs.

If carried out, the PDETs would be unprecedented: first, as an exercise in grass roots, bottom-up planning in a country where an economic and political gulf has long separated urban elites from peasant farmers, and second, as a major transfer of financial resources and know-how from the country's wealthy centers to its impoverished periphery.

Eradicating coca within the PDETs is the easy part, officials say. You can destroy illicit crops within a few weeks. Establishing productive activities may take four or five years while building the infrastructure needed to sustain and expand local development will take at least a decade.⁷⁷

How much coca you rip out "doesn't matter," a Colombian official told WHDPC, pointing out that eradication alone is unsustainable. "What matters are the next two stages."⁷⁸ Alternative development requires "patience and perseverance" said a veteran official who worked on the Consolidation Plan, qualities both the government and donors have all-too-often lacked.

Some analysts argue the Colombian government's 15-year time frame is too short.

"To achieve sustainable and robust reduction of illicit crop cultivation, Colombia must [...] expand its timeline of drug policy and state-building intervention well beyond 15 years," writes an expert on international counternarcotics policies. "To achieve any viable transformative effects, it will also have to concentrate resources to selected zones of strategic intervention and gradually connect them and expand them to encompass larger areas in state intervention efforts."⁷⁹

Priority zones

The Duque government's strategy incorporates some elements of the Consolidation Plan,

⁷⁴ Harold Martínez, et. al., "[Obras por Impuestos: Medida para transformar las zonas más afectadas por el conflicto armado en Colombia](#)," Fundación Ideas para la Paz (FIP), Feb. 2019, p. 8.

⁷⁵ Government estimates provided to WHDPC.

⁷⁶ WHDPC interviews, Bogotá, Jan. 2020.

⁷⁷ WHDPC interviews, Bogotá, Jan. 2020.

⁷⁸ WHDPC meetings, Jan./Feb. 2020.

⁷⁹ Vanda Felbab-Brown, "Detoxifying," p. 1.

including geographic targeting. The government designated five priority areas (*Zonas Futuro*) to accelerate security and development efforts in municipalities that collectively contain more than half of the country's coca crops.⁸⁰

Zonas Futuro is designed to be a "PDET accelerator," a Colombian presidential advisor told WHDPC.⁸¹ If properly implemented it should replicate the achievements of other holistic, targeted efforts, such as the consolidation plan in La Macarena.

Security and development are both essential to the strategy. While USAID concentrates on rural development, INL focuses on eradication and rural policing, working with the Colombian National Police (PNC) to increase its presence in post-conflict areas. The PNC, which is under the Ministry of Defense, has struggled to find and train new recruits, especially in rural areas, however. Only five of the country's 32 departments consistently meet recruitment goals.⁸²

USAID's 2014-2020 strategy was designed to help Colombia implement the peace accords by strengthening democratic institutions, state presence and economic opportunities in post-conflict areas. Its rural development programs have four priorities: rural roads, market access, financial inclusion, and land titling.

WHDPC recommendations for US assistance to Colombia would strengthen these ongoing efforts while ensuring that US assistance is cost-effective, based on relevant performance and outcome metrics.

V. Recommendations

Use the High-Level Partnership Dialogue to develop a compact for US/Colombian cooperation going forward.⁸³ The two countries should formulate a strategy that integrates drug interdiction, security, and alternative development programs in a comprehensive, targeted approach that addresses the specific needs of communities impacted by criminal organizations.

The High-Level Partnership Dialogue should develop **outcome indicators** that measure progress for each region on an annual basis, using this review to adjust programs and budgets.

This dialogue, currently in its ninth round, must also **engage the international community and private sector**. The US and Colombia should therefore consider convening an **international conference** that includes representatives from other donor nations, multilateral organizations, and the private sector. Better coordination among host government agencies, donors, and other key stakeholders is especially important to sustain these efforts and make efficient use of limited resources.

The United States must also **facilitate assistance to demobilized rebels in post-conflict zones**. The US Treasury's Office of Foreign Assets Control (OFAC) should license

⁸⁰ Presidencia de la República, "[El propósito de las Zonas Futuro es mejorar la seguridad en los territorios y generar Desarrollo al cambiar economías ilícitas por economías lícitas: Alto Comisionado para la Paz](#)," Jan. 29, 2020.

⁸¹ WHDPC interviews, Bogotá, Feb. 2020.

⁸² INL [grants notice](#) for a Colombian National Police Human Resources Assessment, May 8, 2020. Calls for police reform have increased following violent protests against police brutality in September. See [Why Colombia's militarised police need reform](#)," *The Economist*, Sept. 19, 2020.

⁸³ US State Department, [US-Colombia High Level Dialogue](#)," Oct. 11, 2019.

demobilization and reintegration programs in these regions. Current OFAC restrictions undermine the work of INL and USAID in areas with where demobilized rebels have returned to civilian life. Although USAID has obtained specific waivers to work with former child soldiers, it has been unable to support PDET programs in some communities. An OFAC license would allow the US government to support Colombian government efforts to provide alternative livelihoods to former rebels and their families.

As the two countries develop their compact for cooperation the High-Level Partnership Dialogue should consider the following:

- **Selective use of forced eradication:** Eradication efforts, whether aerial or manual, should focus on large-scale coca producers or used selectively, in consultation with local leaders, to prevent traffickers from returning to areas with ongoing development projects. Sending workers and security forces into remote areas to eliminate small plots of coca is a wasteful and ultimately fruitless effort.
- **Destruction of cocaine labs:** Studies suggest that destroying labs and confiscating precursor chemicals may be more cost effective and less harmful to local communities than eradicating coca crops.⁸⁴ The US should provide additional support for the interdiction of fuel and precursor chemicals traveling via rivers, particularly in Nariño, which produces more cocaine than any other department.⁸⁵ Nariño has over 720 miles of rivers and few roads connecting it to the rest of the country, making the riverine route the most attractive option for precursor traffickers.⁸⁶
- **Building tertiary roads:** Road building is a popular, highly visible way to demonstrate progress. It also provides immediate employment while longer term efforts take hold. Roads are negatively correlated with coca production: they allow security forces and other public services in and help farmers get perishable or fragile goods out to market, undercutting one of the main advantages of coca paste, which can be stuffed in a sack and transported in a backpack, if necessary.⁸⁷
- **Land titling and financial inclusion:** Land titling efforts should be strengthened and accelerated. USAID currently supports land titling in 70 Colombian municipalities through its land formalization program, *Nuestra Tierra Próspera*.⁸⁸ Officials estimate that more than half of rural parcels in Colombia lack formal titles, making it difficult for farmers to get credit, access government services, or attract investment.⁸⁹

To help the Colombian government reach its goal of registering all lands in the national territory by 2025, the US should continue supporting of the national cadaster program and other long-term development initiatives. It should accompany land titling with financial inclusion projects to give farmers and small business owners the credit they need to develop economically viable alternatives to coca and other illicit crops.

- **Agribusiness opportunities:** The US should continue supporting efforts to expand

⁸⁴ Mejia, Plan Colombia.”

⁸⁵ Héctor Silva Ávalos, [Nariño, Colombia: Ground Zero of the Cocaine Trade](#),” *InSight Crime*, June 7, 2017.

⁸⁶ WHDPC Meeting with ONDCP, Oct. 16, 2019.

⁸⁷ WHDPC interviews, Bogotá January 2020.

⁸⁸ US Embassy in Colombia, “[Estados Unidos apoya programa “Nuestra Tierra Próspera](#),” Jan. 31, 2020.

⁸⁹ Marcela Chaves, [Why should you care about land policies in Colombia?](#),” USAID, Sept. 9, 2019.

agribusiness opportunities through USAID's Producers to Market Alliances (PMA) program. The PMA works with local producing associations to help them place their goods on domestic and international markets. The US should extend or establish preferential treatment for products from post-conflict areas to encourage sustainable, demand-driven investments.

Donors should also facilitate the **creation of cooperatives or mutual companies**, modeled on Colombia's National Coffee Federation (known as *Fedecafé*) to provide a guaranteed market for alternative crops. Fedecafé offers coffee producers technical assistance, and a guaranteed purchaser in exchange for quality beans.

The US **Development Finance Corporation** (DFC), a new federal agency that supports private development projects, is another way to expand financing for businesses willing to invest in post-conflict areas.⁹⁰

- **Alternative livelihoods:** The US and Colombian governments should promote land stewardship and sustainable tourism in parts of the country where farming is not an option. According to recent estimates, close to 60 percent of all coca crops fall outside of Colombia's agricultural belt.⁹¹
- **Protection of local leaders:** The US should help Colombia implement the Comprehensive Program of Safeguards for Women Leaders and Human Rights Defenders and Comprehensive Protection and Security Program for Communities and Organizations in the Territories. Afro-Colombian, indigenous, and human rights leaders have faced violent attacks, often in retaliation for participating in crop substitution programs. The US should encourage the Colombian government to fulfill its obligation to protect vulnerable communities.⁹²

⁹⁰ Presidencia de Colombia, "[Presidente Duque resalta apoyo de 5.000 millones de dólares del Gobierno de Estados Unidos, en los próximos años, para inversión integral en territorios afectados por el narcotráfico](#)," Jan. 16, 2020; and "[Colombia anuncia ayuda de EE. UU. por USD 5.000 millones para combatir narcotráfico](#)," *El Heraldo*, Jan. 17, 2020; WHDPC Virtual meeting with Colombian Minister of Defense and Colombian Ambassador to the US, July 30, 2020.

⁹¹ Juan Carlos Garzón, "[Acceso a la tierra y sustitución de cultivos ilícitos](#)," *Fundación Ideas para la Paz*, Dec. 2018, p. 11.

⁹² Human Rights Watch, [World Report 2020: Colombia, Events of 2019](#), July 7, 2020, p. 143.

Chapter 4: Mexico, Law Enforcement and Criminal Justice Reform

I. Introduction

The United States and Mexico share one of the world's busiest borders. Normally more than 500,000 people and \$1.7 billion in goods and services cross to and from each country every day.¹ In addition to legal commerce and travel, the border also permits enormous illicit flows of dangerous drugs into the United States and of powerful firearms into Mexico.

Stopping transnational crime is of vital interest to both countries. The US needs to stop criminal groups from smuggling the illicit drugs that threaten the health and safety of US citizens. Mexico wants to halt the drug-related crime that has overwhelmed its security and justice systems, corrupted political institutions, and sent homicides to record levels.

Mexican cartels are among the most powerful transnational criminal organizations in the world. They dominate drug trafficking in the Western Hemisphere, controlling the transit and distribution of most of the cocaine and heroin consumed in the United States.² Mexican criminal groups are also involved in the sale and production of fentanyl, a powerful synthetic opioid linked to approximately 2/3 of all opioid overdoses.³

The two countries launched a joint effort to address their common security challenges in 2007 with the Mérida Initiative, a multi-year US commitment to provide Mexico with resources for training and equipment, information sharing, border security, and judicial reform. Although the approximately \$3 billion Congress has provided to Mexico since 2008 pales in comparison to the \$10 billion appropriated under Plan Colombia, the Mérida Initiative was nonetheless unprecedented.

Under the principle of “shared responsibility” for drug trafficking, the two countries have worked closely on law enforcement and intelligence, a remarkable level of collaboration given Mexico's sensitivity to outside interference. With US assistance, Mexico also launched a sweeping criminal justice reform, which is making judicial proceedings both faster and fairer.⁴

The Mérida Initiative is in urgent need of reassessment, however. The US arrest of former Defense Minister General Salvador Cienfuegos on drug charges in October 2020 has undermined trust. Although the Justice Department dropped the charges in November, saying it would turn evidence over to Mexican authorities, the incident could threaten future collaboration.⁵ Cienfuegos, who denies the charges, had worked closely with US counterparts to combat drug trafficking. Mexico's foreign minister protested the United States' failure to inform

¹ Bureau of Transportation Statistics, [Border Crossing Entry Data, Annual](#), 2018; Ana Swanson, “[Avocado Shortages and Price Spikes: How Trump's Border Closing Would Hit U.S.](#),” *The New York Times*, April 1, 2019.

² Drug Enforcement Administration, [2019 National Drug Threat Assessment](#) (Washington, D.C.: Strategic Intelligence Section, Drug Enforcement Administration, Dec. 2019), p. 99.

³ Center for Disease Control and Prevention, “[Drug Overdose Deaths](#),” March 19, 2020. Most of the illegal fentanyl sold in the US comes either directly from China or across the border from Mexico. See “[Fentanyl: The Most Dangerous Illegal Drug in America](#),” RAND, Jan. 13, 2020; Steven Dudley, et. al., “[Mexico's Role in the Deadly Rise of Fentanyl](#),” Wilson Center, Feb. 2019.

⁴ [Report: The New Criminal Justice System in Mexico](#), (World Justice Project, June 25, 2018).

⁵ “[U.S. dropping case against former Mexican defense secretary](#),” Associated Press via *Politico*, Nov. 17, 2020.

the Mexican government about its investigation.⁶

US-Mexican security cooperation, moreover, has neither protected US citizens from toxic illegal drugs nor Mexicans from vicious criminal gangs. The pandemic is heightening these twin crises. US overdoses and Mexican homicides are likely to again surpass previous records in 2020.⁷ Limited access to treatment combined with social isolation and economic distress appears to be increasing substance abuse in the US while disruptions to drug markets are fueling violent struggles over turf and smuggling routes in Mexico.⁸

The US and Mexico need to re-assess the threats faced by both countries and then develop a joint law enforcement strategy that focuses on the deadliest cartels, especially those involved in fentanyl trafficking and the hyperviolent gangs engaged in deadly turf wars. Agencies in both countries should develop strategies to anticipate and mitigate the harms of law enforcement operations.

The US should also engage Mexican counterparts in a re-evaluation of US assistance for institutional capacity building. As discussed below, the impact of US training and technical assistance remains unclear. The two countries need to design a new version of the Mérida Initiative based on mutual goals and clear metrics to evaluate performance going forward.

Finally, both governments need to reaffirm their shared responsibility for drug trafficking. The WHDPC mandate is to examine US foreign policy, not domestic policies for public health and gun control. As discussed in the introduction to this report, however, the US cannot control drug trafficking without also curbing US demand. US markets provide the dollars that motivate traffickers and the weapons that render them deadly.

Section 2 examines the evolution of Mexican drug cartels into highly diversified transnational criminal organizations. It also examines the limitations and potential harms of kingpin targeting. **Section 3** provides a brief history and overview of the Mérida Initiative, focusing on US assistance for law enforcement and criminal justice reform. **Section 4** looks at the evolution of Mexican security policy. **Section 5** looks at the impact of assistance and **Section 6** provides recommendations to make US-Mexico cooperation more effective in the future.

II. Mexico's Criminal Landscape

Mexican drug runners have smuggled heroin and marijuana into the United States since at least the early twentieth century, but only moved into high-volume trafficking after US law enforcement shut down cocaine supply routes in the Caribbean during the late 1980s. The shutdown forced Colombian cartels to shift their cocaine routes up through Central America and

⁶ Kevin Sieff, Mary Beth Sheridan, and Missy Ryan, "[U.S. arrest of former Mexican defense chief tests anti-drug alliance](#)," Oct. 24, 2020; "[Mexico bristles at U.S. for role in ex-army chief's arrest](#)," *Reuters*, Oct. 29, 2020. Only ten months earlier, the US also arrested Gen. Genaro García Luna, former secretary of public security, on drug charges. "[Mexico's ex-security chief pleads not guilty to drug charges](#)," *Associated Press*, Oct. 7, 2020.

⁷ Josh Katz, Abby Goodnough and Margo Sanger-Katz, "[In Shadow of Pandemic, U.S. Drug Overdose Deaths Resurge to Record](#)," *New York Times*; "[Mexico homicide rate remains high at 29 per 100,000](#)," *Associated Press via Washington Post*, Sept. 24, 2020; "David Vicenteño, "[Se registra el fin de semana más violento en la historia de México](#)," *Excelsior*, Oct. 12, 2020.

⁸ "[Reports of increases in opioid- and other drug-related overdose and other concerns during COVID pandemic](#)," American Medical Association, Oct. 31, 2020; Nathan P. Jones and Gary J. Hale, "[Organized Crime and the Coronavirus in Mexico](#)," Baker Institute, Rice University, July 8, 2020; Robert Muggah, "[The Pandemic Has Triggered Dramatic Shifts in the Global Criminal Underworld](#)," *Foreign Policy*, May 8, 2020.

Mexico with the help of local *transportistas* (carriers). By the 1990s, 80 to 90 percent of the cocaine smuggled into the United States came across the US-Mexico border.⁹

Because the Colombian cartels paid them largely in cocaine, Mexican *transportistas* began establishing their own distribution networks in the United States. As the Medellín and Cali cartels disintegrated under law enforcement pressure, these groups evolved into powerful transnational criminal organizations with affiliates not only in hundreds of US cities but also in Europe and Africa.¹⁰ Mexican traffickers also maintain a strong presence in Central America, working with local *transportistas* who receive drugs in fast boats, fishing vessels, or semisubmersibles and then move them north toward Mexico and, ultimately, onto the US illegal drug market.

In 2006, four major criminal groups controlled most of the country's illicit drug trade. Today there are at least six major transnational criminal organizations (according to the DEA) or nine (according to the Mexican government) with 28 local branches. Some estimates put the number of independent or semi-independent criminal cells even higher: a research group identified 463 such groups operating in Mexico between 2009 and 2019.¹¹

While fragmenting and re-organizing, Mexican criminal groups have also been diversifying into multiple criminal enterprises. They are not only polydrug smugglers – producing and selling heroin, cocaine, meth, and other synthetics – but also poly-crime mafias.¹²

Kidnapping, extortion, and fuel theft are just some of the predatory activities that victimize ordinary Mexicans. In Michoacán, the *Cartel Jalisco Nueva Generación* (Jalisco New Generation Cartel or CJNG) and a local group known as the *Viagras* have expanded beyond producing and trafficking methamphetamines. They are fighting for control of the state's avocado industry, demanding growers pay extortion fees and sometimes forcing them to plant new groves in protected woodlands.¹³ In Guerrero, where 60 percent of the country's heroin is produced, multiple groups also battle for control over illegal mines, logging, and overland precursor routes.¹⁴

In Guanajuato, an industrial state far from major smuggling routes, the CJNG is battling the local Santa Rosa de Lima Cartel for control over the lucrative fuel theft industry, which siphons tens of millions of dollars worth of gasoline from the state oil industry each year.¹⁵ In Tamaulipas, along the northeastern border with Texas, the Zetas and its offshoot, the Northeast Cartel, smuggle drugs while preying on Central American migrants, including those waiting for US asylum hearings inside Mexico under the Trump administration's Migrant Protection

⁹ See Robert C. Bonner (former DEA administrator), "[The New Cocaine Cowboys: How to Defeat Mexico's Drug Cartels](#)," *Foreign Affairs*, vol. 89, no. 4 (July/Aug. 2010), pp. 36-37.

¹⁰ "[The Transatlantic Cocaine Market](#)," UNODC, April 2011; "[The global drugs trade shifts to west Africa](#)," *The Economist*, Nov. 21, 2019.

¹¹ 2019 NDTA, p. 99; Jorge Monroy, "[Reconoce gobierno la operación de 37 cárteles del narco, en el país](#)," *El Economista*, May 19, 2019; Jane Esberg, "[More than Cartels: Counting Mexico's Crime Rings](#)," Commentary, International Crisis Group, May 8, 2020.

¹² "[DEA issues warning over counterfeit prescription pills from Mexico](#)," press release, DEA, Nov. 4, 2019.

¹³ Kate Linthicum, "[Inside the bloody cartel war for Mexico's multibillion-dollar avocado industry](#)," *Los Angeles Times*, Nov. 21, 2019.

¹⁴ "[Mexico's Everyday War: Guerrero and the Trials of Peace](#)," International Crisis Group, Latin America Report no. 80, May 4, 2020; Stevenson, Mark, Blackwell, Rebecca. "[Mexico's Vigilantes: Violence and Displacement – a Photo Essay](#)," *The Guardian*, July 2, 2019, sec. World news.

¹⁵ José de Córdoba and Robbie Whelan, "[Mexico Arrests Alleged Head of Violent Fuel-Theft Gang](#)," *Wall Street Journal*, Aug. 2, 2020.

Protocols.¹⁶

Fentanyl provides another opportunity for smaller criminal groups. Fentanyl labs can “pop up almost anywhere,” given easy access to chemical precursors and pill press machines from China.¹⁷ Unlike legacy drugs, such as marijuana, heroin, and cocaine, fentanyl does not require access to a larger criminal network that controls territory for cultivation. It is also much easier to smuggle in small quantities across the border: there is little need to bribe customs officials, refit vehicles, or construct elaborate tunnels.¹⁸

Abundant high-caliber firearms, most of which come from the United States, render these internecine struggles even deadlier, fueling more conflict. Of 106,000 guns recovered and traced by Mexican law enforcement agencies between 2011 and 2016, 70 percent were bought in the United States.¹⁹

Kingpin targeting

In theory, kingpin or high-value targeting should help “disrupt and dismantle” powerful TCOs, breaking them down into weaker, more easily controlled local mafias. US counternarcotics strategy in Mexico over the past 15 years has focused on providing Mexico with the intelligence, expertise, and firepower needed to arrest major traffickers and send them to the United States to face trial.

Judged solely by the number of extraditions from Mexico to the United States, the policy has succeeded. Under President Ernesto Zedillo (1994-2000) Mexico extradited only 68 suspects to the US, under Vicente Fox (2000-2006), the number rose to 211. Extraditions peaked under Felipe Calderón (2006-2012) with a total of 587 criminal suspects.²⁰

Although Enrique Peña Nieto extradited fewer criminals (394) to the United States, he continued his predecessor’s policy of going after drug kingpins. The Peña Nieto government managed to arrest and extradite the country’s most famous kingpin, Sinaloa Cartel boss Joaquín “El Chapo” Guzmán, though only after a massive joint military/police manhunt following his brazen escape from a maximum security prison.²¹ Peña Nieto also continued his predecessor’s war on the cartels, capturing or killing 110 of the 122 traffickers included on the most-wanted list published at the beginning of his term.²²

The Drug Enforcement Administration’s (DEA) Sensitive Investigative Units (SIUs) play a key role in many of these operations. These trained and vetted units have a dual function: to build host nation units capable of handling complex counternarcotics investigations and to provide

¹⁶ Ed Vulliamy, “Kidnappers prey with ‘total impunity’ on migrants waiting for hearings in Mexico,” *The Guardian*, Feb. 18, 2020.

¹⁷ Bryce Pardo, [Illicit Supply of Fentanyl and Other Synthetic Opioids: Transitioning Markets and Evolving Challenges](#), Testimony, House Committee on Homeland Security, Subcommittee on Intelligence and Counterterrorism and Subcommittee on Border Security, Facilitation, and Operations, (San Diego, CA: RAND Corporation, Aug. 2019)p. 8-9.

¹⁸ Linthicum, Kate, “[Death, Made in Mexico: Traffickers Embrace Fentanyl](#),” *Los Angeles Times*, Sept. 1, 2019.

¹⁹ Eric Olson, *Merida 2.0 and the Future of Mexico-United States Security Cooperation*, (Washington, D.C.: Woodrow Wilson Center, Dec. 2018); Bureau of Alcohol, Tobacco, Firearms and Explosives, [Mexico: January 1, 2011 – December 31, 2016](#) (US Department of Justice, 2017).

²⁰ “Mexico: Background and US Relations,” CRS, July 12, 2017.

²¹ Mac Schneider, “[El Chapo’s drug tunnels, explained](#),” *Vox*, Feb. 12, 2019. Guzmán is now at a maximum-security prison in Colorado.

²² Victoria Dittmar, “[The Mexico Crime Bosses Peña Nieto’s Government Toppled](#),” *InSight Crime*, Sept. 24, 2018.

the DEA with an “investigative force multiplier.”²³

Cartel infiltration has undermined Mexico’s SIU program, however. In January 2020, US prosecutors charged Iván Reyes Arzate, a former SIU commander, with receiving hundreds of thousands of dollars in bribes from Mexican drug cartels.²⁴ Reyes was already serving a US sentence on charges related to leaked information.²⁵

Investigative journalists have also linked a SIU within the federal police to a leak that resulted in the 2011 attack by the Zetas Cartel in Allende, a ranching town in the border state of Coahuila. Gunmen kidnapped and killed “dozens – possibly hundreds – of people” to retaliate against suspected informants and their families. Another report blamed the SIU for leaks that led to the disappearance of five people from a hotel in Monterrey, Nuevo Leon, where police had been conducting an undercover operation.²⁶

The Justice Department Inspector General is reviewing DEA oversight of SIUs and other vetted units in Mexico at the request of Congress. The State Department and law enforcement agencies should also examine whether operations targeting drug kingpins fulfil the overall objective of disrupting and dismantling drug trafficking networks.

Critics charge that instead of dismantling networks, decapitation simply destabilizes them temporarily, sparking vicious intra- and inter-cartel struggles.²⁷ Research supports the link between kingpin targeting and violence, i.e the “kicking the beehive effect.”²⁸ A study of Mexican homicides at the municipal level from 2001 through 2010 found that the capture of a leading trafficker increased local killings by 80 percent and that the effect persisted for at least a year. The arrest also increased homicides in other municipalities where the same trafficking group was present.²⁹

The arrest of El Chapo Guzmán and other Sinaloa Cartel leaders has failed to noticeably weaken one of the country’s oldest and most powerful transnational criminal organizations. The Sinaloa Cartel still controls trafficking in various regions, especially along the Pacific coast. It also has an expansive US footprint with distribution hubs in Los Angeles, Denver, Atlanta, Chicago, and other cities.³⁰

As the power of Sinaloa Cartel rivals (such as the Zetas and the Gulf Cartels) and splinter groups (such as the Beltrán Leyva Organization) has faded, another fast-growing challenger has emerged, Jalisco New Generation (*Cartel Jalisco Nueva Generación* or CJNG), which has expanded along trafficking corridors through several Mexican states and established its own US distribution hubs.

²³ [National Drug Control Strategy, FY 2020 Budget and Performance Summary](#), May 2019, p. 214

²⁴ [“Former Mexican Federal Police Commander Arrested for Drug-Trafficking Conspiracy,”](#) United States Attorney’s Office, Eastern District of New York, Jan. 24, 2020.

²⁵ Jason, Meisner, [“Ex-Mexican police commander given prison in Chicago for leaking details of cartel probes,”](#) *Chicago Tribune*, Nov. 8, 2018.

²⁶ Ginger Thompson, [“How the U.S. Triggered a Massacre in Mexico,”](#) ProPublica, June 12, 2017; Ginger Thompson, [“DEA Operation Played Hidden Role in the Disappearance of Five Innocent Mexicans,”](#) ProPublica, Dec. 21, 2017,

²⁷ Vanda Felbab-Brown, [“Mexico needs better law enforcement, but the solution isn’t opportunistic decapitation,”](#) Brookings, Feb. 14, 2020.

²⁸ WHDPC interviews, Mexico City, March 2020

²⁹ Jason M. Lindo and Maria Padilla-Romo, [“Kingpin Approaches to Fighting Crime and Community Violence: Evidence From Mexico’s Drug War,”](#) National Bureau of Economic Research Working Paper, May 2015. See also Eduardo Guerrero Gutiérrez, [“La Raíz de la Violencia,”](#) Nexos, June 1, 2011.

³⁰ NDTA 2019, DEA, p. 99.

Many US officials are aware of the dangers and limits of kingpin targeting. They also know that US law enforcement alone cannot dismantle cartels capable of penetrating and corrupting all levels of the Mexican state. Effective Mexican law enforcement at all levels is needed to detain the scores of mid-level traffickers and hitmen who stand ready to take over existing organizations or form new ones.

“We can’t extradite our way out of this,” an official told the WHDPC. “We can extradite the head, but Mexico needs to catch the next ten guys.”³¹

III. The Mérida Initiative

Presidents George W. Bush and Felipe Calderón met in March 2007 in Mérida, the state capital of Yucatán, to launch a “new and intensified level of bilateral cooperation” against drug trafficking.³² It sought to institutionalize US-Mexico cooperation based on the principle of “shared responsibility” for controlling illegal drug trafficking. The Mexican government promised to address drug trafficking and corruption while the US would reduce drug demand and illicit arms trafficking into Mexico.³³

The Mérida Initiative was a historic departure for Mexico, a country traditionally protective of national sovereignty and suspicious of US motives. Calderón, however, saw crime as the greatest threat to Mexican institutions, which were being infiltrated by powerful criminal organizations, especially at the state and local level.³⁴ In early 2007, shortly after taking office, he launched a “national crusade” against crime, sending the military and federal police to confront cartels in multiple states. Most of Mérida’s initial assistance (\$1.5 billion) went to security forces, including \$421 million in foreign military funding for the purchase of equipment, including aircraft and helicopters.³⁵

By 2010, Mexico had deployed 50,000 troops to 18 of Mexico’s 32 states in an increasingly violent offensive against the country’s criminal organizations. Homicides were surging, along with accusations of abuse by military and police forces.³⁶ Amid fears that the offensive was itself breeding insecurity, the US and Mexico launched a new phase of Mérida in 2010 focused on long-term institution building.³⁷

“Beyond Mérida,” included four pillars: 1) combating organized crime through intelligence sharing and law enforcement operations; 2) strengthening rule of law and human rights through justice sector and prison reform, forensic equipment, and training; 3) modernizing the US-Mexican border through better immigration enforcement and security; and 4) building strong and resilient communities with social programs to address root causes, improve education, and

³¹ WHDPC interviews, Mexico City, March 2020.

³² “[Joint Statement on the Merida Initiative: A New Paradigm for Security Cooperation](#),” State Department media note, Oct. 22, 2007.

³³ “[Mexico: Evolution of the Mérida Initiative, 2007-2019](#),” CRS, July 20, 2020.

³⁴ Felipe Calderón Hinojosa, *Los retos que enfrentamos: Los problemas de México y las políticas públicas para resolverlos* (Mexico City, 2014), p. 26. See also Guillermo Valdés Castellanos, *Historia del Narcotráfico en México* (Mexico City, 2013), pp. 363-379.

³⁵ “[Mexico: Evolution of the Mérida Initiative, 2007-2020](#),” CRS, Updated July 20, 2020, p. 1.

³⁶ “[Mexico: Widespread Rights Abuses in ‘War on Drugs’](#),” Human Rights Watch, Nov. 9, 2011.

³⁷ Marc Lacey, “[Mexican Leader to Visit U.S. as Woes Mount](#),” *New York Times*, May 17, 2010.

reduce drug demand.³⁸

Over the past decade, Congress has appropriated nearly \$3 billion for the Mérida Initiative. From 2014 to 2018, more than 80 percent of US funding went toward rule of law, human rights and counternarcotics efforts. These include nearly 400 INL projects, most of which provide training or technical assistance for Mexican officials within the justice system, law enforcement, border security, and the military as well as equipment for forensic drug laboratories, drug detection, and border surveillance.³⁹

USAID runs fewer (57), larger-scale projects focusing on crime and violence prevention, anti-corruption, and human rights. Many USAID projects engage the private sector and other civil society groups. The agency has provided some \$126 million in technical assistance to help officials transition to a new judicial system.

Although many of these programs are ongoing, President Trump refocused US assistance with two executive orders that prioritize fighting organized crime and strengthening border security.⁴⁰ In response to US pressure, Mexico has deployed security forces to its southern border and allowed the US to send asylum seekers back to Mexico as they wait for their US immigration court hearing.⁴¹

In August 2019, the US and Mexico created a High-Level Security Group, including a Mérida Initiative working group charged with improving cooperation on drug trafficking, arms smuggling, and financial crimes, among other areas.⁴² Following US Attorney General William Barr's visit in January 2020, the two countries agreed to strengthen cooperation: the López Obrador government agreed to intensify efforts against drug cartels while the Trump Administration promised to address arms smuggling.⁴³

During the Trump administration, foreign assistance levels to Mexico have remained relatively constant, given continued bipartisan support in Congress for the Mérida Initiative. If approved, President Trump's FY 2021 funding request of \$63.8 million would break from this trend, resulting in a 60 percent (\$94.2 million) drop in assistance to Mexico compared to the previous fiscal year.

IV. Mexican Security Policies

The Mérida Initiative has weathered three Mexican presidencies, each of whom took office promising a new approach to countering organized crime. Mexico has swung from the

³⁸ "Mexico: Evolution," CRS, p. 1. Under President Obama, border modernization focused on strengthening immigration control on Mexico's southern border in order to stem Central American migration. Central American deportations from Mexico rose, exceeding those from the United States.

³⁹ *US Assistance to Mexico*, (Washington, D.C.: GAO, Sept. 2019).

⁴⁰ Presidential Executive Order on Enforcing Federal Law with Respect to Transnational Criminal Organizations and Preventing International Trafficking, ([E.O. 13773](#)), Feb. 9, 2017; Border Security and Immigration Enforcement Improvements ([E.O. 13767](#)), Jan. 25, 2017.

⁴¹ James Fredrick, "[How Mexico Beefs Up Immigration Enforcement To Meet Trump's Terms](#)," NPR, July 13, 2019.

⁴² See Earl Anthony Wayne, "[The Urgent Need to Bolster US-Mexico Security Cooperation](#)," Mexico Institute, Wilson Center, Feb. 4, 2020; Mexican Foreign Affairs Ministry, [Progress for Mexico-US Binational Strategy on Illicit Arms Trafficking. Bulletin](#), Nov. 21, 2019.

⁴³ José de Córdoba and Sadie Gurman, "[Mexico, Under U.S. Pressure, Adds Muscle to Fight Against Drug Cartels](#)," *Wall Street Journal*, Feb. 7, 2020.

conservative government of Felipe Calderón to restoration of the Institutional Revolutionary Party under Enrique Peña Nieto to the leftwing populism of Andrés Manuel Obrador. Despite their ideological differences, all have pursued police and justice reform (with varying degrees of resolve) while relying heavily on the armed forces to confront powerful criminal organizations.

Calderón's crusade, 2006 - 2012

Although Calderón's "national crusade against crime" consumed much of his presidency, his conservative National Action Party (PAN) launched sweeping changes to the country's justice system with US support. In 2008, the Mexican Congress passed constitutional reforms to replace the inquisitorial justice system based on written documents presented to a judge with an adversarial process, where parties present evidence and debate in public courtrooms.

The reforms also enshrined legal protections, including formal recognition that those accused were innocent until proven guilty. Mexico committed to implementing the reforms by 2016, which meant harmonizing criminal codes and retraining judges, prosecutors, forensic experts, public defenders, and police at the federal level and across the country's 31 states plus Mexico City.⁴⁴

Calderón also worked to strengthen police, increasing federal forces from 6,500 in 2006 to more than 38,000 by the end of his term.⁴⁵ With US assistance, he raised recruitment standards and improved training for federal forces while expanding subsidies to strengthen state police. The US also supported the creation of a national database to allow police to share information across jurisdictions.

Under Calderón, again with US support, the government created an evaluation and vetting system (*Centros de Evaluación y Control de Confianza*) to combat corruption within Mexico's federal, state, and municipal police forces as well as public prosecutors and migration officials.⁴⁶ It also revamped the internal affairs unit within the federal police, providing it with greater autonomy and the authority to carry out investigations, including undercover operations.

Implementation of these ambitious reforms has been poor. A 2018 survey of federal and state forces found that none were fully complying with certification and most retained officers who failed to pass evaluations. Most did not have established career and promotion procedures or adequate training facilities.⁴⁷

Calderón could point to some achievements, however. Homicide rates began to fall during his final years in office. The decline was especially sharp in Ciudad Juárez, where violence had soared to a high of 265 per 100,000 people in 2010. The reasons behind the city's falling rates are complex, but seem to include the federal government's support for local police reform and its collaboration with civil society on targeted violence prevention. The effort, dubbed *Todos*

⁴⁴ See "[Mexico's New Criminal Justice System: Substantial Progress and Persistent Challenges](#)," World Justice Project, June 2018; Maureen Meyer and Ximena Suárez Enríquez, "[Mission Unaccomplished: Mexico's New Criminal Justice System Is Still a Work in Progress](#)," WOLA, July 2016;

⁴⁵ Arturo Ángel, "[Con todo y Gendarmería, la Policía Federal tiene ahora mil agentes menos que al inicio del sexenio](#)," *Animal Político*, Oct. 3, 2018.

⁴⁶ Maureen Meyer, "[Mexico's Police. Many Reforms. Little Progress](#)," WOLA, May 2014.

⁴⁷ [Indepol \(Índice de Desarrollo Policial\) 2018](#), Causa en Común, pp. 10-11.

Somos Juárez (We are all Juárez), became a model that his successor would try to emulate.⁴⁸

Peña Nieto's frustrated reforms, 2012-2018

Enrique Peña Nieto (EPN), of the storied Institutional Revolutionary Party (PRI), began his term by vowing a new approach to security policy and US assistance. To put his own stamp on the security apparatus, he dissolved the Secretariat of Public Security (created in 2000 to depoliticize civilian security forces), moving federal police and civilian intelligence back into the Government Secretariat, known as SEGOB. He also attempted to centralize US intelligence sharing and law enforcement assistance, alarming US law enforcement officials who had worked directly with Mexican partners under Calderón.⁴⁹

EPN devoted most of his energy to economic reforms during his first months in office. But he also took steps to fulfil his campaign promise to demilitarize the fight against criminal gangs, promising to send the armed forces back to their barracks and replacing them with a new civilian-controlled, paramilitary *gendarmeria*.⁵⁰ He also launched an ambitious national violence prevention program in geographic hot spots.⁵¹ Modeled on Calderón's assistance to Ciudad Juárez, the idea was to work with civil society in targeted districts to promote community policing and help at-risk youth.⁵²

In the end, Peña Nieto's policies showed more continuity than change. He resumed close cooperation with US intelligence to capture drug kingpins, including El Chapo (twice). His signature reforms never came to fruition. The *gendarmeria*, initially planned as a stand-alone force that would grow to 40,000 members, could not overcome bureaucratic and political resistance. By the end of the EPN *sexenio*, the new force had been reduced to an approximately 5,000-member branch of the federal police.⁵³

The government also cut back national violence prevention efforts, reducing them to a limited number of incoherent, poorly funded projects, undermined by allegations of corruption and clientelism.⁵⁴ Peña Nieto failed to continue Calderón's efforts to strengthen federal police forces, which actually decreased slightly from 38,000 members to 37,000.⁵⁵

Instead the EPN government, like its predecessor, relied heavily on the military, deploying troops in 27 of Mexico's 32 federal entities and passing a 2017 Internal Security Law that gave the military greater authority to control civilian protests, gather intelligence, and investigate crimes.⁵⁶ Human rights groups within Mexico and abroad condemned the legislation, which was overturned a year later by the Supreme Court.⁵⁷

Human rights abuse by local and federal forces continued. The Peña Nieto government never recovered from its bungled investigation into the disappearance of 43 students from Ayotzinapa,

[Back from the Brink: Saving Ciudad Juárez](#)," International Crisis Group, Feb. 25, 2015.

⁴⁸ Maureen Meyer, "Mexico's Police."

⁴⁹ Nick Miroff, "[In Mexico, restrictions on U.S. agents signal drug war shift](#)," *Washington Post*, May 14, 2013.

⁵⁰ "[Peña Nieto propone crear una 'gendarmería nacional' contra el narcotráfico](#)," CNN via *Expansión*, April 9, 2012.

⁵¹ Maureen Meyer, "[One Year after Enrique Peña Nieto's Election](#)," WOLA, July 2, 2013.

⁵² "[Back from the Brink: Saving Ciudad Juárez](#)," International Crisis Group, Feb. 25, 2015.

⁵³ Angel, "Con todo y Gendarmería."

⁵⁴ José Andrés Sumano Rodríguez, "[Pronapred: mismos problemas, menos recursos](#)," *Nexos*, Feb. 19, 2018.

⁵⁵ Angel, "Con todo y Gendarmería."

⁵⁶ Elisabeth Malkin, "[Mexico Strengthens Military's Role in Drug War, Outraging Critics](#)," *New York Times*, Dec. 15, 2017.

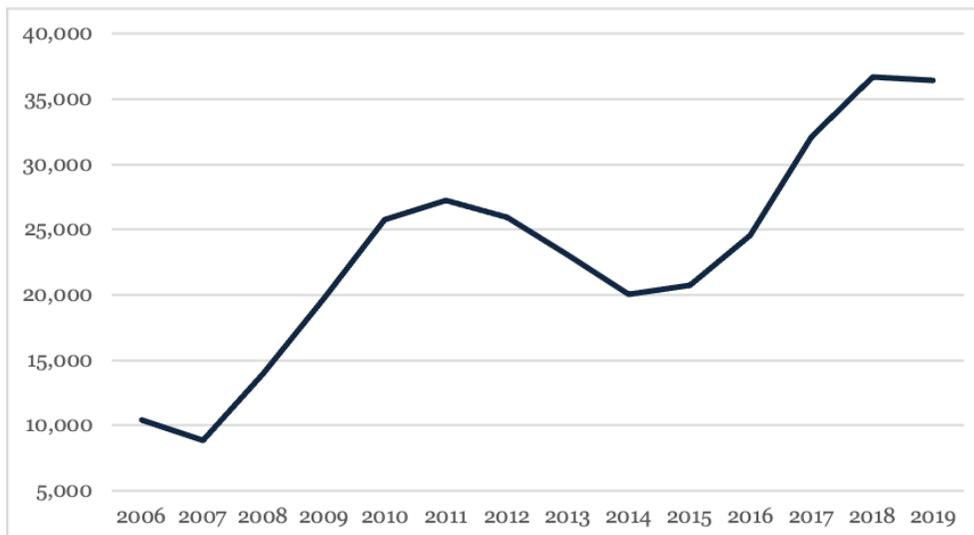
⁵⁷ "[Mexico Supreme Court Overturns Controversial Security Law](#)," WOLA, Nov. 15, 2018.

a rural teachers' college in Guerrero. A federal probe resulted in the arrest of more than 100 people, including 70 municipal police who allegedly collaborated with a local drug gang, but the case was riddled with irregularities, including accusations of torture.⁵⁸

Ayotzinapa was the most notorious human rights scandal under Peña Nieto, but not the only one. In July 2014, the army allegedly executed 15 people in Tlatlaya, Mexico state, following a shoot-out with suspected kidnappers; in January 2015, federal police shot at least 8 people while breaking up a demonstration in Apatzingán, Michoacán; in May 2015 federal police killed 42 alleged gang members in Tanhuato, Michoacán.

In its review of the Tlatlaya and Tanhuato cases, Mexico's National Human Rights Commission cited evidence that federal forces shot the victims after they had surrendered and then altered the scene to make it look like a fire fight. In the Apatzingán case, the Commission found that federal police used excessive force against civilians, executing at least one victim.⁵⁹

Figure 4. Mexican Homicides, 2006-2019



Source: INEGI data

By the end of the Peña Nieto government, violence was once again climbing to historic highs. His successor Andrés Manuel López Obrador, roundly defeated opponents from both the governing and the conservative parties, assuming office with a robust mandate and promises to (once again) transform security policy.⁶⁰

AMLO's transformation, 2018-present

Andrés Manuel López Obrador (AMLO) brought his National Regeneration Movement (MORENA) into power by promising to launch the “Fourth Transformation” (or the “4T”), i.e.

⁵⁸ See the report by team of experts convened under an agreement between the Mexican government and the Inter-American Commission on Human Rights. Alejandro Valencia Villa, Ángela María Buitrago, Carlos Martín Beristáin, Claudia Paz y Paz Baile, Francisco Cox Vial, *Informe Ayotzinapa: Investigación y primeras conclusiones de las desapariciones y homicidios de los normalistas de Ayotzinapa*, Grupo Interdisciplinario de Expertos Independientes (GIEI), Sept., 2015.

⁵⁹ Inter-American Commission on Human Rights, *Situation of Human Rights in Mexico*, Dec. 31, 2015, pp. 106-112; “Mexico: Police Killings in Michoacán,” Human Rights Watch, Oct. 28, 2015.

⁶⁰ Mark Stevenson, Peter Orsi and Christopher Sherman, “Mexico's Lopez Obrador claims historic win, broad mandate,” *Associated Press*, July 2, 2018.

epoch-defining change on the order of Mexican independence, mid-19th century liberal reforms, and the early 20th century revolution. His campaign focused on addressing poverty and inequality by providing pensions for the elderly and scholarships for the young, while also reviving the energy sector through investments in the country's troubled state-owned oil company.

Like his predecessor, AMLO also promised to demilitarize security policy, campaigning under the slogan “*abrazos, no balazos*” (hugs not bullets) and proposing amnesty for drug traffickers. And, again like EPN, the new president started by reorganizing the security bureaucracy. His government moved police back out of SEGOB and into a new Secretariat for Security and Citizen Protection (SSPC), giving the new agency formal control over a new paramilitary force called the National Guard.⁶¹

AMLO's security approach has proven less radical and more accommodating to the United States than his campaign rhetoric suggested. Though he criticized the Mérida Initiative during the campaign, he has continued joint law enforcement and training programs. The government accelerated extraditions in 2020, sending 30 suspects to the US in January and February.⁶² And far from demilitarizing Mexican security policy, AMLO has relied heavily on the army to build the National Guard.

The Guard's operational leadership is largely military, with former police officers relegated to subordinate positions, though the constitutional reform creating the Guard mandates civilian control.⁶³ Recruiting new members has been challenging: in 2019 only one out of 10 applicants managed to complete background and training requirements.⁶⁴

By October 2020, the Guard had nearly 100,000 members.⁶⁵ The goal is to have 150,000 members by the end of 2021.⁶⁶ Most of the current force is on a five-year secondment from the military. As of June 2020, 72 percent of the 91,045 deployed National Guard members had been transferred from the military (61%) or the navy (11%).⁶⁷ About 28 percent are former members of the federal police.⁶⁸ Much of the Guard has been deployed along the borders to control Central American migration.⁶⁹

Even when the Guard reaches full force, it will be stretched thin, given existing deficits in police coverage. Assuming the Guard reaches 130,000 members, a Mexican security expert says Mexico will still need an additional 300,000 to 400,000 state and municipal police.⁷⁰ Mexico now has about 1.05 police per 1,000 people, well below UN-recommended standards of 1.8 per

⁶¹ “[Mexico: Lower House of Congress Approves Reform to Create a National Guard](#),” Global Legal Monitor, Library of Congress, Jan. 28, 2019.

⁶² Kirk Semple, “[Under Pressure From Trump, Extraditions to U.S. From Mexico Soar](#),” *New York Times*, Feb. 24, 2020.

⁶³ Documents leaked to Mexican media suggest the defense secretariat remains in operational control of the Guard, in violation of constitutional reforms requiring that the Guard be placed under civilian control. See Alejandro Hope, “[Quién controla a la Guardia Nacional?](#)” *El Universal*, Oct. 12, 2020.

⁶⁴ WHDPC Interviews, Mexico City, March 2020; Concepción Peralta Silverio, “[Empleo seguro y un sueldo mayor. los motivos de cientos de jóvenes para ser guardia nacional](#),” *Animal Político*, Jan. 27, 2020.

⁶⁵ Érika Ramírez, “[Guardia Nacional alcanza a reclutar a 100 mil elementos: AMLO](#),” *Contra Línea*, Oct. 12, 2020.

⁶⁶ Arturo Rodríguez García, “[Reportan avance en reclutamiento de Guardia Nacional](#),” *Proceso*, March 23, 2020.

⁶⁷ “[Casi 10,000 soldados, desplegados en la Guardia Nacional, seguridad a Pemex y contención de migrantes](#),” *El Economista*, Oct. 24, 2020

⁶⁸ *Ibid.*

⁶⁹ Maureen Meyer, “[One Year after National Guard's Creation, Mexico is Far from Demilitarizing Public Security](#),” WOLA, May 26, 2020; “[Casi 10,000 soldados, desplegados en la Guardia Nacional, seguridad a Pemex y contención de migrantes](#),” *El Economista*, Oct. 24, 2020.

⁷⁰ Alejandro Hope, “[Guardia Nacional: preguntas y respuestas](#),” Nexos, Feb. 1, 2020.

1,000.⁷¹ In contrast the United States has about 2.2 officers per 1,000 people.⁷²

Despite rising violent crime rates, the Mexican government spends less than 1 percent of GDP on security, considerably less than the 2.2 percent spent by Colombia or the 3 percent spent on average in other OECD countries.⁷³ Spending increased to 1.2 percent of GDP under President Calderón, but then declined under Peña Nieto. During his first year in office, López Obrador continued that trend, slashing overall security spending by 10 percent.⁷⁴

More than four-fifths of the public security budget went to the armed forces. Although the president's 2019 National Public Security Strategy stresses crime prevention, spending on these programs was 27 percent less than in 2018.⁷⁵

The López Obrador government has so far invested little in bolstering local state and law enforcement. In a blow to cash-strapped state and local governments, many of which have little authority or ability to collect revenues, the 2021 budget also cuts federal subsidies for state and municipal police.⁷⁶

Meanwhile, AMLO has resumed kingpin targeting, though with less fanfare than before. His security secretary announced in October 2020 that it had arrested nearly 600 “high profile” members of major cartels so far that year.⁷⁷ One of its highest profile captures occurred in Guanajuato, where homicides have surged as cartels battle for control over a lucrative fuel theft rackets. A joint operation by federal and state forces arrested José Antonio Yépez Ortiz, aka *El Marro* (Sledgehammer), head of the local Santa Rosa de Lima Cartel in August.⁷⁸

For a few weeks, homicides in Guanajuato subsided, though by September killings in the state had returned to previous levels.⁷⁹ “It isn’t enough to arrest only the heads of gangs. Other [leaders] emerge or other gangs arrive,” López Obrador acknowledged during one of his regular news conferences. “There are no vacuums.”⁸⁰

V. US Assistance: Opportunities and Obstacles

US officials stress that the Mérida Initiative has built a strategic partnership between the two countries that has persisted through three Mexican presidencies. By training and supporting a range of different security and justice actors – including judges, prosecutors, police, border

⁷¹ Secretaría de Seguridad y Protección Ciudadana, Secretariado Ejecutivo del Sistema Nacional de Seguridad Pública, “[Diagnóstico Nacional por indicador](#).” Jue 30, 2019 (presentation).

⁷² Average number of full-time law enforcement officers in the nation’s cities, FBI: Uniform Crime Reporting (UCR) program, [Table 24: Full-time Law Enforcement Officers](#).

⁷³ *Mexico Peace Index 2020: Identifying and Measuring the Factors that Drive Peace*, (Sydney, Australia: Institute for Economics & Peace), p.56.

⁷⁴ Arturo Angel, “[Propone AMLO alza al presupuesto del Ejército, pero reduce el del resto de las áreas de seguridad y justicia](#),” *Animal Político*, Dec. 16, 2018.

⁷⁵ *Gasto Público en Seguridad: Una Mirada a la Ruta de los Recursos*, Centro de Investigación Económica y Presupuestaria (CIEP) and Observatorio Nacional Ciudadano (ONC), 2019; “Cimientos de las Políticas de Seguridad: Primeros Pasos y Tareas Pendientes,” ONC, 2020.

⁷⁶ Arturo Angel, “[El próximo año militares tendrán más recursos; cae presupuesto para víctimas y policía civil](#),” *Animal Político*, Sept. 9, 2020; Alejandro Hope, “[La lana, la policía y los municipios](#),” *El Universal*, Sept. 9, 2020.

⁷⁷ Karen Ballesteros, “[Gobierno de AMLO ha detenido a 599 miembros de ‘alto perfil’ del crimen organizado](#),” *Contra Línea*, Oct. 21, 2020.

⁷⁸ Kevin Sieff, “[Mexico arrests Santa Rosa de Lima cartel chief ‘El Marro’](#),” *Washington Post*, Aug. 2, 2020.

⁷⁹ Alejandro Hope, “[Guanajuato y la violencia que no cede](#),” *El Universal*, Sept. 30, 2020.

⁸⁰ “[Detención de ‘El Marro’ no frenó violencia: 103 muertos en 7 días en Guanajuato](#),” *Forbes*, Oct. 8, 2020.

officials, forensic experts, and prison officials – the US has built capacity and strengthened Mexican willingness to work collaboratively with US counterparts. The Mérida Initiative, said one official, established “a relationship and conversation with Mexico that we didn’t have before.”

There have been setbacks, however. US officials developed working relationships with the Federal Police, providing training while helping the institution set up an internal affairs unit. Many of these links were lost when López Obrador decided to replace the Federal Police with the National Guard, which has not requested US assistance.⁸¹

Accreditation and certification are two tools used by INL to strengthen and professionalize law enforcement and justice institutions. A US supported program to certify the country’s 409,000 state and municipal police forces is behind schedule: as of September 2020, many had not completed the background checks, physical exams, basic training, competency tests, and performance evaluations needed for certification.⁸²

But officials cite their prison accreditation programs as a success story: the American Correctional Association (ACA) has accredited about 100 institutions, which must comply with safety, security, and health standards, improve administration and management, and provide reinsertion support.⁸³ A review by Mexico’s National Human Rights Commission found that certification led to more humane and more secure prisons.⁸⁴

USAID has worked in all 32 federal entities to prepare state officials for the new accusatory justice system. It is now narrowing its justice sector programs to 14 states and plans to target 8 to 10 in the future.⁸⁵ USAID also collaborates with business and nonprofit organizations on programs that include anti-corruption and violence prevention efforts.⁸⁶

The value of these programs is hard to assess, especially without prior agreements on information sharing. The impact of training programs, for example, “hinges on a good definition of needs, adequate coordination with other activities, and systematic evaluation.”⁸⁷ All of this requires close collaboration with Mexican authorities, whose own priorities and interests may change over time.

High-level indicators – such as crime rates or public perceptions – depend on variables beyond US control. This is especially true when US assistance is spread among multiple programs in many different jurisdictions. An analysis of USAID justice training found that while there were some baseline improvements, results fell short on four of the seven indicators used to measure public support for criminal justice reform.⁸⁸

While the impact of specific US assistance programs is difficult to measure, there is evidence that reform has made Mexico’s justice system fairer and more efficient. A 2016 Mexican government survey of more than 58,000 inmates found notable decreases in coerced confessions and torture. It also found that inmates reported that sentencing was clearer, judges

⁸¹ WHDPC interviews, Mexico City, March 2020.

⁸² Arturo Ángel, “[Solo 1 de cada 3 policías del país está certificado como apto para hacer su trabajo.](#)” Animal Político, Sept. 7, 2020.

⁸³ [Merida Initiative Corrections Program.](#) INL Mexico, Oct. 9, 2020.

⁸⁴ Comisión Nacional de Derechos Humanos, Diagnóstico Nacional de Supervisión Penitenciaria, 2018, March 2019 p. 6.

⁸⁵ WHDPC interviews, Mexico City, March 2020.

⁸⁶ WHDPC interviews, Mexico City, March 2020.

⁸⁷ Mid-term evaluation of USAID/Mexico Promotion of Justice Project, USAID, March 7, 2018.

⁸⁸ See USAID Promoting Justice Project Tasks 3 and 4, p. 15.

more likely to be present and attentive during the trial, and that hearings were more likely to be recorded, as required by law.⁸⁹

US assistance may have the greatest impact when directed to the state and local level. With INL assistance, the state prosecutor in Guanajuato has developed a criminal investigation agency with modern forensics technology, including DNA analysis and ballistics. The agency, which is becoming a model for other states, brings together forensics technicians, prosecutors, and police investigators, providing all with training and professional salaries.⁹⁰

With USAID assistance, the municipality of General Escobedo in Nuevo Leon now uses COMPSTAT policing and body cameras; it has also reduced police turnover and strengthened management. Queretaro and Ciudad Juárez involve citizens in police oversight. USAID also supports a public/private trust fund in the state of Chihuahua that helps train police, promotes violence prevention and community policing, and works with at-risk youth.⁹¹

These efforts depend on committed local partners: elected mayors and governors to marshal local government resources and private businesses and civic associations to ensure sustainability. Given limited resources, choosing the right institutional partners may be the best way to ensure long-term impact.

VI. Recommendations

The United States and Mexico need a new strategic framework for law enforcement cooperation and foreign assistance. In October 2007, the two countries launched the Mérida Initiative “to break the power and impunity of drug and criminal organizations that threaten the health and public safety of their citizens and the stability and security of the region.”⁹² Thirteen years later and despite enormous sacrifice, that goal remains elusive.

The stakes are too high to abandon the effort, however. Instead both countries need to strengthen the fragile achievements made so far and assess lessons learned. The US Mexico High-Level Security Group should start this process by setting shared objectives and responsibilities within a cooperation compact, which should be as transparent as possible.

Agencies from both governments should work together on preparing a comprehensive needs assessment, including baseline data. The strategy should mandate periodic impact evaluations that will allow US and Mexican counterparts to realign resources and redesign programs, when necessary.

US and Mexican law enforcement should explore more targeted approaches that focus on the most dangerous organizations, including those that smuggle fentanyl into the United States. This means dismantling fentanyl labs, going after mid-level criminal operatives, and more effectively targeting drug traffickers’ white-collar enablers: businesspeople who launder illicit

⁸⁹ “Mexico’s New Criminal Justice System,” WJP.

⁹⁰ WHDPC interviews, Mexico City, March 2020.

⁹¹ Juan Salgado, “[Misión posible: en Escobedo, Nuevo León se logró una policía cercana a la comunidad.](#)” *Animal Político*, July 2, 2020; “[USAID y FICOSEC premueven buenas prácticas para prevenir la violencia familiar.](#)” FICOSEC; “[Reinsertion for Youth in Conflict with Law.](#)” USAID.

⁹² “[Joint Statement on the Merida Initiative: A New Paradigm for Security Cooperation.](#)” U.S. Department of State Archive, Oct. 22, 2007.

profits and corrupt government officials.

US funding for police and justice is spread thin among multiple programs and projects that often lack clear goals linked to substantive performance metrics. Instead US assistance should focus on federal institutions that are committed to reform with public oversight. The US should also work closely with state and local authorities to develop effective policing and violence prevention programs that can be replicated across the country.

Areas where the US and Mexico should explore greater cooperation include:

- **The National Guard:** The US needs to strengthen relations with the National Guard. INL should expand “**train the trainer**” programs to develop the Guard’s investigative capabilities, including crime scene preservation and chain-of-custody procedures. It could also expand opportunities for officers and recruits to **study abroad**, either at US law enforcement academies or in other Latin American countries, such as Colombia, which face similar challenges.
- **Criminal justice reform:** The US and Mexico should assess training programs and re-align as necessary to ensure that the assistance to law enforcement and justice institutions is effective and transparent, with measurable outcomes.
- **Use of force protocols:** Mexican lawmakers included a new use of force law within the packet of constitutional reforms passed to create the National Guard in 2019. The US should help Mexico develop appropriate guidelines, training manuals, and sanctions.
- **State and municipal institutions:** Subnational entities, including state prosecutors and municipal police, are sometimes more innovative than federal institutions. The US should continue to invest in carefully selected state and local institutions using the knowledge gained over the past decade to identify best practices and share lessons. Agencies receiving such aid should commit to developing meaningful impact indicators and sharing results.
- **Anti-corruption:** The US should continue to support efforts to establish internal control mechanisms to combat corruption within Mexican police forces, public prosecutors’ offices, and the courts. This should also include external mechanisms, such as independent citizen observatories and human rights ombudsmen, which are empowered to monitor abuses at the federal, state, and local levels.
- **Arms trafficking:** The US government should strengthen measures to prevent illegal arms smuggling from the US into Mexico, providing the ATF and ICE with additional resources to stop weapons from crossing the border. The federal government should also work with officials in US border states to tighten background checks and regulate “grey market” sales made online or at gun shows.

The US should also work with state and local law enforcement agencies to facilitate access to the ATF’s gun tracing database (eTrace). This would help local investigative police and prosecutors to gather the evidence needed to investigate violent crimes and crack down on weapons traffickers.

Chapter 5: Central America's Northern Triangle, Violence Prevention and Police Reform

I. Introduction

Few regions suffer more from criminal violence than Central America. Over the past two decades, the countries that make up the Northern Triangle of Central America (NTCA) – Guatemala, Honduras, and El Salvador – have ranked among the most violent nations in the world with homicide rates averaging more than 50 per 100,000 people or nearly ten times the overall rate in the US.¹

Although not the focus of this chapter, the Caribbean has also experienced surging homicides: Jamaica has ranked among the Western Hemisphere's five most violent countries since 2017, with homicides averaging more than 50 per 100,000 while the tiny island state of Trinidad and Tobago suffered upticks in 2018 and 2019, with rates exceeding 37 per 100,000.²

Drug trafficking contributes to the bloodshed: cartels ship drugs through countries in both regions while street gangs participate in retail drug markets.

The proximity of Central America and the Caribbean to the United States renders these two regions especially vital to US security: their problems inevitably spread to US shores. Most of the South American cocaine that reaches the United States, passes through Central America, especially Honduras and Guatemala. Recent reports suggest these two countries have also started producing cocaine.³

Local law enforcement, overwhelmed by street crime and undermined by corruption, cannot stop the flow of drugs. Insecurity undermines development, sending migrants, including families and unaccompanied children, to the United States in search of both safety and economic opportunity.⁴

There is some hopeful news in the region. Over the past five years murder rates in the NTCA have been generally trending downwards as governments – with the help of US foreign assistance – act to strengthen law enforcement, curb trafficking, and address some of the risk factors that drive young people to gang violence.⁵

Progress is fragile, however. In 2019, the United States halted most non-security aid to the NTCA, suspending many USAID funded programs, including crime and violence prevention

¹ Infosegura, "[Análisis sobre la situación de violencia e inseguridad en Guatemala durante 2019](#)," Feb. 2020; Infosegura, "Caracterización de violencia e inseguridad en Honduras," March 2020 ; Infosegura, "Análisis sobre la situación de violencia y seguridad ciudadana," Jan. 2020; "[Assault or Homicide](#)," National Center for Health Statistics, CDC, Feb. 27, 2020.

² Parker Asmann and Eimhin O Reilly, "[InSight Crime s 2019 Homicide Round-Up](#)," Jan. 28, 2020; Chris Dalby and Camilo Carranza, "[InSight Crime s 2018 Homicide Round-Up](#)," Jan. 22, 2019; Tristan Clavel, "[InSight Crime s 2017 Homicide Round-Up](#)," Jan. 19, 2018. Homicides are not the only crimes that plague these countries, it should be noted: many violent crimes often go unreported, such as robberies, rape, and other forms of domestic or gender violence. Only Venezuela surpasses these rates: as the country's economy implodes under the dictatorial regime of Nicolás Maduro, criminal violence has exploded: since 2017 homicides have averaged 77 per 100,000.

³ Héctor Silva Avalos, "[Honduras Goes from Transit Nation to Cocaine Producer](#)," *Insight Crime*, March 19, 2020; and García Menchu and Gustavo Palencia, "[Drug Cartels Test Central America for Cocaine Production](#)," *Reuters*, Nov. 1, 2018.

⁴ Inter-American Development Bank, "[The Costs of Crime and Violence: New Evidence and Insights in Latin America and the Caribbean](#)" Feb. 2017, p. 7.

⁵ This chapter focuses primarily on US assistance to Central America, though some of the lessons learned there might also be applied to Caribbean countries where drug-linked violence has overwhelmed police and justice systems.

programming.⁶ Re-launching these programs could be costly in time and resources: implementing partners say many efforts will have to start over, initiating new baseline studies and needs assessments, hiring personnel, and securing locales. Implementers will also need to regain the trust of beneficiaries, especially young people at risk of joining street gangs.⁷

Anti-corruption efforts are also faltering. Governments dismantled promising international efforts, such as the Commission Against Impunity in Guatemala (CICIG) and the Mission to Support the Fight against Corruption and Impunity in Honduras (MACCIH). President Nayib Bukele of El Salvador created an anti-corruption commission (CICIES) backed by the Organization of American States (OAS) in 2019, though it is unclear whether it will have the independence and authority to pursue politically sensitive cases. Bukele's attacks on the media and opposition parties, moreover, raise questions about his commitment to genuine accountability.⁸

Section 2 provides background and an overview of US assistance under the Central American Regional Security Initiative (CARSI). **Section 3** looks at some of the factors behind violent crime and recent trends. **Section 4** analyzes two essential elements of successful public security strategy: violence prevention (especially programs aimed at preventing youth from joining street gangs) and crime control (police and justice reform). **Section 5** summarizes lessons learned, providing recommendations for making assistance more effective in the future.

II. Background

Although the NTCA countries are not major drug producers, they are major drug transit countries.⁹ Much of the South American cocaine destined for the United States arrives first in Central America and then moves north overland. Central America's notorious street gangs (known as "maras") engage in illicit retail drug sales, but they generally do not play major roles in transnational drug smuggling. In terms of national security, the US has vital interests in remedying the corruption and criminality that plagues Central America. A combination of violence and corruption restricts the region's social and economic potential, driving up the number of asylum seekers, refugees and migrants fleeing to the US.

This chapter focuses on the NTCA countries, which receive most CARSI assistance, though drug trafficking and criminal violence also affect the other four countries in the region (Belize, Costa Rica, Nicaragua, and Panama), albeit to lesser degrees. Caribbean nations also lie along transit routes where violence has increased in recent years. The Caribbean subregion suffers from relatively high homicide rates (average of 15.1 per 100,000 in 2019).¹⁰ Criminals also exploit tax havens in the region to hide illicit proceeds.

⁶ Peter Meyer, [U.S. Strategy for Engagement in Central America: Policy Issues for Congress](#), CRS, Nov. 12, 2019, pp. 20-21.

⁷ WHDPC interviews.

⁸ Héctor Silva Ávalos and Seth Robbins, [A Death Foretold: MACCIH Shuts Down in Honduras](#), *InSight Crime*, Jan. 22, 2020; Jimmy Alvarado, [The UN drew up plans for a CICIES similar to Guatemala's, but Bukele opted for the OAS's proposal instead](#) *El Faro*, Oct. 15, 2020;

⁹ Guatemala grows opium poppies, though far less than Mexico, which accounts for 6 percent of global opium production. Together Colombia and Guatemala account for less than 1 percent of the global total. UNODC, [2020 World Drug Report](#), Vol. 3: Drug Supply, p. 9.

¹⁰ UNODC, [2019 Global Study on Homicide](#), p. 16.

The NTCA countries are among the most fragile states in Latin America, with a legacy of conflict and authoritarian rule that has hampered the development of strong democratic institutions. All three suffered military governments throughout much of the twentieth century. Honduras and El Salvador transitioned from military to civilian rule in 1982 and 1984, respectively, while Guatemala did not elect and maintain civilian presidents in office until 1996. Both El Salvador and Guatemala endured years of guerrilla war under military governments that slaughtered both armed guerrillas and civilian dissidents. Although the NTCA countries now have relatively stable, democratically elected governments, the armed forces continue to play outsized roles, especially in law enforcement.

The end of civil war and military governments failed to bring peace to the region, where violence has surged in recent decades. US policies inadvertently helped fuel this vicious cycle: Central America became a major drug transit zone after the US increased drug interdiction in the Caribbean during the 1990s, forcing traffickers to change their routes. During the same period, the United States stepped up deportations of Central American gang members. The region's two most notorious gangs- the MS-13 and Barrio 18 - both originated in Los Angeles among immigrant communities that ballooned during El Salvador's civil war.

Human rights remain precarious. Rights defenders in Honduras and Guatemala condemn violence against environmental and LGBTQ activists, indigenous leaders, and journalists.¹¹ Media watchdogs document threats and financial retaliation against independent journalists in El Salvador. The rise of disappearances in El Salvador (attributed to both gangs and security forces) has also raised alarms.¹²

Insecurity feeds into vicious cycles of underdevelopment and institutional weakness: crime and violence impose direct welfare costs of 3 percent of GDP in Guatemala, about 6 percent in El Salvador, and 6.5 percent in Honduras.¹³ Surveys show satisfaction with democracy is low in all three countries, while perceptions of corruption are high.¹⁴

US assistance

President George W. Bush stepped up security assistance to Central America and the Caribbean in 2008 as part of the Mérida Initiative, which was originally designed to help countries throughout the region confront the challenges posed by drug-related crime and violence. President Barack Obama launched the Central America Regional Security Initiative (CARSI) in 2008 and the Caribbean Basin Security Initiative (CBSI) in 2009, to provide more focused regional assistance. USAID and the State Department's Bureau of International Narcotics and Law Enforcement Affairs (INL) manage the majority of programs for both CARSI and CBSI.

In response to the surge of unaccompanied minors and families from the Northern Triangle in 2014, the Obama Administration rebranded overall assistance to the region as the "US. Strategy for Engagement in Central America," dividing funding evenly between programs to encourage economic growth, social welfare and good governance and those aimed at security sector reform,

¹¹ See Lisa Schlein, [UN: Human Rights Defenders Under Attack in Guatemala](#), VOA, May 26, 2019; See also Human Rights Watch World Report 2020, country chapters on [El Salvador](#), [Guatemala](#), [Honduras](#).

¹² [IAPA raises concern about the serious deterioration of press freedom in El Salvador](#), press release, Sept. 29, 2020.

¹³ Inter-American Development Bank, [The Costs of Crime and Violence: New Evidence and Insights in Latin America and the Caribbean](#) Feb 2017, p. 7.

¹⁴ Meyer, "U.S. Strategy for Engagement in Central America," 2019, p. 9.

countering organized crime and gang violence prevention. With Congressional support, the administration more than doubled aid to Central America with mutually reinforcing programs designed as part of a “whole-of government” strategy. Although approximately 76 percent of the Strategy’s funding went to the NTCA countries, some went to Belize, Costa Rica, Nicaragua, and Panama.¹⁵

Under the Trump administration, the US Strategy for Engagement in Central America has similar objectives but less funding. It cut assistance from \$750 million in FY2016 to \$685 million in FY2017 and then to \$615 million in FY2018. In 2019, the president accused the NTCA countries of failing to take action to stop the exodus of undocumented migrants, reprogramming more than \$300 million in USAID assistance away from the region.¹⁶ Although the administration subsequently released some funds after the three governments agreed to reduce undocumented migration, the suspension forced US agencies to close down projects and cancel planned activities, including many violence prevention projects.¹⁷

Security assistance under both CARSI and CBSI has largely continued, however. The US Congress has appropriated more than \$2.1 billion in security assistance to Central America since 2008 and about \$677 million to the Caribbean since 2010. The Dominican Republic gets the largest amount of CBSI funding (23 percent) followed by Jamaica (19 percent). The remainder goes to the Eastern Caribbean and region-wide activities.¹⁸

Figure 5. Funding for the US Strategy for Engagement in Central America by Country, FY2015-FY2020

	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020
El Salvador	25	67.9	72.8	57.7	0	71.9
Guatemala	65.4	127.5	125.5	108.5	13	65.7
Honduras	44.3	98.3	95.3	79.7	0	65.7
CARSI	260	348.5	329.2	319.2	290	270
Other Regional	60.5	91.4	42.1	29.5	215.9	25.6
Other	0	16.3	19.9	19.9	8.7	20.5
Total	\$455.2	\$750	\$684.4	\$614.5	\$527.6	\$519

Source: CRS Data

Since FY2018, Congress has rejected the Trump Administration’s requests to cut CBSI funding. On July 24, 2020, the House approved its FY2021 Department of State, Foreign Operations, and Related Programs appropriations bill, which would provide the CBSI with \$74.8 million in funding.¹⁹ The Caribbean Basin Security Initiative Authorization Act would provide \$74.8

¹⁵ Meyer, “U.S. Strategy for Engagement in Central America,” 2019, p. 12.

¹⁶ Lesley Wroughton and Patricia Zengerle, [As promised, Trump slashes aid to Central America over migrants](#),” Reuters, June 17, 2019.

¹⁷ Peter Meyer, [U.S. Strategy for Engagement in Central America: An Overview](#),” CRS, June 30, 2020, p. 2; Meyer, “U.S. Strategy for Engagement in Central America,” 2019, p. 22.

¹⁸ Mark P. Sullivan, [Caribbean Basin Security Initiative](#),” CRS, Aug. 12, 2020.

¹⁹ *Ibid.*, p. 2.

million for the CBSI annually from FY2021 through FY2025.²⁰ If passed, the bill would increase future funding by 7 percent compared to the previous five fiscal years.

III. Violence: Causes, Consequences, Trends

Criminal violence is a complex, multifaceted problem. Many of the countries in Central America and the Caribbean suffer from multiple risk factors: rapid population growth rates plus high inequality, a mix that is especially explosive in the region's sprawling, chaotic cities; weak governance coupled with high levels of corruption and mistrust; overcrowded prisons that serve as criminal command and indoctrination centers; a history of violent political conflict that flooded the region with firearms.

Adding to problems in the NTCA is a multi-year drought, which has decimated harvests, expelling poor farmers to urban areas. This puts further strain on cities, heightening pressure to migrate abroad.²¹ Migration has fallen amid the Covid-19 pandemic plus heightened enforcement in Guatemala, Mexico, and the United States, though experts warn that it is likely to rebound.²² The region's economy faces what some fear may be a prolonged recession.²³

Drug trafficking adds another combustible ingredient. Violence began to rise dramatically in much of the NTCA in the early 2000s. A 2011 World Bank study found that high levels of drug trafficking were associated with high rates of homicide in the region. Trafficking can drive violence in various ways: conflicts between and within criminal groups, diversion of criminal justice resources toward anti-drug efforts, increased corruption as traffickers buy off police, prosecutors, and judges, higher demand for and diffusion of firearms, and the violent enforcement of anti-drug laws.²⁴

In recent years, however, violence in the NTCA has begun to subside. El Salvador's homicide rate has declined since 2015, reaching the lowest levels since the end of the civil war in the early 1990s. Guatemala has seen steady declines since 2009. The picture in Honduras is similar: rates have trended downward since 2013, though there was an uptick in 2019.

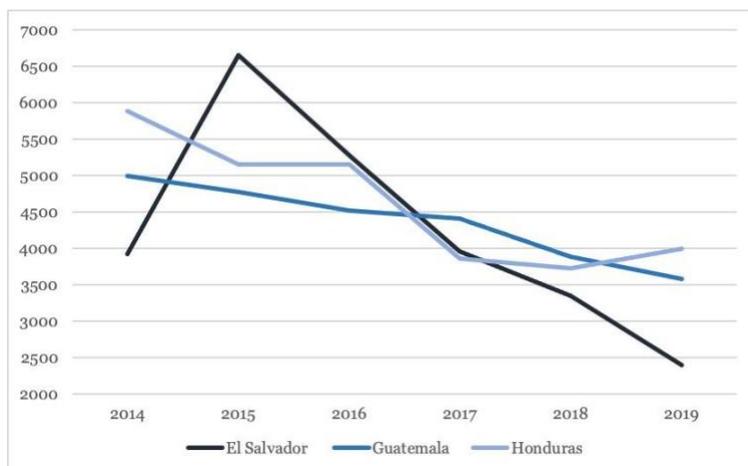
²⁰ Sullivan, [Caribbean Basin Security Initiative](#).

²¹ On the impact of climate on "step-migration" (from the countryside to cities and then abroad), see Oliver-Leighton Barret, [Central America: Climate, Drought, Migration and the Border](#), Center for Climate and Security, April 17, 2019. The urban nature of homicide is particularly pronounced in Central America and the Caribbean. See [Global Study on Homicide 2013](#), p. 27.

²² Democratic Staff, [DHS Run Amok? A Reckless Overseas Operation, Violations, and Lies](#), Committee on Foreign Relations United States Senate, Oct. 13, 2020, pp. 5-6.

²³ [Unless the United States Deploys These 5 Regional Migration Strategies, COVID-19 Could Portend Another Humanitarian Crisis On Our Border](#), WOLA, 30 June 2020.

²⁴ Gabriel Demombynes, [Drug Trafficking and Violence In Central America and Beyond](#), World Bank, pp. 10-11.

Figure 6. Number of Homicides in NTCA, 2014-2019

Source: Infosegura data

These trends are reversible, however: the underlying factors discussed above continue to plague the region. Moreover, homicides are only one yardstick. Trends are less clear for other, less commonly reported crimes, such as robberies, extortion, and domestic or gender violence.

What accounts for declining homicide rates? The reasons are complex, but research suggests that internationally supported justice and law enforcement reforms combined with social programs to address gang violence can have an impact.

A 2018 study analyzing homicides in Guatemala using quantitative analysis backed by qualitative research found that justice reform was the most important factor explaining the country's progress.²⁵ A more comprehensive analysis by Vanderbilt found significant reductions in crime victimization and violence in areas with USAID programs.

The Vanderbilt study looked at 127 communities in El Salvador, Guatemala, Honduras, and Panama. It then compared quantitative data on reported crimes in each community (including murders, extortion, illegal drug sales and robberies) and citizen perceptions (such as satisfaction with police). The study found that "outcomes in treatment communities improved more (or declined less) than they would have" without USAID's programs. USAID-supported various cross-sectoral projects in the treatment communities, including citizen observatories and crime data collection, environmental improvements such as improved street lighting, and youth outreach centers.²⁶

More research is required to understand the impact of institutional reform and community-based interventions on violence and crime in the region. The Vanderbilt study, published in 2014, remains the only meta-analysis of CARSI programs and some critics question whether the data supports its conclusions.²⁷ Although USAID publishes evaluations of individual programs,

²⁵ Renard Sexton, [How Guatemala achieved what was once thought impossible: major reductions in homicides](#), *Washington Post*, Nov. 13, 2018. See also, [Saving Guatemala's Fight Against Crime and Impunity](#), International Crisis Group, Oct. 24, 2018.

²⁶ Susan Berk-Seligson, et. al., [Impact Evaluation of USAID's Community-Based Crime and Violence Prevention Approach in Central America: Regional Report for El Salvador, Guatemala, Honduras and Panama](#), The Latin American Public Opinion Project (LAPOP), Vanderbilt University, 2014.

²⁷ The Center for Economic and Policy Research argues that LAPOP's selection of treatment and control communities was "non-random" and therefore inconclusive. For CEPR's critique and LAPOP's rebuttal see Mike LaSusa, [Are US Anti-Crime Programs in Central America Working?](#) *InSight Crime*, March 6, 2017.

there has been no update or replication of Vanderbilt's research. INL is less rigorous than USAID about analyzing the outcomes of its efforts to increase institutional capacity, which can be more challenging to study and evaluate.²⁸

To assess the overall impact of assistance, the US needs more rigorous stand-alone studies and outside evaluations, instead of relying on monitoring and evaluation by implementing contractors, who tend to focus on outputs and short-term goals.

Shifting US policies can also make it difficult to sustain and measure success. Under the Trump administration the US has emphasized reducing migration, deploying Homeland Security agents and investigators to Guatemala using State Department International Narcotics Control and Law Enforcement (INCLE) funding to strengthen its border with Mexico, for example.²⁹ But the suspension of USAID programs, especially those focusing on violence prevention, could undermine this objective. An independent study found that homicides were a major driver of migration, especially of unaccompanied children.³⁰

While more research is needed to measure overall impact, individual projects have shown promising results. The discussion below focuses on efforts to prevent violent crime and reform the police.

IV. Violence Prevention and Crime Control

CARSI is an interagency strategy that includes a variety of programs to improve narcotics interdiction and disrupt criminal networks, provide partner governments with equipment, training and technical assistance, strengthen institutional capacity and support community-based crime and violence prevention efforts.³¹ Analysts have criticized the program as a collection of initiatives that operate largely independently of each other toward sometimes contradictory goals.³²

Officials from both INL and USAID say they have managed to overcome much of the “stove-piping” that undermined joint efforts in the past. Key to their combined approach is a place-based strategy targeting high-crime locations. INL programs focus on support for law enforcement while USAID works with civil society to promote community policing, accountability, and support for at-risk youth.³³

There is a natural synergy between USAID and INL programs in Central America. Successful violence prevention strategies combine public security and public health initiatives, using data

²⁸ See Appendix A for a discussion of policy performance measures.

²⁹ Nick Miroff and Kevin Sieff, [Trump administration to send DHS agents, investigators to Guatemala-Mexico border](#), *Washington Post*, May 31, 2019; Democratic Staff, *DHS Run Amok?*, p. 4.

³⁰ Michael A. Clemens and Hannah M. Postel, [Foreign Policy Is Migration Policy: Lessons from the Drivers of Central American Child Migration](#), policy brief, Center for Global Development, Sept. 2017. The CGD's analysis of apprehension data found that in the average NTCA municipality, every 10 additional homicides from 2011-2016 causes six additional children to be apprehended as unaccompanied minors.

³¹ Meyer, *U.S. Strategy for Engagement in Central America*, 2019.

³² See Eric L. Olson et al., [Crime and Violence in Central America's Northern Triangle: How U.S. Policy Responses Are Helping, Hurting, and Can Be Improved](#), Woodrow Wilson International Center for Scholars, Reports on the Americas #34, Dec. 2014.

³³ WHDPC interviews. In Honduras, for example, USAID holds regular meetings with interagency partners and implementers in a Collaborating, Learning & Adapting (CLA) Framework. See [USAID/Honduras reducing homicide and migrations rates through CLA!](#) USAID/Honduras.

and agreed-upon metrics to drive interventions.

The public security side helps police use data to prevent crime by mapping out hotspots (based on metrics such as homicides, shootings, or armed robberies) while training and equipping police and prosecutors to use modern forensic techniques.

Public health-based initiatives, meanwhile, help communities identify those individuals most likely to join gangs or commit violent crimes (based on metrics such as school attendance, parental neglect, or substance abuse) and then provide them with access to treatment, education, and job training.³⁴

Violence prevention programs benefit from a substantial body of literature on best practices, including the public health interventions used in some US cities to prevent violence. Los Angeles – where the most notorious Central American gangs emerged decades ago – is now considered a model for reducing gang-related violence, using an integrated strategy that includes “prevention, re-entry, and relationship-based policing.”³⁵ Although the city still has gangs, it has managed to significantly reduce gang violence.³⁶

USAID officials and implementers cite the importance of training and exchanges, such as conferences that allow practitioners to exchange lessons learned and best practices. They also mention the importance of building country and functional expertise, which can be difficult given frequent rotations of US personnel.³⁷

While USAID takes pride in rigorous program evaluation, INL has struggled to create meaningful outcome indicators, relying instead on outputs, such as number of police officers trained. This is partly due to the nature of INL programming: law enforcement agencies can be reluctant to share personnel information on recruitment and promotion to assess the impact of training.

Public perceptions may take longer to change than homicide rates: majorities in the NTCA countries still feel unsafe in their neighborhoods and most do not trust the police.³⁸ This underscores the need to measure more than just murders: crimes such as extortion continue to plague many communities along with street crimes, such as mobile phone theft. These common crimes may contribute as much (if not more) to feelings of insecurity.³⁹

INL attributes crime reductions in certain municipalities to place-based strategies combining law enforcement with targeted youth interventions. For example, in Villa Nueva, a sprawling working class community outside of Guatemala City, homicides dropped 25 percent in 2018. In Chamelecón, a suburb of San Pedro Sula, murders dropped 85 percent between 2014 and

³⁴ WHDPC interviews; Enrique Roig, “An Overview of the Central American Regional Security initiative (CARSI) to Reduce Violence and Strengthen Institutions in the Northern Triangle of Central America (NTCA),” paper prepared for WHDPC, pg. 3.

³⁵ See Guillermo Cespedes, “[LA’s Lessons for gang violence reduction](#),” Insights, Creative Associates, May 18, 2015. Homicides rose in LA to more than 1,000 per year during the early 1990s and have generally declined since then. In 2019 the city had fewer than 300 homicides for the tenth consecutive year, a reduction officials attribute to a variety of strategies including community outreach, peacekeeping interventions, and more neighborhood patrols. See Leila Miller, “[L.A. homicides are down again. Police credit thousands of extra patrol hours](#),” *Los Angeles Times*, Jan. 16, 2020

³⁶ *Ibid.*

³⁷ WHDPC interviews.

³⁸ Ben Raderstorff, Carole J. Wilson, Elizabeth J. Zechmeister, and Michael J. Camilleri, “[How Insecurity Shapes Daily Life and Emigration in Central America](#),” Working Paper, Latin American Public Opinion Project and Inter-American Dialogue, Oct. 2017.

³⁹ WHDPC interviews.

2017.⁴⁰ But there are relatively few operational place-based sites in the NTCA: El Salvador has three, Guatemala has one, and Honduras has nine.⁴¹

INL also supports Model Police Precincts (MPPs), a program that began more than 15 years ago in Guatemala. As of 2018, there were 145 operational MPPs in the three NTCA countries: 99 in Guatemala, 25 in Honduras and 19 in El Salvador.⁴² MPPs work with local authorities and police to promote crime prevention and reduction through better intelligence gathering and community engagement.

State Department indicators show that homicides have declined significantly in localities with MPPs, though it does not compare them with similar localities that lack such programs. Nor does State indicate whether national governments have themselves adopted the MPP blueprint. The goal was to create a model that national governments would eventually finance and replicate.⁴³

Sustainability is a major stakeholder concern in the region, especially since the 2019 aid suspension. Implementers and stakeholders worry that projects are ending before they can demonstrate success and win political support.

In El Salvador, local police say they work with community leaders to identify hot spots for targeted operations, instead of conducting gang roundups, which tended to target young people indiscriminately in certain neighborhoods. Police are also trying to secure private funding so outreach efforts, such as police athletic leagues, can continue. Close community relations, a local police official said, provides law enforcement “with eyes, arms, and ears. The police alone cannot provide protection.”⁴⁴

WHDPC visited a municipal violence prevention center in San Vicente, El Salvador, which provides academic support, English language training, and vocational classes, including a computer center that teaches programming. It also has an employment office and an athletic office that organizes football teams and Taekwondo competitions.

One of the most promising efforts is also one of the least expensive. San Vicente has seven USAID-supported outreach centers – *Centros de Alcance* – located in high crime neighborhoods. Each center costs about \$25,000 to set up (provided by USAID) and about \$600 to \$700 a month (from the municipality) to operate. Staff consists of one trained coordinator plus local volunteers, all of whom generally come from the surrounding community. The model ensures local control through stakeholder advisory boards, including representatives from the municipal government and area churches.

The goal is to provide youth with safe-spaces – their motto is “my second home” – where they can play games, get help with schoolwork, attend workshops, and participate in other recreational, academic, or vocational activities. They also offer youth an alternative to gang

⁴⁰ INL materials sent to WHDPC. According to a 2019 [Progress Report for the United States Strategy for Central America's Plan for Monitoring and Evaluation](#) prepared by State and USAID, the US supported 13 place-based sites in the NTCA: three in El Salvador, one in Guatemala, and nine in Honduras.

⁴¹ [Progress Report for the United States Strategy for Central America's Plan for Monitoring and Evaluation](#), USAID and State, 2019.

⁴² *Ibid.*

⁴³ [Assistance to Central America](#), William Brownfield, statement before the House Appropriations Subcommittee on State, Foreign Operations, and Related Programs, March 24, 2015.

⁴⁴ WHDPC interviews, El Salvador, March 2020.

membership by building positive identities and a sense of community belonging.⁴⁵

Participant surveys suggest the outreach centers are helping youth succeed in school and find employment while fostering self-esteem.⁴⁶ But the outreach centers are in danger of disappearing before studies can fully assess their results. The initiative depends on donors for seed money and the municipality for operating costs. While local churches provide volunteers, local businesses have yet to offer much financial support.⁴⁷

V. Police Reform

The Northern Triangle countries have struggled to create professional civilian police forces since the region began transitioning from military to civilian rule. Despite international support – especially from the United States – police forces across the region remain underfunded, poorly trained, and unpopular. The rich and middle classes rely on private security for protection, while the poor remain at the mercy of street gangs. Governments in all three countries use the military not only for drug interdiction and other counternarcotics efforts, but also to patrol high-crime areas. Security forces are overwhelmed, overstretched, and vulnerable to infiltration by organized crime.

All three countries have undertaken reforms to make police forces more effective and less corrupt. To prevent and reduce violence, they need to be more responsive to the community, as discussed above. To dismantle the gangs, the region's police forces also need structural change to build professional forces, capable of collaborating with prosecutors to dismantle extortion rackets and bring gang leaders to trial. Under CARSI, the US has supported structural reforms and intelligence-led policing, with varying degrees of success.

El Salvador

In the past decade, violence rose and fell faster in El Salvador than in any other Central American country.⁴⁸ Homicides surpassed 70 per 100,000 in 2011 and then fell to about 40 per 100,000 in 2013. Rates started rising again the following year reaching a high of 103 per 100,000 in 2015 with more than 6,000 people killed, the highest annual toll since the end of the civil war. Since then, the rate has fallen sharply, dropping to 36 per 100,000 in 2019.

El Salvador's apparent progress is marred, however, by the rise of disappearances, an ominous reminder of the death squads that operated during the country's civil war. The attorney general's office received more than 3,000 cases in both 2018 and 2019, more than the country's annual homicides.⁴⁹ How accurate these reports are and who is responsible remains unknown, but analysts and human rights defenders suspect that both gangs and security forces are hiding

⁴⁵ Benjamin Roth and Elizabeth Walsh, "Youth Outreach Centers in El Salvador: An Evaluation Prepared for USAID," University of South Carolina, Nov. 2016.

⁴⁶ *Ibid.*

⁴⁷ WHDPC interviews, El Salvador, March 2020.

⁴⁸ Infosegura.

⁴⁹ Diana Escalante, "[Fiscalía registró en 2018 más de 3,500 casos de personas desaparecidas](#)," *elsalvador.com*, Jan. 8, 2019; David Marroquín, "[La Policía y Fiscalía difieren en el registro de personas desaparecidas en El Salvador](#)," *elsalvador.com*, March 9, 2020.

corpses to cover up crimes and keep homicide numbers down.⁵⁰

Despite their political differences, both Bukele and his leftist predecessor, President Salvador Sánchez Cerén, have increased state presence in gang-dominated communities. Sánchez Cerén took office in 2014 pledging to reduce gang-related crime and violence. With support from both the US and the UN, he launched *Plan El Salvador Seguro* (PESS), a five-year effort in 50 of the country's most violent municipalities.⁵¹ To pay the \$2 billion price-tag, the Sánchez Cerén government pushed through new taxes, including unpopular levies on cell phone and cable TV use.⁵²

The PESS combined violent prevention efforts with targeted deployments. Police mapped out high-crime areas for additional patrols, focusing on specific blocks in the city or specific settlements in rural areas.⁵³ The strategy also focused on investigations, expanding the presence of detectives in violent areas. Working with private donors, INL and the Cerén government started work on a modern forensics center in San Salvador, which will give investigators new tools such as DNA analysis.⁵⁴

Elements of the PESS are continuing under Bukele, whose *Plan de Control Territorial* (PCT) focuses on 22 priority municipalities.⁵⁵ Both governments have combined modern policing with hardline tactics. The Cerén government deployed battalions combining police and elite soldiers to urban and rural areas. Bukele declared a state of emergency in the country's 28 prisons, cutting off communications and threatening to confine inmates in their cells with rival gang members.⁵⁶

President Bukele credits his approach with curbing gang-related killings. News reports suggest another reason, accusing the government of secretly negotiating with gang leaders, offering prison benefits in return for less street violence. The president, who criticized previous governments for making deals with gangs, has denied the reports.⁵⁷

No one denies that the gangs or *maras* continue to run extensive and lucrative extortion rackets. In March 2020, the WHDPC interviewed community leaders in and around San Salvador who said that the *maras*, though less visible and less violent, remain powerful. A city official in Chalchuapa said she closed her small business to avoid paying extortion. Most small and medium businesses simply paid up, even though gangs were demanding ever higher “*renta*” (protection payments).⁵⁸

Journalists in San Salvador echoed the common perception that the gangs had decided murders

⁵⁰ See Mary Beth Sheridan and Anna-Catherine Brigida, [Disappeared in El Salvador: The return of a Cold War nightmare](#), *Washington Post*, Oct. 19, 2019.

⁵¹ The United Nations Development Programme in El Salvador has helped design and monitor violence prevention efforts. See [“InfoSegura apoya el Diseño del Sistema de Monitoreo y evaluación del Plan El Salvador Seguro](#), Feb. 4, 2016.

⁵² Evan Ellis, [The new offensive against gangs in El Salvador](#), *Global Americans*, May 2, 2016; Michael Lohmuller, [El Salvador Debates Security Tax for Cell phones](#), *InSight Crime*, Sept. 30, 2015.

⁵³ WHDPC interview with Salvadoran police official.

⁵⁴ The Howard Buffet Foundation donated \$25 million for the center. WHDPC interviews, El Salvador, March 2020. See also Diana Escalante, [Filántropo Howard Buffett dona centro forense a la Policía para dar ‘justicia a víctimas’](#), *elsavador.com*, July 10, 2019.

⁵⁵ The Bukele government has not released its strategy, arguing it needs to preserve secrecy. International Crisis Group, *Miracle or Mirage? Gangs and Plunging Violence in El Salvador*, July 8, 2020. p. 10.

⁵⁶ Natalie Kitroeff, [Young Leader Vowed Change in El Salvador but Wields Same Heavy Hand](#), *New York Times*, May 5, 2020.

⁵⁷ Will Grant, [Did El Salvador's government make a deal with gangs?](#) *BBC*, Oct. 2, 2020. See also Steven Dudley, [The El Salvador President's Informal Pact with Gangs](#), *InSight Crime*, Oct. 2, 2020. Informal agreements with gang leaders are not new: both local and national authorities have long had to negotiate to campaign or implement government programs in gang-dominated communities. WHDPC interviews.

⁵⁸ WHDPC interviews, El Salvador, March 2020.

were bad for business. “They don’t want to call attention to themselves,” a radio journalist said. “Why keep killing if you can still extort?”⁵⁹

Although Bukele won the presidency on an anti-corruption platform, independent media and watchdog groups accuse high-level officials of misusing public health funds, including foreign assistance to address the Covid-19 pandemic.⁶⁰ The president established a Commission Against Impunity in El Salvador (CICIES) with OAS support, but it lacks authority to conduct independent investigations.⁶¹

Guatemala

Guatemala is arguably the NTCA country that has advanced furthest in strengthening not only the police but also the criminal justice system overall. Recent setbacks, however, raise questions about the political elite’s commitment to genuine change.

The Guatemalan government created an independent police reform commission (led by Helen Mack, a prominent human rights advocate) in 2010, following a wave of high-profile killings involving security forces. With US support, the commission continued under three presidents, promoting new training curricula for the National Civilian Police (PNC) that incorporates human rights and community policing. The government also launched two regional academies, an officers’ school, and a continuing education program that gives officers the opportunity to pursue a university degree in law enforcement. Guatemala has also increased the size of the PNC, from 33,000 in 2014 to more than 39,000 in 2017.⁶²

Newly minted police officers are more professional, better trained and have greater respect for the law than those who began their career during military rule, experts say.⁶³ Detectives and prosecutors (many trained by the US) are using analytical tools to detect connections and patterns so they can identify networks and prosecute complex crimes. INL inaugurated its Model Police Precinct program (discussed above) in Guatemala in 2004. Since then, it has established nearly 100 MPPs in the country with vetted units that are trained in both community policing and intelligence gathering.

Guatemala’s police reforms took place along with a series of US-supported judicial reforms, including oral trial proceedings. USAID worked with the judiciary to set up 24-hour courts, which means that detainees get to see judges within six hours of arrest instead of being held for days (and possibly tortured) and that prosecutors can more quickly obtain court permission for search warrants and wire taps. Guatemala also established high-impact courts to hear sensitive, complex cases, such as those involving human rights abuse, corruption, kidnapping, and drug trafficking.⁶⁴

Among the most important US-backed efforts was the International Commission Against

⁵⁹ WHDPC interviews, El Salvador, March 2020.

⁶⁰ Roman Gressier, [Series of Corruption Allegations Stains El Salvador’s Promise – What Political Impact Will It Have?](#) *El Faro*, Sept. 11, 2020. Transparency International has accused the government of thwarting efforts to monitor emergency assistance provided to mitigate the pandemic. See [El Salvador: A Recipe for Corruption](#), Transparency International, Aug. 11, 2020.

⁶¹ [From hope to skepticism: The International Commission Against Impunity in El Salvador \(CICIES\)](#), Due Process of Law Foundation, April 1, 2020.

⁶² Central America Monitor, [The National Police in Guatemala: Evaluating the Professionalization of the Civilian Police Force](#), Washington Office on Latin America (WOLA), Sept. 2020.

⁶³ WOLA interview with Guatemalan citizen security expert.

⁶⁴ Alana Marsili, [How Guatemala’s Justice System Became Strong Enough to Prosecute Corruption](#), USAID, Sept. 18, 2015.

Impunity in Guatemala (CICIG), an entity sponsored by the UN that helped draft legal reforms – such as rules permitting asset forfeiture, court-ordered wire taps, and plea bargaining – and worked alongside Guatemalan prosecutors to pursue sensitive, high-profile cases, including an investigation into customs fraud leading to the arrest of the country’s president and vice president in 2015.⁶⁵

These judicial reforms -- combined with more community policing, better trained detectives, and empowered prosecutors -- have helped Guatemala steadily reduce homicides over the past decade.⁶⁶ From 2006 to 2013, the homicide clearance rate rose from 7 percent to 28 percent.⁶⁷ Though public trust in police remains low, it has risen from 11 percent in 2015 to 18 percent in 2019.⁶⁸

Guatemala has also acted in recent years to withdraw military forces from domestic law enforcement duties, as required under the 1996 peace accords. Governance Minister Francisco Rivas, a former prosecutor, announced plans in 2017 to redeploy some 4,400 troops to border areas, where they would focus on the external threat posed by drug traffickers and transnational gangs.⁶⁹

There have been setbacks, however. President Jimmy Morales shut down CICIG in 2019, accusing the Commission of overreach after it helped investigate his brother and son for fraud and his own campaign for finance irregularities. Morales did not simply go after the Commission; he also ousted leading reformers within his own government, including the national police chief and the head of the tax agency.⁷⁰

The reform-minded governance minister resigned after CICIG’s expulsion and his successor proceeded to purge the national police, firing more than a dozen senior officers and scores of other officials, including many from US-supported units specializing in criminal analysis, counternarcotics, and wire taps.⁷¹ President Alejandro Giammattei, who took office in 2020, has brought some of these officials back, but he has also returned to past practices by deploying military forces in high-crime areas and appointing a former military officer as Governance Minister.⁷²

Honduras

Honduras is the NTCA country where police reform has proven most problematic. Its faltering efforts to strengthen the police reflect deeper problems: drug trafficking groups are extremely powerful in the country, which is a major transit corridor for cocaine traveling from South

⁶⁵ For more on CICIG, see [Institutional reform recommendations](#),” at [cicig.org](#) and [Saving Guatemala’s Fight Against Crime and Impunity](#),” International Crisis Group, Oct. 24, 2018.

⁶⁶ Renard Sexton, [How Guatemala achieved what was once thought impossible: major reductions in homicides](#),” *Washington Post*, Nov. 13, 2018.

⁶⁷ [Saving Guatemala’s Fight Against Crime and Impunity](#),” International Crisis Group, Oct. 24, 2018.

⁶⁸ USAID, Mercy Corps, Iepades, [“Encuestas de Victimización y percepción del desempeño policial 2015 y 2019.”](#)

⁶⁹ Maureen Taft-Morales, [Guatemala: Political and Socioeconomic Conditions and U.S. Relations](#),” CRS, March 20, 2019, p. 6. See also the interview with Rivas in Elsa Cabria and Ximena Villagrán, [“Los militares no tuvieron ningún aporte a la seguridad,”](#) *Nómada*, Feb. 21, 2017.

⁷⁰ Ximena Enríquez, [5 Ways the Guatemalan Government Is Trying to Dismantle CICIG](#),” *Americas Quarterly*, Sept. 18, 2018; Steven Dudley, [With Firing of Tax Agency Chief, Guatemala’s Status Quo Makes Its Move](#),” *InSight Crime*, Jan. 24, 2018.

⁷¹ [“Degenhart remueve a 15 mandos de la PNC,”](#) *elPeriódico*, Dec. 12, 2018; Foro de Organizaciones Sociales Especializados en Temas de Seguridad (FOSS), [“Situación de la Policía Nacional Civil en Guatemala,”](#) Aug. 27, 2018.

⁷² Sandra Cuffe, [Guatemala’s New President is more of the Same, Experts Say](#),” *PRI’s The World*, Jan. 20, 2020.

America to Mexico.⁷³

The poorest of the three NTCA countries, Honduras is also the least stable. The country suffered a coup in 2009 and contested presidential elections in 2017.

Over the past 20 years, Honduras has made at least three attempts to root out corruption in the Honduran National Police (PNH). A semiautonomous directorate undertook a purge of the National Police from 2012 to 2015, based on background checks and evaluations. The US withdrew funding from the directorate in 2013 for lack of progress: after evaluating more than 8,500 police, it removed only 227 low-ranking officers.⁷⁴

Honduras launched a new effort in 2016 following allegations that senior police officers planned the 2009 assassination of the country's anti-drug czar.⁷⁵ An independent commission with civil society participation has removed about 4,600 officers from the 13,500-member force, either forcing them out or encouraging voluntary retirement.⁷⁶ The commission's mandate has been extended through 2021.⁷⁷

Critics say the commission should be more transparent, accusing it of leaving some corrupt or abusive officers in place while unjustly dismissing others.⁷⁸ It has also faced internal resistance from within the police and other state agencies, compromising the quantity and quality of the information used for its evaluations. Although the Commission referred more than 400 cases to prosecutors for investigation of illicit activities, only a few have made it to trial.⁷⁹

The US and other donors are also working to professionalize the PNH, establishing a new police academy with a revised curriculum and extending the basic course from three to 11 months. With support from INL, Honduras established a Criminal Investigation School in 2011, which has brought police advisors from Colombia to train justice sector operators from throughout the NTCA. The government also plans to establish an officer training school.

As discussed above, INL also promotes model precincts and place-based violence prevention strategies in Honduras while encouraging better coordination between police and prosecutors. More controversially, the US supported the creation of a SWAT-style militarized police force, known as the *Tigres* (Tigers).

The government of Juan Orlando Hernández remains reliant on the military for policing functions, not only to control crime but also to repress protests. Hernández narrowly won reelection in a process so marred by irregularities that OAS observers refused to endorse the results.⁸⁰ At least 22 civilians and one police officer died during demonstrations following the vote, according to the UN, which accused military police of using “excessive – including lethal –

⁷³ Claudia Torrens, “[U.S. prosecutors tie Honduras president to drug traffickers](#),” *AP*, March 3, 2020.

⁷⁴ Association for a More Just Society, “[Purging and Transformation of the Honduran National Police Force](#),” Feb. 18, 2019; Adriana Beltrán and Geoff Thale, “[Police Reform in Honduras: Stalled Efforts and the Need to Weed out Corruption](#),” Aug. 26, 2013.

⁷⁵ David Gagne, “[Honduras Suspends Ex-Police Directors Implicated in Drug Czar Murder](#),” *InSight Crime*, April 22, 2016.

⁷⁶ David R. Dye, “[Police Reform in Honduras: The Role of the Special Purge and Transformation Commission](#),” Wilson Center, June 2019.

⁷⁷ “[Amplían período de Depuradora de la Policía hasta enero de 2022](#),” *Proceso Digital*, Dec. 14, 2018.

⁷⁸ International Crisis Group, “[Fight and Flight: Tackling the Roots of Honduras' Emergency](#),” Oct. 25, 2019, p. 20.

⁷⁹ As of May 2018, a special prosecutorial unit created to support the process had brought only two cases to trial. Dye, “Police Reform in Honduras,” p. 26.

⁸⁰ “[Statement by the OAS General Secretariat on the Elections in Honduras](#),” press release, OAS, Dec. 17, 2017.

force to control and disperse protestors.”⁸¹

The government has a dismal record on corruption. Prosecutors from a special anti-corruption unit accused dozens of officials of siphoning millions from public offers to fund political campaigns, including the president’s. The case is unlikely to reach trial: in January 2020, the Hernández government dissolved MACCIH, the OAS-backed anti-corruption mission, which supported the unit.⁸²

Corruption has a direct impact on US counternarcotics efforts. A series of arrests have linked top Honduran officials and their families to drug traffickers, including the son of a former president and the brother of the current president, who are both serving time in the US on drug trafficking charges.⁸³ US prosecutors have tied the president himself to drug trafficking. A US indictment in New York accuses Hernández of taking money “to facilitate the use of Honduran armed forces personnel as security” for traffickers moving cocaine through the country.⁸⁴

VI. Recommendations

This chapter has focused on US assistance to prevent violence and reform police. Targeted programs are helping prevent at-risk youth from joining gangs; community policing is reducing crime in violent neighborhoods; technical assistance and training are enabling police to investigate crimes and punish perpetrators. While better evaluations are needed, the available evidence suggests that these efforts are working.

However, the NTCA governments continue to rely on dubious practices, such as deploying military personnel with little training in law enforcement. This undermines US-supported efforts to create democratic police forces that are accountable to the communities they serve. It also diverts the armed forces from their primary mission: protecting countries from external threats, such as transnational criminal organizations.

US policy toward Central America also needs to address the fundamental issue of corruption. Efforts to build more professional, accountable police and justice institutions cannot succeed unless national leaders commit to combating corruption throughout the political system. The collapse of international anti-impunity commissions in Guatemala and Honduras has demoralized civil society groups struggling to make governments accountable and undermined US-trained prosecutors and police who staked their careers on fighting both official corruption or abuse and powerful drug trafficking groups.

The Trump administration’s decision to cut funding for USAID projects in the NTCA is another setback, undermining both counternarcotics and anti-migration efforts. Violence overwhelms law enforcement in the region, hindering its ability to stop the flow of drugs. It also spurs undocumented migration as young people seek safety and economic opportunities in the United

⁸¹ [Honduras election protests met with excessive and lethal force – UN report](#),” Office of the High Commissioner for Human Rights,” March 12, 2018.

⁸² Héctor Silva Ávalos and Seth Robbins, [A Death Foretold: MACCIH Shuts Down in Honduras](#),” *InSight Crime*, Jan. 22, 2020.

⁸³ Lucas Perelló, [In Honduras, new evidence sheds light on the close ties between the National Party and drug trafficking](#),” *Global Americans*, Aug. 7, 2019.

⁸⁴ Torrens, [U.S. prosecutors tie Honduras president to drug traffickers](#),” *AP*, March 3, 2020.

States.

The US needs to work with governments and civil society stakeholders to identify, strengthen, and scale up promising programs. Efforts going forward should be based on needs assessments that include baseline data and establish short-, medium-, and long-term goals that can be evaluated both qualitatively and quantitatively.

Future assistance should be coordinated both at the regional and the country level, based on agreements that are as transparent as possible to ensure that partner governments can take political credit for accomplishments while also taking responsibility for failures.

To sustain and strengthen progress made against crime and violence, US assistance programs should therefore:

1) Establish a Northern Triangle High-Level Regional Partnership. The United States and the governments of Guatemala, Honduras, and El Salvador should work together to coordinate strategies across the region. This high-level regional partnership should meet annually to review and adjust policies to counter transnational criminal organizations. The regional strategy should include information-sharing mechanisms to advance criminal investigations and coordinate drug interdiction.

The high-level partnership should also convene donors and civil society organizations to reduce duplication of efforts and better leverage foreign assistance.

2) Negotiate country-level compacts with input from civil society. US assistance to Guatemala, Honduras, and El Salvador should assess and strengthen cooperation in the following areas:

- **Criminal justice institutions:** Review joint efforts to build effective and accountable law enforcement and criminal justice systems. To professionalize police, prosecutors and other justice sector officials, the US should require host governments to develop merit-based career systems that promote personnel based on training, competence, and professional ethics. It should also link future assistance to commitments by host governments to increase spending on police and justice institutions.
- **Anti-corruption:** Empower prosecutors to investigate malfeasance at the highest levels. Any government receiving US aid should be required to establish or maintain special prosecutorial units that insulated from political interference, thoroughly vetted and led by experienced attorneys with reputations for integrity. The US and other donors should agree to provide training and technical assistance to these units.

Civil society organizations – from business associations to the news media to human rights defenders and advocacy organizations – play critical roles in strengthening democratic governance. In Central America -- where state institutions are weakened by graft, political polarization, and public mistrust – supporting civil society is especially important. Anti-corruption assistance should therefore include projects that strengthen the ability of independent watchdog organizations, academic institutions, and the media to promote democratic principles and expose corruption.

- **Violence prevention:** Help partner governments develop a suite of interventions proven to help at-risk youth, including school-related activities, psychological counseling, and job training or apprenticeships. To discourage recidivism, assistance compacts should include rehabilitative work and job training for ex-offenders.
- **Municipal and community governance:** Support mayors, community leaders and civil society organizations committed to implementing evidence-based violence prevention programs, helping them plan, monitor, and evaluate these efforts.
- **Interagency and donor coordination:** Integrate INL and USAID projects based on common goals, shared metrics, and clear timelines.

Although the United States is the largest bilateral donor to the NTCA countries, the region also receives funding from multilateral donors such as the Interamerican Development Bank, the World Bank, the UN system, as well as the EU, Canada, and others. The US should encourage donor cooperation across the region to reduce duplication and better leverage foreign aid.

Chapter 6: Countering Illicit Financial Flows

I. Introduction

The ingenuity of drug traffickers is legendary: smugglers have shipped packets of cocaine from Peru to Hong Kong within boxes of disposable face masks, moved heroin across the US border inside car battery cases, mailed fentanyl disguised as cosmetic gel from China to dealers abroad.

¹ Some techniques are industrial in scale: the cartels send tons of cocaine under the Pacific Ocean in submarines and semi-submersibles while funneling drugs under the US border through ventilated tunnels on rail cars.²

But trafficker's ultimate goal is not getting drugs to market; it's getting usable profits back home. Cash flow for organized crime – as for any business – is life blood. The vast quantities of illicit drugs smuggled throughout the world generate enormous wealth, which must be moved and cleansed so that traffickers can spend and invest their now seemingly legitimate funds.

Money laundering requires at least as much ingenuity and innovation as smuggling itself, using methods that range from simple bulk cash smuggling to complex foreign trade-based transactions to digital mechanisms such as cryptocurrencies. And it requires legions of enablers or gatekeepers to the legal economy. Just as cartels employ mules to carry drugs, engineers to build tunnels, and hitmen to eliminate rivals or informants, they also hire accountants, lawyers, real estate brokers, auditors, and other financial agents to move and hide their profits.

Anti-Money Laundering/Combating the Financing of Terrorism (AML/CTF) laws have grown increasingly robust. But given the enormous amounts of dirty money circulating in the global economy and the variety of businesses and institutions involved in laundering it, enforcement is remarkably lax.³ Successful money laundering prosecutions, which can be extremely complex and time-consuming, remain relatively rare. The value of illicit proceeds seized or frozen is minuscule in comparison to the magnitude of money laundering within the international financial system.

Advocates of “follow the money” investigations argue they are potentially one of the most effective means of dismantling organized criminal networks. The money trail can lead investigators not only to low level dealers and couriers, but also to the criminal bosses themselves. It should also lead to the enablers who profit from organized crime, including corrupt government officials and the financial and business professionals who serve as gatekeepers to the legal economy. Anti-money laundering enforcement avoids the harmful social, economic, and environmental consequences of eradication, which punishes peasant farmers, the most vulnerable economically enfeebled link in the drug supply chain. And it could mitigate some of the harmful side effects of kingpin targeting.

The impact of AML/CTF efforts are difficult to measure, however. Money-laundering is as

¹ Maria Alejandra Navarrete, [From Face Masks to Avocados, the Boundless Creativity of Drug Traffickers](#), *InSight Crime*, April 3, 2020; Drug Enforcement Administration, [2019 National Drug Threat Assessment](#) (Washington, D.C.: US Department of Justice, Dec. 2019), pp. 19, 28.

² Luis Robayo and Florence Panoussian, Agence France-Presse, [Colombia's narco-submarines - a photo essay](#), *The Guardian*, March 23, 2020; Elian Peltier, [Longest Smuggling Tunnel Is Found at U.S.-Mexico Border](#), *New York Times*, Jan. 30, 2020.

³ Illicit financial flows include the proceeds of all illegal activities, including drugs, arms and human trafficking as well as bribery, tax evasion and other forms of corruption. They also include funds used to commit crimes, such as terrorist attacks.

dynamic as drug trafficking itself: criminal actors adapt to enforcement, utilizing new channels and adopting new techniques. And because the size of illicit drug proceeds is difficult to gauge, it is almost impossible to measure overall impact.

AML/CTF efforts can also generate harms: complying with increasingly complex regulations can be extremely costly to business. Financial institutions may restrict or terminate relationships with remittance companies and local banks in drug transit or producing countries, a practice known as “de-risking” or “de-banking.” This can have the perverse effect of forcing businesses in certain countries to seek financing through costly informal – sometimes illicit -- channels that are harder for governments to monitor.

Section 2 briefly examines what we know – and don’t know – about the value of narcotics-related financial flows. **Section 3** explores the methods used by drug trafficking organizations and other criminal groups to hide their assets and the relationship between organized crime, terrorism, and corruption. **Section 4** analyzes the evolution and effectiveness of AML/CTF policies in Mexico, Colombia, and the United States, and **Section 5** concludes with recommendations.

II. Magnitude of Narcotics-Related Illicit Financial Flows

How much money is laundered globally each year? The short answer is we don’t know with certainty. “Due to the illegal nature of the transactions, precise statistics are not available,” states the Financial Action Task Force (FATF), the global standard setting body for anti-money laundering efforts.⁴ FATF itself does not publish figures, warning that calculations should be treated with caution.

Nonetheless a widely cited meta study by the United Nations Office on Drugs and Crime (UNODC) published in 2011 provides some idea of magnitude. The UNODC estimated that criminal activities (excluding tax evasion) generated approximately \$2.1 trillion in 2009 or 3.6 percent of global GDP. Approximately \$1.6 trillion of this was laundered in the international financial system.

Of these billions in laundered profits only a tiny fraction was intercepted by authorities, the study found: “Globally, it appears that less than 1 percent (probably around 0.2 percent) of the proceeds of crime laundered via the financial system are seized and frozen.”⁵

Global Financial Integrity estimated in 2017 that the international retail value of drug trafficking ranged between \$426 billion and \$652 billion annually. Estimates of the value of drug trafficking within the Western Hemisphere range from \$64 billion to \$151 billion.⁶

GFI updated these regional estimates for WHDPC using various methodologies:⁷

⁴ Financial Action Task Force, [What is Money Laundering?](http://www.fatf.org) at www.fatf.org.

⁵ [Estimating illicit financial flows resulting from drug trafficking and other transnational organized crimes](#), UNODC, 2011, p. 7.

⁶ See US House of Representatives Committee on Financial Services, [Staff Memorandum](#) for the March 4, 2020 Hearing entitled, “The Trafficker’s Roadmap: How Bad Actors Exploit Financial Systems to Facilitate the Illicit Trade in People, Animals, Drugs, and Weapons,” Feb. 28, 2020, p. 2; Julia Yansura and Lakshmi Kumar, [Narcotics Proceeds in the Western Hemisphere: Analysis of the Narcotics-related Illicit Financial Flows between the United States, Mexico and the Caribbean](#), Global Financial Integrity, June 2020, pp. 10-11.

⁷ *Ibid.* pp. 14-17.

- **Percentage of GDP:** The UNODC has estimated that drug proceeds amount to 0.4 to 0.7 percent of global GDP.⁸ If this percentage is applied to the economies of the United States, Mexico and Colombia, the value of flows related to drug trafficking and money laundering comes to an average of \$121.6 billion a year.

In Colombia, this ratio is likely to be much higher. Government sources there estimated that money laundering represented about 5.4 percent of GDP in 2017 or approximately \$17 billion.⁹ A World Bank study in 2016 came to similar conclusions, estimating that “aggregate undetected illicit income” averaged around 4.7 percent between 1985 and 2013.¹⁰

- **Percentage of seizures:** Law enforcement agencies estimate that they interdict between 5 and 10 percent of the drugs crossing into the United States.¹¹ Calculating backward from the data available on drug seizures that comes to between \$56 billion and \$112 billion.
- **Based on US demand:** Using estimates of drug use based on routine urine analysis tests, GFI calculated that narcotics-related trafficking proceeds in the US came to approximately \$82 billion.¹²
- **Based on supply:** Using estimates for cocaine production in Colombia and heroin plus marijuana production in Mexico, GFI used wholesale production values to reach an estimate of \$42 billion.¹³ This does not account for recent declines in heroin use or the likely rise in fentanyl production, however. (Mexican imports of pharmaceuticals from China and India, the major sources of fentanyl, have jumped in recent years coinciding with surging fentanyl overdoses in the US.)

The resulting estimates of drug-related flows within the Western Hemisphere alone, therefore, run from about \$42 billion to \$122 billion. Such a wide range makes accurately gauging the impact of AML/CTF almost impossible. Moreover, as economist Peter Reuter and Edwin M. Truman point out, “aggregate figures conceal as much as they reveal. The adverse social consequences of a million dollars laundered to finance a terrorist act, on the one hand, and a million-dollar embezzlement, on the other, are so different that adding together the two figures would not produce a useful statistic for policy purposes.”¹⁴ Reuter argues for more systematic assessment of the costs of AML laws and creating a database of existing cases with descriptions of the prices, methods and predicate crimes involved. “Scholars are inclined to emphasize the importance of research, but in the case of money laundering and finding way to combat it, the need for greater research is particularly acute.”¹⁵

To measure overall success, policymakers need a better understanding of how money launderers

⁸ Estimating illicit financial flows resulting from drug trafficking and other transnational organized crimes,” UNODC, Oct. 2011.

⁹ Colombian National Risk Assessment, 2017, as cited in the [Mutual Evaluation Report of Colombia](#), IMF-GAFILAT, Nov. 2019, p. 18.

¹⁰ Edgar Villa, Martha Misas and Norman Loayza, [Illicit Activity and Money Laundering from an Economic Growth Perspective: A Model and an Application to Colombia](#),” World Bank Group, Feb. 2016.

¹¹ Yansura and Kumar, *Narcotics Proceeds in the Western Hemisphere*, p. 15. The 5-10 percent range is based on drugs entering into the United States, not including drugs already seized by Latin American and/or Caribbean authorities.

¹² Yansura and Kumar, *Narcotics Proceeds in the Western Hemisphere*, p. 13.

¹³ *Ibid.*

¹⁴ Peter Reuter and Edwin M. Truman, [Chasing Dirty Money: The Fight Against Money Laundering](#), Washington D.C., 2004, p.8.

¹⁵ *Ibid.*, 4.

operate. “If you’re asking for the dollar amount, you’re asking the wrong question,” said Colombian economist Daniel Rico. “The right question to ask is: how easy would it be for bad actors to find loopholes in the current system?”¹⁶

III. Methods

Money laundering – or the process of making illegally-obtained (dirty) money appear legal (clean) generally includes three steps: 1) *placement*: introducing the funds into the legitimate financial system; 2) *layering*: disguising the origin using bookkeeping tricks or by erasing the trail through a series of seemingly legal transactions; and, 3) *integration*: moving the funds into the legitimate economy, by investing in a business, purchasing real estate or buying luxury goods. A more precise term might be “asset laundering,” since the illicit proceeds may consist of not only money but also gold, precious stones, exotic animals, or digital currencies.

The physical transportation of cash across an international border – or bulk cash smuggling – is one of the oldest forms of money laundering. Cash is still widely used to avoid the audit trail created by international transactions. The cash must then be converted into local currency and/or deposited in a financial institution, where governments may then pick up the trail by monitoring currency reports or bank deposits. Most governments have such controls, though their capacity to use them varies by institution and by country.

US officials believe bulk-cash smuggling “remains one of the predominant ways that Mexican drug cartels move illicit drug proceeds across the US southwest border.”¹⁷ A national risk assessment conducted by the Mexican government in 2016, however, concluded that bulk-cash smuggling had decreased because of strict limits on dollar deposits and foreign currency exchanges.¹⁸ Seizures of cash by US officials at the border have also gone down.¹⁹

Trade-based money laundering (TBML) is the other major method used by drug traffickers and one that some experts believe has been “grossly underestimated.”²⁰ TBML allows criminals to move money or value across international borders disguised as legitimate transactions. Methods include over- or under-invoicing shipments by fraudulently misrepresenting the quantity, quality, or price. It is difficult to detect by either banks or law enforcement since the fraud occurs at ports of entry, allowing traffickers to avoid financial institutions that must comply with AML regulations.²¹

Another trade-related scheme is the black-market peso exchange, which follows a more complicated path: a drug trafficker working in the United States sells dollars at a discount to a peso broker, who deposits the funds in a US bank. The broker then pays the trafficker in foreign currency through a bank in Latin America. Meanwhile, the peso broker uses the money

¹⁶ Phone Interview with Global Financial Integrity, March 2020.

¹⁷ United States Treasury, [National Strategy for Combating Terrorist and Other Illicit Financing 2020](#) (Washington, DC: United States Department of the Treasury, 2020) p. 23.

¹⁸ Secretaria de Hacienda y Crédito Público, [Evaluación Nacional de Riesgos De Lavado de Dinero y Financiamiento Al Terrorismo en México](#), 2016, p. 20.

¹⁹ United States Treasury, [National Strategy for Combating Terrorist and Other Illicit Financing 2020](#), p. 23

²⁰ John Cassara, Testimony Senate Judiciary Committee, [S.1241: Modernizing AML Laws to Combat Money Laundering and Terrorist Financing](#), Nov. 28, 2017, p.6.

²¹ See Government Accountability Office, [Countering Illicit Finance and Trade: US Efforts to Combat Trade-Based Money Laundering](#), GAO-20-314R (Washington, D.C.: Government Accountability Office, Dec. 2019), p. 1.

deposited in the US to buy legitimate goods for export to Latin America, where the importer can sell them and use the proceeds to repay the peso broker.²² The recorded transactions look like legitimate export-import payments.

For Latin American countries, such trade-based schemes not only enrich criminal organizations, but also undermine legitimate commerce and deprive governments of much-needed customs revenues. GFI estimated that developing countries lost more than \$1 trillion in illicit outflows in 2013, largely through trade fraud, finding that the ratio of mis-invoicing to total trade was especially high in drug-producing and drug-trafficking states.²³

Other methods involve making small bank deposits under the \$10,000 reporting threshold (known as funnel accounts). Less common techniques used by traffickers include virtual currencies, money-service businesses, and pre-paid cards. Money is also laundered through the purchase of real estate and luxury goods or by investing in businesses that generate cash, such as restaurants, casinos, strip clubs, or gas stations.²⁴

IV. Drug Money, Terrorism, and Dictatorship

Criminal organizations and terrorist groups thrive in similar contexts: countries where the state is fragile and easily corrupted, where there are vast ungoverned spaces, or whose citizens suffer from high rates of poverty and inequality, exacerbated by racial or ethnic tensions. Drug traffickers and terrorists, however, generally have very different motivations: traffickers seek money as its own reward and use violence to protect their wealth; terrorists need money to carry out acts of violence to advance a political, religious or ethnic cause. Conflating the two can lead to ineffective, even counterproductive policies.²⁵

Major drug trafficking organizations, moreover, deal in vast amounts of money, while terrorists need relatively little to carry out attacks with enormous impact. The 9/11 plot reportedly cost less than \$500,000, raised “almost entirely through donations.”²⁶

Where drug trafficking and insurgency coincide, however, the combination can become especially dangerous. In Colombia, FARC rebels became involved in the drug trade beginning in the 1980s and continuing through the 2016 peace accords. The FARC provided security for coca farmers, taxing cultivation, precursor chemicals, and the use of landing strips. Over time the rebels became increasingly involved in the cocaine trafficking itself.

In Colombia today, FARC dissidents and the National Liberation Army (ELN) continue to traffic in drugs and gold, threatening and killing farmers and community leaders who try to exit the trade. In Peru, remnants of the formerly powerful Shining Path survive largely by providing

²² Rena S. Miller, Liana W. Rosen, James K. Jackson, *Trade Based Money Laundering: Overview and Policy Issues*, (Washington, DC: Congressional Research Service, June 22, 2016), p. 3.

²³ Dev Kar and Joseph Spanjers, *Illicit Financial Flows from Developing Countries: 2004-2013*, (Washington, DC: Global Financial Integrity, Dec. 2015), p. 17.

²⁴ *The Drug Problem and Organized Crime. Illicit Financial Flows, Corruption and Terrorism*,” World Drug Report 2017, UNODC, p. 27.

²⁵ See Vanda Felbab-Brown, *The Threat of Illicit Economies and the Complex Relations with State and Society*,” in *Organized Crime and Illicit Trade*, edited by Virginia Comolli, London, 2018.

²⁶ *The 9/11 Commission Report* (Washington, D.C.: The National Commission on Terrorist Attacks Upon the United States, 2004), pp. 170-172.

protection for cocaine traffickers.²⁷

US law enforcement has also uncovered links between international terrorist groups and Latin American criminal organizations, including the 2008 arrests of more than 100 suspects in Colombia and overseas for operating a network that allowed Hezbollah to launder drug money.²⁸ More recently, US law enforcement has linked the Iranian-backed group to the trade in “black cocaine” or cocaine treated to look like charcoal briquettes and then shipped overseas.²⁹

The Tri-Border Area (where Argentina, Brazil, and Paraguay meet) has long been a smuggling hub, providing money-laundering opportunities for a variety of criminal groups, including drug traffickers and international terrorists, such as Hezbollah.³⁰ In 2017, the OAS Secretary General urged member states to designate Hezbollah as a terrorist organization.³¹

Iran has also assisted Venezuela, demonstrating how authoritarian pariah states can survive despite international sanctions. Venezuela has gold but needs gasoline; Iran has gasoline and needs cash.³² But Iranian oil shipments and other assistance are not sufficient to keep the Bolivarian Republic afloat. The regime of Nicolás Maduro has also secured the loyalty of the military and other key members of the elite by allowing them to enrich themselves, by plundering state corporations (especially the state-run oil company) and investing in businesses and real estate, both within Venezuela and in foreign countries, including the United States.³³

Venezuela has long provided a haven for Colombian guerrilla groups. Over the past two decades, it has become an increasingly important transit country, especially for cocaine bound for European markets.³⁴ The US has indicted President Nicolás Maduro and 14 other high-ranking officials, including the Minister of Defense and the chief supreme court justice, along with Colombian rebel leaders on trafficking and other criminal charges.³⁵

US sanctions may have the perverse effect of encouraging unfriendly nations to work with powerful criminal organizations, enriching elites and prolonging their rule. Moreover, despite harsh US sanctions against criminal actors, some still manage to invest and launder funds inside the United States exploiting loopholes and weaknesses within the US financial system, as discussed below.

The legal structure to combat AML/CTF has grown increasingly robust as countries enact legislation in compliance with FATF standards. Using these laws to actually prosecute and

²⁷ [Shining Path](#), *InSight Crime*, Oct. 26, 2020.

²⁸ See Jo Becker, [Beirut Bank Seen as a Hub of Hezbollah's Financing](#), *New York Times*, Dec. 13, 2011; Chris Kraul and Sebastian Rotella, [Drug probe finds Hezbollah link](#), *Los Angeles Times*, Oct. 22, 2008.

²⁹ See Emanuele Ottolenghi, [How Hezbollah Collaborates with Latin American Drug Cartels](#), *The Dispatch*, Sept. 22, 2020.

³⁰ See [Iran in Latin America: Threat or Axis of Annoyance](#), The Woodrow Wilson Center, Eds. Cynthia Arnson, Haleh Esfandiari, and Adam Stubits, 2008; [Is the Trump Administration Exaggerating the Threat of Hezbollah in South America?](#) *World Politics Review*, Sept. 5, 2019. Critics contend the region's importance to Hezbollah is exaggerated.

³¹ [Luis Almagro pidió a los miembros de la OEA declarar a Hezbollah como organización terrorista](#), *Infobae*, July 19, 2019. In Latin America, Argentina, Paraguay, Honduras, and Colombia have designated Hezbollah. Argentina blames the group for two suicide bombings on its soil in the 1990s. Giorgio Cafiero, [Trump fights Iran's Axis of Resistance in Latin America](#), *The Atlantic Council*, Feb. 8, 2020.

³² Julie Turkewitz, [Oil-Starved Venezuela Celebrates Arrival of Tankers from Iran](#), *New York Times*, May 25, 2020.

³³ General Valdimir Padrino López, the head of the Venezuela's military, allegedly owns companies and real estate in Venezuela and the United States. See Organized Crime and Corruption Reporting Project (OCCRP), [The General and his Corporate Labyrinth](#), April 10, 2020.

³⁴ See [2019 World Drug Report](#), Executive Summary, UNODC, June 2019, p. 17

³⁵ [Nicolás Maduro Moros and 14 Current and Former Venezuelan Officials Charged with Narco-Terrorism, Corruption, Drug Trafficking and Other Criminal Charges](#), Office of Public Affairs, Department of Justice, March 26, 2020; William K. Rashbaum, Benjamin Weiser and Kate Benner, [Venezuelan Leader Maduro Is Charged in the U.S. With Drug Trafficking](#), *New York Times*, April 13, 2020.

convict money launderers, however, is more difficult. And it's challenging not just for important US partners in the region – such as Colombia and Mexico – but also for the United States itself.

Colombia

Colombia has some of the strongest AML/CFT rules in the region, dating back to 1995 when the government enacted legislation making it illegal to launder assets acquired directly or indirectly from criminal activities. The country has given prosecutors additional tools against criminal organizations and other armed groups, adding new crimes and harsher sentences to its AML/CFT framework. It also enacted legislation in 2006 to prevent, detect, investigate and prosecute terrorism financing, under the joint responsibility of the Treasury's financial information and analysis unit, the Financial Superintendence (which regulates the financial industry), and the Attorney General's office.³⁶

Colombia's AML/CTF reporting requirements may have outpaced the government's capacity to process and use the data. More than a dozen sectors, each supervised by a government agency, have reporting responsibilities, but they do not always share information. For example, the customs authority, which should monitor trade-based money laundering, had not implemented an agreement to share information with the financial crimes unit, according to Colombia's 2018 FATF evaluation.³⁷

Trade-based schemes are especially difficult to detect and investigate. In 2015, the attorney general's office announced the results of a two-year investigation into a network that allegedly laundered more than \$1 billion using fake gold sales, issuing more than two dozen arrest warrants. But such investigations remain rare. "The country remains as vulnerable as ever," said a Colombian expert. "It could happen again."³⁸

Another obstacle to prosecuting money laundering cases is the difficulty of verifying the real owners of real estate or corporations. Although banks are well versed in AML/CTF regulations, non-financial companies "generally have a lower level of awareness," according to the State Department.³⁹

Colombia's challenge is to simplify and fully implement its existing AML/CFT policies. A Colombian narcotics expert said that the country's suspicious activity reports did not "translate into building cases."⁴⁰ Colombia's 2019 National Risk Assessment noted that "hyperregulation" made compliance difficult, especially when it involved multiple agencies without clearly divided responsibilities.⁴¹

Nor have these regulations resulted in a large number of investigations resulting in indictments and convictions. Colombia reported 41 money-laundering convictions (out of 90 indictments) in 2015 and 58 (out of 67) in 2016, according to the FATF evaluation. Most of the cases involved "simple money-laundering schemes or low amounts of assets;" only two were based on "foreign

³⁶ Available at: https://www.uiaf.gov.co/sistema_nacional_ala_cft/normatividad_sistema/leyes/ley_1121_2006

³⁷ *Mutual Evaluation Report of the Republic of Colombia*, IMF-FAFILAT, Nov. 2018, p. 114.

³⁸ Interview with Global Financial Integrity, Feb. 2020.

³⁹ United States Department of State, *International Narcotics Control Strategy Report, Volume II Money Laundering* (Washington, D.C.: Bureau of International Narcotics and Law Enforcement Affairs, March 2020), p. 83.

⁴⁰ Interview with Global Financial Integrity, Feb. 2020.

⁴¹ *La Evaluación Nacional de Riesgo: Informe Ejecutivo 2019*, (Bogota, Colombia: La Unidad de Información y Análisis Financiero, March 2019), p. 7.

predicate offenses,” such as drug smuggling. The “limited number of money-laundering cases investigated and prosecuted,” the report noted, “are not commensurate with the threats of corruption, and other crimes.”⁴²

Mexico

Over the past decade, Mexico has implemented a series of ambitious AML/CTF regulations. Compared to US and Colombian law, Mexico’s AML/CTF regime is relatively new so some rules will take time to fully implement. One measure that has already had an impact is the 2010 requirement to report cash deposits of more than \$10,000.

Experts say these reporting requirements have discouraged bulk-cash smuggling, though traffickers in response may be using funnel accounts for trade-based schemes, which businesses are less likely to detect and report.⁴³ Mexico’s Tax Administration Service (or SAT in Spanish), including customs, also has limited capacity to detect and verify fraud, a serious deficiency given the growing importance of trade-based money laundering.⁴⁴

Mexico also passed a forfeiture law in 2009, which allows the federal government to seize assets related to organized criminal activity, such as drug and human trafficking, kidnapping, extortion, carjacking, and obstruction of justice.⁴⁵ Under additional legislation passed in 2019, authorities can seize assets before or even without criminal proceedings. The new regulations added corruption and money laundering as offenses that can lead to forfeiture. The burden of proof is on owners to prove they purchased assets in good faith, incentivizing businesses to reinforce record-keeping and due diligence.⁴⁶ But Mexico’s asset forfeiture rules are controversial: the National Human Rights Commission, among others, has questioned their constitutionality.⁴⁷

President López Obrador has submitted legislation to strengthen the Financial Intelligence Unit (FIU) granting it more autonomy, expanding its mandate to investigate terrorism financing, and to collect data on beneficial ownership.⁴⁸ Mexican financial institutions collect information on real (not just legal) ownership or control, though the country does not collect and centralize information so that it can be easily accessed by law enforcement.⁴⁹ (Mexico’s beneficial ownership requirements, however, are stronger than the US government’s. See below.)

Mexico’s financial system launders “billions of dollars in drug trafficking proceeds” each year, according to the State Department, plus illicit funds associated with “corruption, bulk cash smuggling, kidnapping, extortion, fuel theft, intellectual property rights violations, fraud, human smuggling, and trafficking in persons and firearms.”⁵⁰ Compared to the enormous

⁴² *Mutual Evaluation Report of the Republic of Colombia*, p. 48

⁴³ [Update on US Currency Restrictions in Mexico: Funnel Accounts and TBML.](#) FinCEN, US Department of the Treasury, May 28, 2014.

⁴⁴ Mexico Mutual Evaluation Report, FATF, Jan. 2018.

⁴⁵ “[Entra en vigor la Ley Federal de Extinción de Dominio.](#)” Proceso, May 29, 2009.; Alexander A. Salinas and José Martin, “[Mexican Asset Forfeiture Redux.](#)” *National Law Review*, Nov. 7, 2019.

⁴⁶ Salinas and Martin, “Mexican Asset Forfeiture Redux.”

⁴⁷ Dr. Andric Núñez Trejo, “[La Nueva Ley Nacional de Extinción de Dominio Viola Derechos Humanos y Garantías Individuales.](#)” *Foro Jurídico*, Oct. 7, 2019.

⁴⁸ Sen. Ricardo Monreal Ávila, “[Iniciativa con Proyectos de Decreto que Reforma y Adiciona Diversas Disposiciones la Ley Federal para la Prevención e Identificación de Operaciones con Recursos de Procedencia Ilícita.](#)” MORENA, 2019.

⁴⁹ Interviews by Global Financial Integrity with Mexican AML experts, March 2020.

⁵⁰ *International Narcotics Control Strategy Report*, p. 141.

volume of illicit funds flowing through Mexico's economy, the number of people convicted on AML charges is minuscule.

The 2018 FATF report notes the lack of “proactive and systemic” money laundering investigations by Mexican authorities who place higher priority on predicate offenses, such as trafficking.⁵¹ The money laundering unit within the federal prosecutor's organized crime division reported 11 money laundering convictions in 2018, compared to 17 in 2017.⁵² Although convictions rose to 84 in 2019, the number, according to public officials, “still remains deficient,” given the scale of the problem.⁵³ This low level of convictions reflects problems within the justice system that extend well beyond the AML/CTF regime. “The level of corruption affecting law enforcement agencies, in particular at the state level, undermines their capacity to investigate and prosecute serious offences.”⁵⁴

The United States

The United States' anti-money laundering system emerged 50 years ago with passage of the Bank Secrecy Act (BSA), which requires domestic financial institutions to assist the US government in detecting and preventing financial crimes such as money laundering and tax evasion by filing Suspicious Activity Reports (SARs) on large cash transactions and other suspect activity. Over the past five decades, the US has strengthened and broadened its AML regime, passing the Money Laundering Control Act in 1986 and the Patriot Act in 2001. Together these laws – along with a plethora of regulations – constitute a “well-developed and robust” framework, supported by a “variety of complementary risk assessment processes,” according to FATF's 2016 evaluation of US policies.⁵⁵

Over the past two decades the number of suspicious activity reports has soared as banks and other institutions (including loan and insurance companies, brokerages, money service businesses, and casinos) have developed automated monitoring systems that can flag multiple indicators. Treasury received approximately 163,000 reports in 2000, 667,000 in 2010, and more than 2.3 million in 2019.⁵⁶

The United States also has an aggressive sanctions regime under the 1999 Kingpin Act, administered by the Treasury Department's Office of Foreign Assets Control (OFAC). The Kingpin Act authorizes federal agencies to identify and sanction major foreign drug traffickers, blocking access to US-held assets and prohibiting all trade and transactions with US individuals. It also extends to companies owned or controlled by traffickers and their operatives.⁵⁷ Over the past 20 years OFAC, has designated more than 2,000 kingpins and accomplices and frozen

⁵¹ [Anti-money laundering and counter-terrorist Financing measures: Mexico Mutual Evaluation Report](#) (Paris, France: FATF/OECD and GAFILAT, Jan. 2018), pg. 4.

⁵² [International Narcotics Control Strategy Report](#), p. 143.

⁵³ Fernando Guitierrez, “Número de sentencias por lavado continúa deficiente: UIF,” *El Economista*, July 12, 2020.

⁵⁴ [Anti-money laundering and counter-terrorist Financing measures](#), p. 4.

⁵⁵ [United States Mutual Evaluation Report](#), FATF, 2016, p. 2.

⁵⁶ See [The SAR Activity Review](#),” FinCEN, Issue 15 (Jan. 2011) for historical trends and Alison Jimenez, [2019 SAR Insight: Suspicious Activity Report Annual Analysis](#),” Dynamic Securities Analytics, Inc., for a breakdown of 2019 reports. In addition to SARs, financial institutions are required to file currency transaction reports (CTRs) and monetary instrument reports (CMIRs) about large movements of cash.

⁵⁷ Office of the Press Secretary, [Overview of the Foreign Narcotics Kingpin Designation Act](#),” White House, April 15, 2009.

more than half a billion in assets.⁵⁸ More than half were either Colombian or Mexican.⁵⁹

Critics complain the process can be opaque and unfair, crippling businesses that are targeted erroneously.⁶⁰

While the US anti-money laundering regime has grown more complex, the amount the federal government spends to analyze and operationalize financial intelligence is relatively small. In FY 2020, the US Treasury's Financial Crimes Enforcement Network – FinCEN – had a budget of about \$126 million and a staff of 300.⁶¹

High costs, low results

Anti-money laundering regulations entail considerable costs. A 2016 study estimates that compliance costs US companies from \$4.8 billion to \$8 billion per year.⁶² There is an incentive to overreport: failure to file suspicious activity reports can result in both substantial financial penalties and damage to the bank's reputation. But banks have little incentive to provide quality information or develop proactive, innovative practices.⁶³ The result is a system that encourages quantity of reporting over quality.

Meanwhile, most money launderers go unpunished, either financially or criminally. The US confiscated about \$4.4 billion in assets in 2014, according to the latest FATF evaluation, a huge amount but only a fraction of the estimated value of illicit proceeds from drug trafficking alone. The US reported only 1,200 federal money laundering convictions annually.⁶⁴

The problem is not unique to the United States. A UNODC study estimated that out of the trillions of dollars laundered globally every year, authorities seized less than one percent.⁶⁵ To quote a financial crimes expert: “Bottom-line metrics suggest that money-laundering enforcement fails 99.9 percent of the time.”⁶⁶

The sheer number of suspicious transaction reports is overwhelming financial intelligence units in many countries. Financial crime investigators from six countries (including the US) surveyed for a 2017 report said that 80 to 90 percent of the reports they received were of “no immediate value to active law enforcement investigations.”⁶⁷ This does not mean the reports are useless – they may provide additional evidence for ongoing investigations -- but they do not appear to generate new cases or alert authorities to new threats.

The September 2020 leak of thousands of FinCEN documents (mostly suspicious activity reports) underscored the system's weaknesses, prompting new calls for reform, both from those

⁵⁸ [Counter narcotics: Treasury Reports Some Results from Designating Drug Kingpins, but Should Improve Information on Agencies' Expenditures](#), (Washington, D.C.: GAO, Dec. 2019).

⁵⁹ Yansura and Kumar, *Narcotics Proceeds in the Western Hemisphere*, p. 51.

⁶⁰ Mimi Yagoub, [US Drops Names From Kingpin List, Accused of Lacking Rigor](#), *InSight Crime*, Feb. 27, 2017.

⁶¹ US Department of the Treasury, [Financial Crimes Enforcement Network Congressional Budget Justification and Annual Performance Plan and Report FY 2021](#), p. 4.

⁶² David R. Burton and Norbert J. Michael, [Financial Privacy in a Free Society](#), “Backgrounder, The Heritage Foundation, Sept. 23, 2016.

⁶³ On the perverse incentives faced by the financial industry, see [A New Paradigm: Redesigning the U.S. AML/CFT Framework to Protect National Security and Aid Law Enforcement](#), The Clearing House, Feb. 2017, p. 4-5.

⁶⁴ [United States Mutual Evaluation Report](#), p. 64.

⁶⁵ Estimating illicit financial flows,” p.7.

⁶⁶ Cassara, S.1241: Modernizing AML Laws,” p. 2.

⁶⁷ Nick J Maxwell and David Artinstall, [The Role of Financial Information Sharing Partnerships in the Disruption of Crime](#), (London, United Kingdom: Royal United Service Institute, 2017), p.6.

who want stronger anti-money laundering regulations and those concerned about Treasury's failure to protect potentially sensitive information.⁶⁸ FinCEN has acknowledged the need for regulatory change, issuing a request for public comment on how to make regulations more effective.⁶⁹

Shell companies

Drug traffickers – along with tax evaders, corrupt officials, counterfeiters, and other criminals – use anonymous shell companies to their shield their profits from authorities. Lack of accurate information about beneficial ownership remains a “fundamental gap” in US AML enforcement, according to the FATF's evaluation of the United States.⁷⁰ A 2014 study of 103 developed countries found the United States was the easiest place for suspicious persons to incorporate an anonymous company.⁷¹

Efforts to strengthen beneficial ownership reporting – such as the 2019 Corporate Transparency Act – are controversial, however.⁷² Bankers argue that extending reporting requirements to non-financial firms would make filings more accurate while small businesses object that this simply shifts compliance costs to companies already struggling to survive during the pandemic-provoked recession.⁷³ Legal associations raise privacy concerns and object to vague language that could criminalize behavior unrelated to terrorism or money laundering.⁷⁴

Critics of the proposed legislation, moreover, argue that it does not go far enough: the bill does not include transparency or due diligence requirements for gatekeeper professionals, such as real estate brokers, lawyers, and accountants. Real estate purchases remain an important way to hide illicit proceeds and law enforcement agencies often cannot identify the real owners of the aircraft and speed boats that may be used to transport drugs or cash.⁷⁵

Sanctions

The impact of OFAC sanctions on drug trafficking and drug flows in the region remains unclear. A 2019 GAO study recommended that Treasury needed to improve guidance and information sharing among the State Department and other partner agencies involved in identifying and monitoring sanctioned individuals and organizations. Although OFAC and its international partners track and report a range of results, the GAO report noted that Treasury had not assessed the program's overall effectiveness, citing the challenge of isolating the effect of

⁶⁸ The files were leaked to BuzzFeed News and released in collaboration with the International Consortium of Investigative Journalists (ICIJ). See [FinCEN Files](#),” at [icij.org](#). For security implications, see Nathan Lynch and Brett Wolf, [U.S. FinCEN leaks to have chilling effect on fight against financial crime, say AML experts](#),” *Thomson Reuters*, Sept. 18, 2020.

⁶⁹ [FinCEN Seeks Comments on Enhancing the Effectiveness of Anti-Money Laundering Programs](#),” FinCen news release, Sept. 16, 2020.

⁷⁰ [United States Mutual Evaluation Report](#), p. 4.

⁷¹ Michael Findley et al., *Global Shell Games: Experiments in Transnational Relations, Crime, and Terrorism*, Cambridge, 2014, p. 74.

⁷² H.R.2513 - Corporate Transparency Act of 2019 passed the House in Oct. 2019.

⁷³ Daniel P. Stipano, [Congress, keep AML reform in the defense spending bill](#),” *American Banker*, July 20, 2020; [FinCEN files Media Report confirms Worst Fears about Anti-Small Business Mandate](#),” National Federation of Independent Business (NFIB), Oct. 1, 2020; Diego Zuluaga, [Congress is About to Kick Small Businesses While They re Down](#),” *Real Clear Policy*, July 1, 2020.

⁷⁴ American Bar Association (ABA), [Hearing on Outside Perspectives on the Collection of Beneficial Ownership Information](#),” letter to Rep. Michael Crapo and Rep. Sherrod Brown, June 19, 2019; National Association of Criminal Defense Lawyers (NACDL), American Civil Liberties Union (ACLU), [Corporate Transparency Act of 2019 Letter to Speaker Nancy Pelosi and Minority Leader Kevin McCarthy](#), Oct. 22, 2019.

⁷⁵ *National Strategy to Combat Terrorist and Other Illicit Financing 2020*, p. 23.

sanctions from other counternarcotics efforts.⁷⁶

While assessment may be difficult, a comprehensive review of the sanctions program is long overdue. Two decades after passage of the Kingpin Act, the federal government has yet to provide evidence, whether qualitative or quantitative, that sanctions have had a significant impact on drug trafficking, terrorism, or corruption in this hemisphere. Civil liberties groups complain that OFAC does not provide those sanctioned with sufficient notice of alleged violations or access to the evidence used in its determination. Although OFAC has delisted individuals who say they were unfairly targeted, the process can take years.⁷⁷ Nor does OFAC consider potential collateral damage to legitimate businesses in drug-transit or drug-producing countries, damaging US efforts to strengthen the growth of the legal economy.⁷⁸

“Inappropriate use” of sanctions, as the 2020 National Strategy to Combat Terrorist and Other Illicit Financing points out, can “lessen impact” and increase “institutionalized sanctions evasions.” Unilateral sanctions or uneven enforcement and implementation allows bad actors to evade sanctions in a kind of “balloon effect”: money launderers may simply move to jurisdictions where regulations are weak and authorities easier to corrupt.⁷⁹

Virtual currencies

The Treasury Department identified virtual currencies and other digital assets as an established “vulnerability” in its 2020 National Strategy to Counter Illicit Finance, having previously called their use an “emerging threat.”⁸⁰ Although still not as commonly used as bulk-cash smuggling or trade-based methods, virtual currencies offer traffickers a way to transfer funds efficiently across international borders. Certain virtual currencies – those not controlled by a central organization – also offer anonymity, which combined with the lack of clear regulation poses a challenge to law enforcement.⁸¹

The DEA’s 2019 National Threat Assessments found that Colombian and Mexican drug cartels have used virtual currency tools to facilitate payments for drug shipments, sometimes in conjunction with Chinese operators who need dollars to transfer assets overseas.⁸² National digital currencies can also be used to evade sanctions. Venezuela created a digital currency backed by the country’s oil reserves known as the petro. Its purpose was to help the government repay debt and finance imports by allowing investors to circumvent US sanctions banning the purchase of securities issued by Venezuelan government.⁸³

⁷⁶ *Treasury Reports Some Results from Designating Drug Kingpins*, p. II.

⁷⁷ See Lawyers Committee on Civil Rights of the San Francisco Bay Area, [The OFAC List: Due process challenges in designation and delisting.](#) July 2014.

⁷⁸ Testimony by Eric Olson, Wilson Center, before the House Foreign Affairs Subcommittee on Western Hemisphere, [Examining the Effectiveness of the Kingpin Designation Act in the Western Hemisphere](#), Nov. 9, 2017, p.5.

⁷⁹ *National Strategy to Combat Terrorist and Other Illicit Financing 2020*, p. 48

⁸⁰ *National Strategy to Combat Terrorist and Other Illicit Financing 2020*, p. 31. See for additional information on virtual currencies, [Illegal network used cryptocurrencies and credit cards to launder more than EUR 8 million from drug trafficking](#), EUROPOL, April 9, 2018; [Narcos: Transnational Cartels and Border Security](#), The Senate Judiciary Subcommittee on Border Security and Immigration, Dec. 12, 2018.

⁸¹ Jay B. Sykes and Nicole Vanatko, [Virtual Currencies and Money Laundering: Legal Background, Enforcement Actions, and Legislative Proposals](#) R45664, (Washington, D.C.: Congressional Research Service, April 3, 2019). pg.11

⁸² *2019 National Drug Threat Assessment*, p. 105, 108-109.

⁸³ Kirk Semple and Nathaniel Popper, [Venezuela Launches Virtual Currency, Hoping to Resuscitate Economy](#), *New York Times*, Feb. 20, 2018.

V. Recommendations

The international Anti-Money Laundering/Counter Terrorism Finance regime has grown increasingly complex, generating huge costs and enormous amounts of data. Law enforcement agencies, however, are often unable to use this information to investigate and prosecute drug traffickers and other international criminals. Regulators need to assess the impact of anti-money laundering rules on criminal and terrorist groups and their costs to legitimate businesses.

Congress should provide the US Treasury Department with additional resources to:

- **Strengthen FinCEN.** The US government has increased AML/CTF regulations, collecting enormous amounts of data, but the system is under-resourced and overwhelmed. FinCEN's small staff lacks the capacity to analyze existing intelligence or to anticipate new and emerging threats. Providing FinCEN with the leadership and resources needed to gather, protect, and analyze financial intelligence should be a priority.
- **Use research to improve regulations and facilitate investigations.** Establish a database of money-laundering cases that can be shared among law enforcement agencies, describing prices and methods along with the predicate crimes involved.⁸⁴ This would allow regulators and investigators to make better use of existing data, especially the information generated by suspicious activity reports.

Although the costs and benefits of AML are not easily measured, a thorough review could use economic modeling and analysis tools to assess outcomes and side-effects.

The US also needs a better understanding of how criminal groups use virtual currencies and other digital assets to transfer and launder illicit proceeds. US regulators should work with foreign partners and international institutions, such as FATF and the Egmont Group of Financial Intelligence Units, to determine the size and scale of illicit digital asset transactions, share information, and update regulations.

- **Promote innovation in both the public and private sector.** Regulators should work with financial institutions to make anti-money laundering reports more effective and efficient by encouraging innovative practices and sharing best practices. The US government should also encourage the private sector to improve the quality of reporting by focusing on priority risks and by providing up-to-date information about newly identified threats and vulnerabilities.

Regulators and law enforcement should make better use of tools such as artificial intelligence and data analytics. Examples of promising efforts include Trade Transparency Units, a collaborative effort between Homeland Security Investigations, Customs and Border Patrol, Treasury and State, used to detect and analyze anomalies in foreign trade data, and the Nationally Coordinated Investigations Unit, a data analytics unit that harnesses information collected by the Internal Revenue Service.⁸⁵

⁸⁴ See Reuter and Truman, *Chasing Dirty Money*, p. 8.

⁸⁵ *National Strategy to Combat Terrorist and Other Illicit Financing 2020*, p. 45.

- **Review sanctions.** The US should evaluate the impact of sanctions and consider how to provide those targeted with due process. A comprehensive evaluation should include data assessing both the impact of sanctions on specific individuals and their overall impact on drug-transit and drug-trafficking countries. How many of those designated have faced prosecution in the United States or abroad? How many remain active in drug trafficking and other criminal activities? How many have been delisted and why? A comprehensive review should also evaluate the political and economic impact of Kingpin sanctions in countries such as Colombia, Mexico, and Venezuela.

Appendix A: Measuring the Impact of Counternarcotics Policies

This Appendix is based on a paper prepared for the WHDPC by Annie Pforzheimer, a retired career diplomat who focused on security, rule of law, and human rights during a 30-year career in the Foreign Service.

Introduction

The Executive Branch is responsible for creating indicators linked to measurable, substantive, and relevant metrics to show Congress that its appropriations are achieving the desired results. Before beginning the technical task of evaluation, policymakers and implementers need to have a clear sense of what constitutes “success.”

In the case of counternarcotics policies, the Office of National Drug Control Policy (ONDCP) defines the “single and most important criterion of success” as “saving American lives.” Its strategy is based on three pillars: prevention, treatment/recovery, and “aggressively reducing the availability of illicit drugs in America’s communities.”¹

The role of US foreign policy is to strengthen the third pillar of this strategy by working with international partners to “disrupt the illicit supply chain,” not only through eradication and interdiction but also by encouraging the institutional change needed to “develop and sustain robust law enforcement and justice systems; maintain the rule of law and ferret out corruption; and arrest and prosecute drug traffickers operating within their own land borders, territorial waters, and airspace.”²

These institutional changes are among the most difficult to evaluate. This paper focuses on efforts by the State Department’s Bureau of International Narcotics and Law Enforcement Affairs (INL) and the United States Agency for International Development (USAID) to assess their programs aimed at strengthening the institutional capacity of US partners in Latin America and the Caribbean. The paper argues that intermediate levels of metrics and benchmarks are essential to help link measurable, tactical efforts to longer-term strategic goals; that impact assessments need time and policy consistency to be effective; and that the US government should strive for standardization of measurements.

Section 2 reviews the major foreign assistance programs in the Western Hemisphere; Section 3 looks at challenges to developing and using indicators; and Section 4 proposes ways to make indicators more useful, relevant, and sustainable.

Western Hemisphere programs and uses of indicators

Measuring how counternarcotics policies in the Western Hemisphere affect the supply of illicit drugs and fatalities in the United States is complicated. While opioid overdose deaths suggest

¹ Office of National Drug Control Policy (ONDCP), [National Drug Control Strategy](#), Jan. 2019, p. 2.

² *Ibid.*, p. 14.

the problem is getting worse, other government data indicates that abuse of both opioid prescription drugs and heroin has declined since 2015 and that rates of drug use among youth have been stable since the 1990s.³ Cocaine use has risen slightly since 2013, but it remains lower than when Plan Colombia was enacted in 2000.⁴ And although both cocaine- and opioid-related deaths have increased in recent years, most are linked to fentanyl, a potent synthetic opioid, sometimes mixed with cocaine or heroin, that usually comes from China, entering the country through the mail.⁵

Metrics related to drug production are also problematic. Our ability to measure crops is limited: tracking production on the ground is often impractical; satellite imagery can be hampered by cloud cover and efforts to hide illicit crops amid licit ones.⁶ Even if crops can be measured, the impact of eradication may remain unclear since production fluctuates with factors beyond human control, such as the weather and plant diseases.⁷

The production of synthetic illicit drugs can be even harder to gauge: their manufacture may begin with largely unregulated chemical precursors which are combined in makeshift labs. The proliferation of new psychoactive substances – or synthetic analogues – further complicates detection.⁸

Finally, employing indicators to judge the success of US policies and programs in Latin America against the seemingly unstoppable drug trade must consider the reality of addressing deep social and political problems using funding that represents a fraction of the resources available to traffickers. A recent report by Global Financial Integrity estimates the worth of the global illicit drug market to be between \$426 billion and \$652 billion.⁹

Major counternarcotics assistance programs – from Plan Colombia to the Mérida Initiative to the Central American Regional Security Initiative (CARSI) – have each had to address not only the unique security challenges faced by these governments, but also widely varying levels of institutional capacity and political will.

Colombia: The United States originally envisioned Plan Colombia as a six-year program solely to increase the Colombian government’s capacity to fight narco-traffickers, and gained bipartisan support on this basis.¹⁰ The plan came together in the final years of both the Clinton and Pastrana presidencies, leaving it to their successors to complete. Bipartisan Congressional support was an important bridge for these Executive branch transitions. Over time, Congress widened the focus to counterinsurgency, given the FARC’s connection to drug trafficking,

³ Substance Abuse and Mental Health Service Administration (SAMHSA), *Key Substance Use and Mental Health Indicators in the United States: Results from the 2018 National Survey on Drug Use and Health*, Aug. 2019, p. 23.

⁴ SAMHSA, *Key Substance Use and Mental Health Indicators*, p. 14; White House, *FACT SHEET: Peace Colombia – A New Era of Partnership between the United States and Colombia*, Feb. 4, 2016.

⁵ National Institute on Drug Abuse, “[Overdose Death Rates](#),” Jan. 29, 2019. On fentanyl see: [2018 National Drug Threat Assessment](#), US Department of Justice, Drug Enforcement Administration, Oct. 2018, p. 48, which states: “While overall cocaine-involved overdose deaths have risen sharply, the removal of synthetic opioids from cocaine-involved overdose deaths drops the 2016 value (10,375) to 6,191, which is below the last peak value from 2006 (7,448).”

⁶ See “[Illicit Drug Flows and Seizures in the United States: What Do We \[Not\] Know](#),” Congressional Research Service (CRS), July 3, 2019, p.2

⁷ United Nations Office on Drugs and Crime (UNODC), *World Drug Report*, 2010, p. 164.

⁸ “[Illicit Drug Flows and Seizures](#),” p. 3.

⁹ Channing May, *Transnational Crime and the Developing World*, Global Financial Integrity, March 2017, p. 11.

¹⁰ Office of the Press Secretary, “[Press Conference by President Clinton, President Pastrana of Colombia, House Speaker Dennis Hastert, and Senator Joseph Biden](#),” The White House.

although some lawmakers had expressed concern that this might become a “slippery slope” toward US military intervention.¹¹

Whether the strategy succeeded or failed depends on when and what you choose to measure. During a Drug Caucus hearing in March 2017, Senator Dianne Feinstein (D-CA) said, “Plan Colombia has failed” because an explosion of planting after 2013 had erased previous gains, leaving coca cultivation levels higher than when the strategy started.¹² According to others at the same hearing, however, Plan Colombia was a success, since coca eradication arguably helped reduce the US supply of cocaine and its use in the decade after its inception. It also succeeded by strengthening the state vis-à-vis illegal armed groups, which weakened the largest trafficking organization in Colombia, the FARC.¹³

Initially Plan Colombia relied on indicators related directly to the two key goals: reduced coca and opium poppy production (seen as the result of eradication and alternative development) and reduced cocaine and heroin flows into the United States (measured through interdiction). Later indicators incorporated counterterrorism and counterinsurgency metrics linked to defeating the FARC, which the Clinton Administration labeled a foreign terrorist organization in 1997.¹⁴

In 2011, the Colombian Government initiated the “National Consolidation Plan,” (PNC), which focused on strengthening state presence in neglected outlying areas. The United States supported the PNC through the “Colombia Strategic Development Initiative,” filling gaps where Colombian resources were stretched thin in priority zones identified by the Colombian government. Indicators evolved to reflect this effort, measuring economic opportunities for vulnerable populations; military and police training to international standards; access to justice, social services, and economic growth.¹⁵

Alternative development programs in Colombia have gone through multiple iterations since they began as “crop substitution” efforts in the 1970s, transitioning to “consolidation and livelihood” programs in strategic locations to strengthen farmer productivity and connect producers to markets.¹⁶ The long-term goals for the most recent version (the “Community Development and Licit Opportunities” program from 2017-2022) are to “build trust, foster citizen participation in local affairs, and promote licit and sustainable economies that will allow rural Colombians to live in dignity and peace,” although the implementer (Tetra Tech) does not detail how this will be measured.¹⁷

Eradication was the cornerstone of these efforts, until the Santos government ended aerial spraying in late 2015 during peace negotiations with the FARC. According to US estimates, coca cultivation surged to an all-time high of 209,000 hectares in 2017, though it declined to 208,000 hectares in 2018.¹⁸ Colombian coca production “directly relates to greater cocaine use

¹¹ June S. Beittel, “[Colombia: Background and US Relations](#),” CRS, Feb. 8, 2019, p. 28.

¹² Senate Caucus on International Narcotics Control, “[Countering the Global Narcotics Epidemic – The United States’ Counternarcotics Strategy](#),” June 11, 2019.

¹³ Center for Strategic and International Studies (CSIS), “[Drug Policy in the Americas: A Conversation with Gil Kerlikowske by CSIS](#),” July 30, 2012; ONDCP, “[Fact Sheet: U.S. Drug Policy](#),” April 17, 2012.

¹⁴ Source: John W. Rollins, “[Foreign Terrorist Organization \(FTO\)](#),” CRS, Jan. 15, 2019.

¹⁵ Beittel, “Colombia: Background and US Relations,” pp. 30-31.

¹⁶ *Ibid.*, p. 40.

¹⁷ Tetra Tech, “[Community Development and Licit Opportunities Activity](#)”.

¹⁸ ONDCP, “[ONDCP Reports Cocaine Production in Colombia is Leveling Off](#),” June 26, 2019.

in the United States,” according to the ONDCP, which cites the increase in new cocaine users since 2013.¹⁹

The ONDCP uses increased prices and decreased purity to measure the effectiveness of efforts to reduce illicit drug supplies in the US.²⁰ But the relationship between US cocaine prices or purity and Colombian production is complicated. According to the DEA, Colombian cocaine production has a “moderately strong” correlation with average annual cocaine purity in the US and a “weak” relationship with the retail level price.²¹

Eradication efforts alone may also have limited impact. According to a December 2018 Government Accountability Office (GAO) study, third-party research suggests that forced eradication does little to limit long-term supply since farmers often quickly re-plant their coca plants.²²

Mexico: The initial goals of the Mérida Initiative were bilateral, based on the principle of “shared responsibility”: the Mexican government promised to deal with crime and corruption while the US government pledged to address drug demand and the illicit trafficking of firearms and bulk currency.²³

The Obama and Calderón Administrations broadened the scope of these bilateral efforts in 2010 with a four-pillar strategy that prioritized institution building: 1) combating transnational criminal organizations through intelligence sharing and law enforcement operations; 2) institutionalizing the rule of law while protecting human rights through justice equipment and training, and federal- and state-level police and corrections reform; 3) creating a 21st century US-Mexican border, while improving immigration enforcement in Mexico and security along Mexico’s southern borders; and, 4) building strong and resilient communities by piloting approaches to address root causes of violence and supporting efforts to reduce drug demand and build a “culture of lawfulness” through education programs.

Mexican President Enrique Peña Nieto reconsidered Mérida cooperation after taking office in 2012, initially scaling back US involvement in law enforcement operations. By 2013, however, the initiative was back on track. The United States is still defining the next phase of bilateral security cooperation with the government of Andrés López Obrador, which initially rejected calls for more aggressive action against criminal organizations.²⁴

According to a senior official engaged in the first budget requests for Mérida in FY2008, the State Department did not promise strict numerical outcomes for murders, drug flows or other metrics. Instead the agency promised generally to strengthen the rule of law, making Mexican

¹⁹ ONDCP “[New Annual Data Released by White House Drug Policy Office Shows Record High Cocaine Cultivation and Production in Colombia](#),” June 28, 2018.

²⁰ ONDCP, “National Drug Control Strategy,” p. 20.

²¹ [2018 National Drug Threat Assessment](#), US Department of Justice, Drug Enforcement Administration, Oct. 2018, pp. 40-41.

²² GAO, [Colombia: U.S. Counternarcotics Assistance Achieved Some Positive Results, but State Needs to Review the Overall U.S. Approach](#), Dec. 2018, p. 37.

²³ Clare Ribando Seelke, “[Mexico: Evolution of the Mérida Initiative, 2007-2020](#),” CRS, June 28, 2019.

²⁴ Mary Beth Sheridan, “[Mormon Killings: Mexico’s López Obrador rejects U.S. suggestion he get more aggressive against violence](#),” *Washington Post*, Nov. 6, 2019. See also Richard H. Glenn, Deputy Assistant Secretary of State for International Narcotics and Law Enforcement Affairs, “[The Trump Administration’s FY2020 Budget and U.S. Policy Toward Latin America and the Caribbean](#),” Prepared Statement, Hearing before the House Foreign Affairs Subcommittee on Western Hemisphere, Civilian Security and Trade, Oct. 23, 2019, pp. 3-4.

institutions more resilient and better able to handle their own cases.²⁵ Indicators used include crime reporting, border interdictions, public polling on trust in the police, violence levels and youth engagement in community programs, and levels of bilateral cooperation between specialized units. The US also shares some information with Mexico on straw purchasers of weapons or drug demand reduction.

Mexican homicide statistics, which are publicly available and generally considered reliable, are the most commonly used measure of insecurity in the country. These statistics are a poor method of judging the impact of US assistance, however. The link between murder rates and drug trafficking or other forms of organized crime is not always clear. Moreover, those seeking a short-term fix might lower homicides in certain areas temporarily using military force or by making a deal with a powerful cartel. (In an illustrative case, El Salvador's government tried a "gang truce" from 2012-2013 which lowered murder rates, but after the government stopped paying gang members, in the face of public outcry, the rates went back up).²⁶

More relevant metrics might look at the impact of US programs on police professionalization, justice sector reform, and citizen trust, best (if imperfectly) measured by surveys and rates of crime reporting. Not only do such metrics more accurately reflect the goals of US programs, they also measure progress toward long-term goals such as building institutions capable of pursuing investigations of interest to US law enforcement and strengthening overall security in a neighboring country with large numbers of US citizens.

INL has shown progress in getting Mexico's criminal justice sector to adopt international standards and common law enforcement practices. For example, INL-funded projects incorporate standards from the American Society of Crime Laboratory Directors (ASCLD), including pursuing forensic expert certifications and establishing a national DNA database.²⁷

The prison certification program provides another positive example. Since 2012, about 100 Mexican federal and state prisons have been accredited by the American Correctional Association (ACA) for complying with international prison standards.²⁸ Mexico's National Human Rights Commission (CNDH), an independent, federally-funded entity, found that certification led to safer, more humane, and more secure prisons, with fewer outbreaks.²⁹ Funding for prison certification is now included in the Mexican federal budget for state subsidies as a separate and protected line item expense.³⁰

INL's decision to use data collected by the World Justice Project (WJP), an independent research organization, should provide more relevant and reliable outcome indicators for US-funded activities related to criminal justice reform. For example, WJP has worked with Mexico's Statistics Agency (INEGI) to produce the first National Inmate Survey to collect "comprehensive

²⁵ Interview with former senior State/INL official on Oct. 7, 2019.

²⁶ Alberto Arce, "[El Salvador Throws Out Gang Truce and Officials Who Put It in Place](#)", The New York Times, March 20, 2016.

²⁷ ASCLD Board of Directors, [ASCLD 2018-2019 Strategic Plan](#), American Society of Crime Laboratory Directors, Aug. 2018, p. 5.

²⁸ US Embassy in Mexico, "[13 Centros Penitenciarios mexicanos logran acreditación internacional con el apoyo de la Iniciativa Mérida](#)," Aug. 5, 2019.

²⁹ Comisión Nacional de Derechos Humanos, [Diagnóstico Nacional de Supervisión Penitenciaria, 2018](#), March 2019 p. 6.

³⁰ Interview with INL official, Nov. 2019; Comisión Nacional de Seguridad, [Evaluación de Proceso: Programa Presupuestario E904: Administración del Sistema Federal Penitenciario, 2016](#).

data on the direct experiences of approximately 60,000 inmates in the criminal justice system. This survey establishes a baseline; a 2020 survey will track progress.”³¹

Central America: Congress and the Obama Administration re-launched the Central America portion of the Mérida Initiative as the Central America Regional Security Initiative (CARSI) in FY 2010.³² Whereas most US security efforts in Central America since the 1990s have focused on preventing illicit narcotics from reaching the United States, CARSI was designed to address a broader array of security concerns by strengthening the capacities of communities and governmental institutions to address security challenges.

Since its inception, CARSI has undergone various changes. Most recently, the Trump Administration scaled back funding for the initiative, placing greater emphasis on preventing illegal immigration.³³

The State Department and USAID developed indicators that went beyond arrests and drug interdiction statistics to measure police training, rule of law and governance programs, and job creation programs. For the FY 2016 appropriation, dubbed the “Central America Engagement Strategy,” Congress required the State Department to withhold 75 percent of the funds for the governments of El Salvador, Guatemala, and Honduras until it certified they had taken effective measures to “improve border security, combat corruption, increase revenues, and address human rights concerns,” among other actions. The Secretary of State must also regularly evaluate progress in those areas, suspending assistance if insufficient.³⁴

These preconditions delayed deployment of funding for nearly a year and arguably withheld aid until the conditions it was supposed to create were met.³⁵ A guarantee of multi-year assistance, followed by an assessment based on enough data to consider reducing, maintaining, or stopping further aid, would be a more logical approach to program design.

Central America security and violence reduction programs have shown some success, including notable declines in the national murder rates in Honduras and El Salvador, especially in communities with US anti-violence programs.³⁶ Murder rates, again, may not be the most relevant indicator of progress toward US policy goals: a recent study by LAPOP shows crime avoidance is a key indicator of intention to migrate, suggesting that localized crimes such as extortion may be as or more important.³⁷

USAID develops indicators for both economic and development programs with an established Results Framework. Indicators may be both quantitative – such as cost – or qualitative – such as an institution’s capability scored on an index –, but should ideally be measurable over time,

³¹ INL Fact Sheet on WJP provided to WHDPC on Sept. 12, 2019.

³² Peter J. Meyer and Clare Ribando Seelke, [Central America Regional Security Initiative: Background and Policy Issues for Congress](#), CRS, Dec. 17, 2015.

³³ Peter J. Meyer, [“U.S. Strategy for Engagement in Central America: An Overview,”](#) CRS, July 17, 2019, p. 1.

³⁴ *Ibid.*, pp. 17, 24.

³⁵ Interview with State Department official, Aug. 2019; various CRS reports.

³⁶ United States Department of State, [“Progress Report for the United States Strategy for Central America’s Plan for Monitoring and Evaluation,”](#) May 2019, p. 2.

³⁷ Michael J. Camilleri, Ben Raderstorf, Carole J. Wilson, Elizabeth J. Zechmeister, [Beneath the Violence: How Insecurity Shapes Daily Life and Emigration in Central America: A Report of the Latin American Public Opinion Project and the Inter-American Dialogue](#), The Inter-American Dialogue and Latin American Public Opinion Project, Oct. 2, 2017.

come from a standardized list already developed and also be “direct, objective, useful to management, attributable, practical, adequate and disaggregated.”³⁸

With the enactment of the Foreign Aid Transparency and Accountability Act (FATAA) in 2016, USAID’s restructured evaluation policy focuses on agency policies, strategies and operation guidance such as design, performance monitoring, knowledge and research management in improving evaluation quality and program success.³⁹

Challenges

Data weaknesses: The lack of uniform data on which to base assessments is a major problem. As a 2019 CRS report points out, drug interdiction data “are often estimated, incomplete, imperfect, or lack nuance. For example, debates about drug flows and how best to counter drug trafficking into the country often rely on selected drug seizure data from border officials, which do not reflect all drug flows into the United States.”⁴⁰

Price and purity is one indicator with a single agency lead -- the Drug Enforcement Administration (DEA) -- but even that data is questioned by RAND regarding the method used to assess purity and the treatment of price variations among cities.⁴¹ The DEA itself cannot quantify drug related deaths in the United States, noting in its annual National Drug Threat Assessment that “not all states report death data the same or at all to the Centers for Disease Control and Prevention (CDC), meaning nationwide counts of drug overdose deaths, especially deaths by a specific drug(s), may vary from statewide counts.”⁴²

Other important data such as what constitutes drug-related arrests or prosecutions, levels of police or judicial training, and violence or crime reduction are collected by multiple agencies or institutions, both within the United States and host nations, not always according to the same methodology.

Over-reliance on output reporting: Implementers looking for data often rely on output indicators collected by contractors. For example, the 2017 Annual Performance Report and 2019 Performance Plan cite the following metrics: number of trainees in police and criminal justice sectors; hectares eradicated; equipment purchases; establishment of model police precincts; establishment of special vetted units; and participants in community events and youth programs.⁴³

Such numbers are easy to communicate and seen (rightly or wrongly) as indicative of bigger trends, but these results may not lead to the impact envisioned, such as use of best practices or retention and promotion of trained personnel. New methods may not be welcomed by existing power structures and well-trained police may be enticed into the private sector.

³⁸ USAID, “[Performance Monitoring Indicators](#),” June 12, 2019.

³⁹ USAID, “[Evaluation](#),” July 5, 2019.

⁴⁰ Kristin Finklea, “[Illicit Drug Flows and Seizures in the United States: What Do We \[Not\] Know?](#),” CRS, July 3, 2019, p. i.

⁴¹ Jonathan P. Caulkins, [Developing Price Series for Cocaine](#), RAND Corporation, 1994, p. xi.

⁴² [2018 National Drug Threat Assessment](#), p. v.

⁴³ United States Department of State and United States Agency for International Development, [FY 2017 Annual Performance Report](#), [FY 2019 Annual Performance Plan](#), March 20, 2019.

During the early years of the Mérida Initiative, program managers' talking points to Embassy leadership cited the training of "tens of thousands of police," without specifying that some of that training was only one or two weeks long. It would have been better to show whether such programs strengthened law enforcement institutions, but this would have added considerably to the work faced by already overwhelmed program managers.

Inconsistent access to host nation outcome data: Collecting outcome indicators requires host nations to supply reliable and transparent information. To track its programs in Mexico, INL relies on government records regarding the percentage of law enforcement trainees who were retained and/or promoted by their service; the number and amount of non-US border drug seizures; case processing times; and the use of intelligence-sharing mechanisms in successful prosecutions. Without the host nation's help, such information is either impossible to find or would require significant resources.

Host governments may also deliberately hamper information gathering because they dislike sharing sensitive records (such as police promotions) or simply fail to keep them. The host government may not care if the embassy threatens to cut off certain programs for lack of indicators, especially in the case of anti-corruption or internal affairs training.

Timing: Assessments require a baseline at the start of the program, and at least two years of measurement after work has begun to show a trend line. Funding streams sometimes run afoul of these statistical realities: It may take more than a year for funding included in appropriations legislation to be contracted and then arrive in the field. One-year appropriations do not guarantee consistent funding.

Scale: Sometimes forward motion alone is used to show progress without answering the question of whether the changes measured have significant impact on the problem they are designed to address.

For example, tackling impunity has been a central goal of US strategy in Central America. According to a 2019 State Department progress report, US programs "strengthened the rule of law through support to more than 1,200 civil society organizations, training to more than 1,700 human rights defenders, improving case management in more than 300 local courts, and training more than 15,000 judicial personnel."⁴⁴ The report provides no context, however, to help us understand the impact on civil society or the judicial system as a whole. More relevant metrics might include the average time it takes to bring cases to trial and/or reach a verdict or public opinion surveys that measure trust in the court system.

Measuring real impact is especially difficult for complex issues such as rule of law. US inputs represent only some of the factors that may affect outcomes, such as ongoing drug demand, the flexibility and reach of international criminal networks, regional poverty, and generally poor governance. As mentioned earlier, the drug trade represents billions of dollars while US assistance is far lower.

Clientelism: Executive Branch agencies and managers can become attached to certain programs and approaches even when they are not objectively successful. To fight this, the

⁴⁴ United States Department of State, "[Progress Report for the United States Strategy for Central America's Plan for Monitoring and Evaluation](#)," May 2019, p.2.

system allows oversight not only from Congress but also from inspectors and senior policymakers, but those who point out flaws in longstanding programs and operational approaches must be protected from reprisals.

Honest disagreement: Both sides of contradictory narratives may have merit. For example, larger amounts of drugs seized may reflect increased flows, not more effective interdiction; more reported crimes may denote more trust in the police, not more crime. Sometimes achieving certain objectives undermines other goals: arresting drug kingpins in Mexico set off turf battles that increased homicide rates; ending forced eradication in Colombia was the price for demobilizing the FARC.

Policy discontinuity: The effective use of indicators to gauge success is hampered by multiple policies with definitions of success, which sometimes change from one appropriations year to another. New US and host nation administrations habitually define themselves in opposition to old approaches. Sometimes the focus of ongoing programs changes, for example from capacity-building to more operational support, rendering earlier metrics less useful.

Resource choices: Program managers face multiple reporting requirements, each of which uses different indicators. Some indicators may be specific to certain programs or countries. Others may be global, such as those used in the State Department's annual Trafficking in Persons or TIP report. Still others may be developed in response to ad hoc or individual requests for information.⁴⁵

Given finite resources, the funding and staff time used to collect and analyze program metrics must necessarily be subtracted from that needed to enact the program itself. This requires tradeoffs that may leave both implementers and evaluators unsatisfied. Furthermore, monitoring and evaluation is not always a priority.

Implementers may be reluctant to report shortcomings, especially when funding is at stake.⁴⁶ The GAO has noted the State Department's failure to develop effective monitoring plans or to track performance data consistently.⁴⁷

⁴⁵ INL/WHP paper on M&E provided to WHDPC, September 2019.

⁴⁶ WHDPC Interviews.

⁴⁷ [Counternarcotics: Overview of U.S. Efforts in the Western Hemisphere](#), (Washington, D.C. : GAO, Oct. 2017); [State Department Could Improve Its Monitoring of Mérida Initiative Projects](#), (Washington, D.C.: GAO, May 2020). [Rule of Law Assistance: State and USAID Could Improve Monitoring Efforts](#), (Washington, D.C. : GAO, Nov. 2020).

Appendix B. The Country Certification/Designation Process

This Appendix is based on a paper prepared for the WHDPC by Annie Pforzheimer, a retired career diplomat who focused on security, rule of law, and human rights during a 30-year career in the Foreign Service.

Introduction

For more than three decades, Congress has required the President to identify drug-producing and drug-transit countries, certify their cooperation with US counternarcotics policies, and suspend foreign aid to those whose efforts are deemed deficient.

In 1986 – amidst national concern over cocaine smuggling – Congress amended the Foreign Assistance Act to require that the Executive designate major drug-producing or drug-trafficking countries (the Drug Majors List) and then confirm that those countries were “cooperating fully” with US counternarcotics efforts to receive certain types of bilateral and multilateral assistance. In 2002, Congress amended the law again, retaining the Drug Majors List, but imposing sanctions only on those countries that had “failed demonstrably” to adhere to international counternarcotics agreements.¹

The Majors List definition for drug producing and transit countries has not changed throughout.² It remains highly specific with respect to plant-based drugs but otherwise relies on a subjective definition of the word “significant,” leading to questions about why certain countries (such as China) are not on the list.

Since its first iteration – and despite the 2002 reform – this annual determination and designation process (better known as certification) has generated debate over whether it helps the US identify international weaknesses and strengthen international enforcement in ways that are both effective and fair.

This paper examines the following questions:

Does historical evidence show that the certification process has strengthened US efforts to control the flow of illicit drugs by focusing attention on problem countries and forcing their governments to enforce the law?

Do unilateral and public evaluations crucially undermine our partnerships?

¹ Sec. 2005. [Restrictions on the Provision of United States Assistance](#), Anti-Drug Abuse Act of 1986, (PL 99-570), October 27, 1986.; Sec.706. [International Drug Control Certification Procedures](#), Foreign Relations Authorization Act, Fiscal Year 2003 (PL 107-228), September 30, 2002; Clare Ribando Seelke, Liana W. Rosen, June S. Beittel, Mark P. Sullivan, “[Latin America and the Caribbean: Illicit Drug Trafficking and U.S. Counterdrug Programs](#),” CRS, May 12, 2019, pp. 22-23.

² As defined in the 1986 [Foreign Assistance Act](#) “A major illicit drug producing country is one in which: (A) 1,000 hectares or more of illicit opium poppy is cultivated or harvested during a year; (B) 1,000 hectares or more of illicit coca is cultivated or harvested during a year; or (C) 5,000 hectares or more of illicit cannabis is cultivated or harvested during a year, unless the President determines that such illicit cannabis production does not significantly affect the United States. [FAA § 481(e)(2)] A major drug-transit country is one: (A) that is a significant direct source of illicit narcotic or psychotropic drugs or other controlled substances significantly affecting the United States; or (B) through which are transported such drugs or substances. [FAA § 481(e)(5)]

Is a system focused on plant-based drugs that are produced in this hemisphere – i.e. marijuana, heroin, and cocaine – and trafficked in bulk flexible enough to address emerging drug trends?

The paper’s conclusion is that certification has occasionally helped US policymakers advance hemispheric counternarcotics goals, but these benefits have been outweighed by the detrimental political impact of an unpopular and unilateral policy, which has not kept pace with the problem it is trying to solve. In practice the law’s penalties are rarely applied and are deployed most frequently against countries already ineligible for assistance. The concept of a Majors List of countries of particular interest, with numerical definitions of drug cultivation or production (mainly plant-based), cannot keep pace with rapidly changing threats from synthetic drugs produced in and shipped from almost anywhere in the world.

A requirement for a theatrical public rollout of our ‘naughty and nice’ countries is similarly outdated and does not allow for more nuanced diplomatic approaches. For these and other reasons, this paper advocates an update to the certification process that eliminates the Majors List, modernizes our foreign policy, and strengthens multilateral counternarcotics and anti-money laundering mechanisms.

Sections 2 and 3 look at the implementation and impact of certification under both the original law (from 1986 to 2002) and the amended version (from 2003 to the present). Section 4 looks at the pros and cons of certification and Section 5 examines other mechanisms for evaluating foreign country compliance and sanctioning bad behavior. Section 6 explores options that would allow the United States to evaluate and sanction countries that fail to address drug trafficking.

Certification based on “full cooperation”

Congress passed the 1986 Anti-Drug Abuse Act – sometimes called the “Len Bias Act” for the college basketball star who died from a cocaine overdose – to address what it saw as an epidemic of drug use and violent crime, imposing harsh mandatory sentences for possession, especially of the relatively cheap form of cocaine base known as “crack.”³ To fight drugs at the source, Congress amended the 1961 Foreign Assistance Act (FAA) the following year, stating that “narcotics trafficking poses an unparalleled transnational threat in today’s world, and its suppression is among the most important foreign policy objectives of the United States.”⁴

Section 489 of the amended FAA established the Department of State’s International Narcotics Control Strategy Report (INCSR), presented annually to Congress, which describes country-by-country efforts to address drug production and transit problems as well as chemical control, money laundering, and financial crimes. Section 490 required an annual Presidential determination that these countries had “cooperated fully” with the US or “taken steps on its own to achieve full compliance with the goals and objectives” of United Nations anti-drug conventions.

³ Lisa N. Sacco, “[Drug Enforcement in the United States: History, Policy, and Trends](#),” CRS, Oct. 2, 2014, p. 7.

⁴ Paragraph 2291(a)(1), “[Policy and general authorities: Statements of policy](#)”, 22 USC 2291.

The FAA required the President to name major illicit drug producing and drug transit countries (the Majors List) by November 1 and to transmit the INCSR, which provides the factual basis for certification, to Congress by March 1.

Countries failing certification faced the following sanctions:

- Suspension of most foreign assistance and military sales financing, except counternarcotics and humanitarian aid;
- Voting against country loans by the US representatives to multilateral development banks;
- Possible trade restrictions, including increased tariffs and denial of preferential trade benefits, at the President's discretion.

The legislation allowed the President to waive sanctions in the interest of national security, however. Congress could overturn these decisions (including the waiver) within 30 days via a joint resolution of disapproval, subject to the president's veto, which would require a two-thirds vote to override.

Impact

Presidents regularly certified nearly all countries on the Majors List, especially those diplomatically friendly to the United States or important trading partners. Friendly countries that failed decertification often received national interest waivers on the grounds that continuing aid would encourage better relations and greater cooperation. Those denied certification were mainly "pariah states, or states with which the United States had little or no contact."⁵

For example, in 1988 and 1989, President George H.W. Bush decertified Panama shortly before the December 1989 US military intervention that removed General Manuel Noriega from power in part because of his involvement in drug trafficking. President William Clinton decertified Bolivia and Peru in 1994, but he granted waivers in both cases. He decertified Colombia in 1996 and 1997 over charges the Colombian president had taken campaign contributions from the Cali cocaine cartel, but certified Mexico despite criticism from some members of Congress and law enforcement officials, who felt the Mexican government was doing little to stem drug flows. Mexico, however, was an important free-trade partner that was still recovering from the 1994 peso collapse with the help of \$12.5 billion in US loans.⁶

Although the US rarely imposed sanctions, supporters of certification argued that the threat was in itself a potent tool.

Application of the process possibly encouraged governments to comply with their own promises and UN treaty obligations. One example of better behavior was Peru's push from 1996-2000 to expand its eradication targets, bringing cultivation areas down sharply in areas once controlled by Shining Path guerrillas.⁷ The 1998 INCSR pointed out that coca cultivation was down in the

⁵ K. Larry Storrs, Drug Certification/Designation Procedures for Illicit Narcotics Producing and Transit Countries Updated September 20, 2004.

⁶ Christopher S. Wren, "[Clinton Declares That Colombia Has Failed to Curb Drug Trade](#)," *New York Times*, March 2, 1996.

⁷ United States Department of State, "[International Narcotics Control Strategy Report, 1999](#)," Released by the Bureau of International Narcotics and Law Enforcement Affairs (INL), March 2000.

Andes overall and “the most dramatic decline was evident in Peru, once the world's largest coca producer. Peruvian coca cultivation in 1998 fell 26 percent from the year before and is now approximately 60 percent below the peak level of 1990.”⁸

The role of certification is unclear, however, and the INCSR that year did not claim it was responsible. Diplomats who assessed the events have noted that then-President Fujimori’s most urgent problem was fighting the Shining Path, a terrorist group funded largely by taxing coca cultivation. A 1994 rule that allowed the US to share information about drug flights may also have hampered Peruvian traffickers, forcing them to leave coca in the fields.⁹ Peru also had other incentives: the 1991 Andean Trade Preferences Act, which offered trade benefits to countries that strengthened legitimate industries, and the possibility of getting funding for alternative development, both priority items for Fujimori.

Certification may also have had indirect consequences. At the 2001 hearings, Senator Christopher Dodd (D-CT) argued that the withdrawal of US funding to Colombia in the late 1990s emboldened the FARC, which stepped up military operations.

There are few other documented successes in this period, however. When queried for this paper, INL provided no other national advances linked to certification or examples of the process being used by a non-corrupt partner (such as a vetted unit) as protection or to get some kind of reform it was seeking.¹⁰ ONDCP could provide only one other example of the process motivating positive national reforms beyond Peru and Colombia. This was the case of the Netherlands, cited as having inadequate control over traffic in Ecstasy in 2000 and 2001, which subsequently made amends to its national control regime.¹¹

After years of debate, Congress finally revised the law in 2002 as most lawmakers concluded that the law’s benefits were outweighed by its negative diplomatic and political impact, especially in the Western Hemisphere.

To rival powers and nationalist leaders in Latin America, the law represented an opportunity to cast the United States as imperialist and insulting, unhelpful to wider US goals. This was especially true in Mexico, where many considered certification a counterproductive and unilateral exercise of US power, which ignored US responsibility for consumption.¹²

Drug certification and the US trade sanctions against Cuba were two irritants that made US diplomacy on all other issues – such as condemning Cuba’s human rights violations – far less effective, former OAS Ambassador Hattie Babbitt observed in 2002:

“The response from the Latin American countries was outrage that it was graded by the United States, and while we were this enormous magnet [for drugs]. They were sellers, but we had this enormous country full of buyers, where selling wouldn't be a problem, if there weren't all these buyers. So, how did we get off grading them!”¹³

⁸ United States Department of State, “[International Narcotics Control Strategy Report, 1998](#),” Feb. 1999.

⁹ Association for Diplomatic Studies & Training (ADST), [Peru Country Reader](#), May 15, 1996, p. 263.

¹⁰ Written answers to questions from author provided by INL/WHP, Dec. 2019.

¹¹ Confidential interview with official from ONDCP, Dec. 2019.

¹² See for example, José Manuel Briseño Flores, “[El Cambio en el Proceso de Certificación en Estados Unidos: ¿Cooperación en la Hegemonía?](#),” CIDE, Jan. 2006.

¹³ Charles Stuart Kennedy and Harriet C. Babbitt, [Interview with Ambassador Harriet C. Babbitt](#), Nov. 21, 2002.

The sense that prioritizing counternarcotics was synonymous with acquiescing to US impositions may explain Latin American reluctance to cooperate with US efforts to take down traffickers and share intelligence. At the same time, of course, the power and wealth of drug traffickers also discouraged action by national governments.

Some critics of the process also note that US support for counternarcotics strengthened Latin American militaries (central to counternarcotics efforts compared to weak civilian police institutions) in countries that were still emerging from military dictatorship.¹⁴

Moreover, US pressure on specific countries has not curbed drug production and interdiction efforts in one country moves production or trafficking routes to another. During the 1980s, Colombian traffickers obtained most of the coca used to make cocaine from farmers in Bolivia and Peru. By the late 1990s, stepped up counternarcotics efforts in Peru moved coca cultivation to Colombia. A decade later Colombia intensified its efforts pushing cultivation back into Peru.¹⁵

Although US cocaine use declined during the 1990s, there are no metrics indicating it was less available.¹⁶ As Senator Dodd pointed out at the March 2001 hearings on revising the certification law:

“Despite impressive seizures on the border, on the high seas, and in other countries, foreign drugs are cheaper and more readily available in the United States today than they were two decades ago when we began an intensive effort in this area.”¹⁷

Decertification for having “failed demonstrably”

Congress modified certification in Section 706 of the Foreign Relations Authorization Act, phasing the process in over FY2002-2003. The President still had to submit the consolidated report identifying all major illicit drug producing and drug-transit countries (the Majors List), but sanctions would apply only to those countries that had “failed demonstrably” to adhere to their obligations under international counternarcotics agreements and to take the counternarcotics measures specified in US law.

The sanctions remained largely the same.¹⁸ The president also retained the power to issue a “national interest waiver,” allowing the United States to continue providing aid.

Congress enacted an additional certification category as part of the Combat Methamphetamine Epidemic Act of 2005, amending Section 489 of the FAA. This requires the State Department to report the five largest importing and exporting countries of two precursor drugs – ephedrine and pseudoephedrine – and certify whether these countries are fully cooperating with the United States on chemical precursor control, with the same consequences. This list, as well as

¹⁴ Coletta A. Youngers, “[Collateral Damage: U.S. Drug Control in the Andes](#),” WOLA, Dec. 2002.

¹⁵ Leonardo Raffo López, Javier Andrés Castro, Alexander Díaz España, “Los efectos globo en los cultivos de coca en la región andina (1990-2009), *Apuntes del CENES* (Universidad Pedagógica y Tecnológica de Colombia), vol. 35, no. 61 (Jan. – June 2016). After 2009, Increased pressure in Colombia moved some production back to Peru. See Simon Romero, “Coca Production Makes a Comeback in Peru,” *New York Times*, June 13, 2010.

¹⁶ National Research Council, *Understanding the Demand for Illegal Drugs*, (Washington, D.C.: The National Press Academies Press, 2010), p. 38.

¹⁷ Senate Committee on Foreign Relations, “[Review of the Anti-Drug Certification Process](#),” Statement of Hon. Christopher J. Dodd, Member, US Senate from Connecticut.

¹⁸ With the exception of trade sanctions, which are not mentioned.

the list of countries at risk for money laundering (more than half the world's nations) are in the INCSR.

But the process still focuses mainly on plant-based drugs. The subjective decision of what is a “significant” transit country still does not include countries involved in the trafficking of fentanyl or prescription painkillers, nor does it include all those whose postal systems are integral to the fentanyl trade. The Majors List for drug producing and transit countries is the only list that is part of the public Presidential determination, and it includes (for example) Belize as a transit country but not China.¹⁹

Impact

Few countries are designated as having “failed demonstrably,” even if they have appeared on the Majors List for years. Under the amended process, only five countries have been designated: Afghanistan and Burma plus three in Latin America: Bolivia (2009-2019), Guatemala (2003), Haiti (2002 and 2003), and Venezuela (2005-2019).²⁰

Of these only Bolivia has failed to get a national interest waiver. The president waived sanctions on Haiti and Guatemala to continue providing economic aid for two of Latin America's poorest countries, both of which send illegal migrants to the US. The President has also waived sanctions on Venezuela so the United States could support pro-democracy programs.²¹ In 2019, the US designated the “illegitimate regime” of Nicolás Maduro for having “failed demonstrably,” but pledged support for the “legitimate interim government” of Juan Guaidó.²²

Sanctions have lost practical effect. Bolivia provides an example of this. The White House determined that Bolivia had “failed demonstrably” to meet its drug control obligations, following its expulsion of US Drug Enforcement Administration (DEA) personnel in 2008. It argues that Bolivia not only continues to produce coca for illicit cocaine use, but has also failed to abide by UN restrictions on legal coca production, stating that the government continues “to promote the use of coca in other countries and discuss potential export opportunities for coca products.”²³

The designation had little impact on the government of former President Evo Morales, which was for many years awash in Venezuelan petrodollars. Morales instead wore US displeasure as a badge of honor that demonstrated his government's resistance to imperialist pressure.

But Bolivia's designation also has little impact on US drug supply: the country is not a major US source of cocaine. According to recent UN estimates, moreover, the number of hectares of coca cultivated has declined slightly under government eradication and rationalization programs designed to support coca leaf prices.²⁴

¹⁹ [“Presidential Determination on Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2021,”](#) Sept. 16, 2020.

²⁰ [“Drug Certification/Designation Procedures for Illicit Narcotics Producing and Transit Countries,”](#) CRS, Sept. 20, 2005, p.10; [“Guatemala Objects to US Drug War Certification Process,”](#) VOA News, Oct. 27, 2009.

²¹ The waiver does not affect other US sanctions on Venezuela, including freezing government assets and prohibiting US persons from doing business with the government or state-run oil company. Treasury also has imposed sanctions on dozens of Venezuelans and their associates. See [“Venezuela: Overview of U.S. Sanctions,”](#) CRS, Oct. 30, 2020.

²² [“Memorandum on the Presidential Determination on Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2020,”](#) White House, Aug. 8, 2019.

²³ *International Narcotics Control Strategy Report*, vol. 1, March 2019, p. 9

²⁴ [“Latest UNODC Monitoring Report shows decline of coca cultivation in Bolivia,”](#) UNODC press release, Aug. 22, 2019.

The process remains somewhat useful within the US government. The requirement of producing the INCSR, Majors List, and Presidential Determination helps focus interagency attention at least periodically on counternarcotics, which has been overshadowed since 2001 by the issue of terrorism. In one case cited by practitioners, the 2018 certification process served to “wake up the sleepy bureaucracy” about the impact of Colombia’s spike in cultivation after 2015, said one senior counternarcotics official, and goaded Colombian leaders into taking action to avoid being lumped with pariah states such as Bolivia and Venezuela.²⁵

Pros and cons of certification

Defenders of the certification process argue that it is a powerful and often effective means of overseas messaging. A US official called the determination process a “blunt tool” but an effective means to “shape behavior.” Rand Beers, former Assistant Secretary of State for Narcotics and Law Enforcement, noted in his 2001 testimony to Congress that prior to the annual determination governments stepped up enforcement efforts to avoid decertification, although he carefully did not claim that these efforts amounted to systemic change.²⁶

However, the arguments against certification in its current form are robust.

The concept of a Majors List seems increasingly anachronistic: policymakers designed the process to deal with plant-based drugs, mainly grown and processed in Latin America, and then transported directly to the United States. Such distinctions make less sense with the rise of synthetic drugs, which can be manufactured almost anywhere and shipped through the postal system.

Today’s drug markets are both flatter and more diversified than in the past. Many countries in this hemisphere – including the United States – produce, transit, and consume drugs, ranging from plant-based narcotics to powerful synthetics. Keeping a list current would mean constant updating of the law’s parameters to keep pace with drug trends; it would be more efficient to just posit that drug issues affecting the United States are worldwide.

Critics also contend that the “name and shame” approach generates resentment, undermining the principle of shared responsibility, which recognizes the role of US demand for illicit drugs as well as Latin American supply.

Having other options besides a one-size-fits-all public announcement, such as credible private discussions to withhold funds, would allow greater policy flexibility through diplomacy. In the debate over certification, officials must weigh the need to hold countries accountable for their failures versus the fear that decertification would blow up the relationship.

US law enforcement agencies (DEA, FBI, ICE) often argue against sanctions for fear they will imperil the work of US-supported special investigative units or SIUs. “The impact would be to let bad people within those governments get rid of vetted units,” said a former diplomat, “which would benefit those who are trafficking.”²⁷ The appropriations process allows the United States to withhold or condition assistance, taking into account behavior that constitutes a national

²⁵ Interview with ONDCP official, Nov. 2019

²⁶ Senate Committee on Foreign Relations, “Review of the Anti-Drug Certification Process,” Statement of Rand Beers, op. cit.

²⁷ Interview with former senior INL official, Oct. 2019

security threat. If the INCSR had a classified annex, the agencies could share more nuanced information with Congress.

Nor is loss of US assistance as powerful a stick as it once was. Since the 1980's the United States has reduced both the amount of non-humanitarian or non-security aid sent to Latin America and the number of countries that receive it.²⁸ Moreover the growth of Latin American economies makes foreign assistance an increasingly small percentage of government spending, while US budget cuts and insistence on burden sharing means that its veto power in multilateral institutions is shrinking.²⁹

The least cooperative countries unsurprisingly are those least vulnerable to US pressure: the only two countries singled out as counternarcotics failures in this hemisphere since 2002 are Bolivia and Venezuela, both of which have rejected US assistance.

With thirty-five states now allowing medicinal use of cannabis and 15 permitting recreational use, it raises the question of whether some US jurisdictions are themselves in violation of international drug conventions.³⁰ This fuels resentment even among close allies who feel the US applies one standard at home and another abroad.³¹

Other mechanisms

Unilateral decertification is not the only way US policymakers can signal displeasure and encourage compliance with US and international counternarcotics laws. The United States can impose targeted sanctions on individuals – including government officials. It can track global trends and continue to develop partner nation law enforcement. It can also use multilateral or peer review mechanisms to identify weaknesses and encourage reform and cooperation.

Targeted sanctions

Colombia-focused narcotics sanctions authorization: In 1995, per Executive Order 12978, which has been renewed annually, there is a “national emergency” with respect to significant narcotics traffickers centered in Colombia, pursuant to the International Emergency Economic Powers Act (50 USC 1701-1706). The President is empowered to sanction traffickers and those who deal with them, on the grounds that these traffickers contribute to an extreme level of violence, corruption, and harm in the United States and abroad.

The Kingpin Act: Administered by Department of the Treasury in coordination with the State and Justice Departments, the Kingpin Act of 1999 essentially took the EO 12978 regime worldwide. It allows the President to identify “significant foreign narcotics traffickers” (or

²⁸ “U.S. Foreign Assistance to Latin America and the Caribbean”, CRS, March 1, 2019.

²⁹ Rebecca M. Nelson, “[Multilateral Development Banks: Overview and Issues for Congress](#)”, CRS, p. 16: “The voting power of the United States is large enough to veto major policy decisions at the World Bank and the IDB. However, the United States cannot unilaterally veto more day-to-day decisions, such as individual loans.”

³⁰ “[INCB President voices concern about the outcome of recent referenda about non-medical use of cannabis in the United States in a number of states.](#)” press release from the International Narcotics Control Board, United Nations Information Service Vienna, Nov. 15, 2012. See also Michael Tackeff, “Constructing a ‘Creative Reading’: Will U.S. State Cannabis Legislation Threaten the Fate of the International Drug Control Treaties?” *Vanderbilt Journal of Transnational Law*, Vol. 51, Issue 1, 2018, pp.247-295.

³¹ For example, a senior Colombian police official in 2012 asked why Colombians were still “dying in the fight against drug trafficking” while voters in Washington and Colorado were decriminalizing pot. Edward Fox, “[Colombia adds voice to discontent over US marijuana legalization.](#)” *InSight Crime*, Dec. 12, 2012.

“kingpins”), blocking access to the US financial system and denying visas for travel to the United States. It also prohibits all trade and transactions with US companies or individuals.³²

Multilateral tools

The Multilateral Evaluation Mechanism: Members of the Organization of American States (OAS) have implemented the organization’s anti-drug strategy since 1999 using a peer review process known as the Multilateral Evaluation Mechanism (MEM), which operates under the Inter-American Drug Abuse Control Commission (CICAD).

MEM serves to push countries in a “slow and steady” way to improve statistical collection and operationalize national drug policies and international conventions through legislation and enforcement. “Each MEM round goes a bit further,” the official said, citing Argentina’s adoption of precursor chemical controls to bring the country into UN compliance.

The mechanism helps governments that face similar socio-economic problems and fiscal constraints learn from each other about how to help vulnerable populations, conduct studies and surveys, or regulate chemical precursors and pharmaceuticals. Drug policy officials can advance objectives based on the recommendations of an international organization, without giving in to coercive sanctions. In contrast, member states see the US process as a separate, non-participatory exercise designed to protect US interests and appropriations.³³

UNODC: The “Commission on Narcotic Drugs” (CND) is the governing body of UNODC, and it meets annually to “monitor the world drug situation, develop strategies on international drug control and recommend measures to address the world drug problem.”³⁴ The International Narcotics Control Board (INCB) provides expert oversight; former INL Assistant Secretary David Johnson serves in a personal capacity as the United States expert on the INCB.

The CND’s annual meeting produces national statements and consensus resolutions. These are the closest analog to the US President’s certification of country compliance with UN commitments. (The INCB also meets with UN members on compliance, but it does so in strict confidence.) In practice, individual governments are rarely criticized through resolutions. Over the past decade, many members have used their national statements to express concern about cannabis legalization (especially in Uruguay, Europe, and the United States), but the CND has not passed any resolutions on this topic.³⁵

The Financial Action Task Force: FATF is an inter-governmental body established in 1989 to set standards and promote laws and regulations to curb money laundering, terrorist financing, and other financial crimes. The FATF monitors government progress in implementing necessary measures, reviews money laundering and terrorist financing techniques and promotes the adoption and implementation of appropriate measures globally.³⁶

³² “[Fact Sheet: Overview of the Foreign Narcotics Kingpin Designation Act](#),” press release, White House, April 15, 2009.

³³ Interview with CICAD, Nov. 2019.

³⁴ See the United Nations Commission on Narcotic Drugs [website](#).

³⁵ Interview with David Johnson and INL official, October-November 2019.

³⁶ United Nations Commission on Narcotic Drugs (Vienna, Austria: United Nations Office on Drugs and Crime, 2016), pg. 3.

INTERPOL: INTERPOL does not sanction or formally evaluate countries. However, it does offer law enforcement capacity building, and goal setting, serving as a quiet, apolitical format to allow governments to ask for technical help and to foster counternarcotics cooperation.³⁷

³⁷ See the Interpol [website](#).

About the Western Hemisphere Drug Policy Commission

The Western Hemisphere Drug Policy Commission (WHDPC) is an independent Congressional commission created through bipartisan legislation included in the Department of State Authorities Act, Fiscal Year 2017 (Public Law 114-323). This enabling law instructs the Commission to “conduct a comprehensive review of United States foreign policy in the Western Hemisphere to reduce the illicit drug supply and drug abuse and reduce the damage associated with illicit drug markets and trafficking.”

The Commission began its work in May 2019 when Representative Eliot L. Engel, Chairman of the House Committee on Foreign Affairs, swore in nine Commissioners, telling them to make “an honest assessment of what has worked and what hasn’t as we consider how to spend our counter narcotics dollars in the future” and reminding them “with a record 70,000 drug overdose deaths in the United States in 2017, we can’t waste any time in getting drug policy right.”

The Commission’s ten original members were appointed in January 2017 by the president and by the majority and minority leaders of the Senate and the House of Representatives. All serve on a volunteer basis. Two commissioners (John Walters and Mary Bono) later resigned because they could not devote sufficient time to the Commission’s work. Under the Commission’s enabling legislation six members constitute a quorum.

Shannon O’Neil from the Council on Foreign Relations was selected as Chair by her fellow commissioners: former Representatives **Mary Bono**, **Sam Farr**, **Pete Gallego**, and **Matt Salmon**, former head of US Southern Command, **General Douglas Fraser**, former US ambassador to Brazil **Clifford Sobel**, and former Obama Administration senior officials **Juan Gonzalez** and **Dan Restrepo**.

Research

Over a year and a half, the Commission studied US drug policies and programs in Latin America and the Caribbean, assessing current efforts to reduce illicit drug supply and address the damages associated with trafficking and drug abuse. Commissioners and/or staff have met with scores of US and Latin American government officials, civil society experts, academics, and activists. They also met with international organizations, including the United Nations and the Organization of American States.

WHDPC staff supplemented these interviews with a wide-ranging review of academic literature, policy papers, government documents, project evaluations, and news reports about counternarcotics polices in this hemisphere. This research focused primarily on major foreign assistance programs: Plan Colombia, the Merida Initiative, Central American Regional Security Initiative (CARSI), and the Caribbean Basin Security Initiative (CBSI). Commission staff also reviewed analysis of anti-money laundering and anti-corruption efforts in the Americas.

In addition, the WHDPC commissioned white papers by Bryce Pardo, associate policy researcher with the RAND Corporation, Adriana Beltrán, Maureen Meyer, and John Walsh at the Washington Office on Latin America (WOLA), Juan Salgado and colleagues at the World Justice Project (WJP), and Julia Yansura and Lakshmi Kumar at Global Financial Integrity.

Juan Carlos Garzón, director of conflict dynamics and peace negotiations at *Fundación Ideas para la Paz* (FIP), provided a paper on alternative development programs in Colombia. Enrique Roig, former Coordinator for CARSI with USAID, provided analysis of violence prevention programs.

Foreign travel

Although the Covid-19 pandemic curtailed travel plans, Commissioners were able to visit Colombia in February 2020 to meet with US embassy staff as well as senior government officials and civil society representatives.

In Colombia, Commissioners met with US diplomats, including Ambassador Philip S. Goldberg, political counselors, and INL and USAID. They also met with the Colombian Defense Minister, Carlos Holmes Trujillo, and with presidential counselors responsible for coordinating security and development in post-conflict areas. The Commission also held roundtables with Colombian lawmakers, business leaders, and civil society experts.

In addition, the Commission met with General Óscar Atehortúa, director of the Colombian National Police (PNC). Members traveled with the PNC to the municipality of Tumaco, located in the border department of Nariño, to witness eradication efforts and speak with those implementing and benefiting from USAID supported alternative development and financial inclusion programs.

On a previous visit to Colombia in January, the WHDPC executive and associate director traveled to the departments of Florencia and Meta to assess USAID and INL programs in post-conflict regions.

WHDPC staff also traveled to Mexico and Central America. In Mexico, they met with US diplomats and Mexican experts in Mexico City and visited Guanajuato to meet State Attorney General Carlos Zamarrípa, discussing INL-supported programs to strengthen the state's capacity to investigate crime with enhanced criminal analysis and modern forensics technologies.

Staff then traveled to El Salvador, meeting with US diplomats and law enforcement officials in and around the capital. Staff also visited USAID program sites for violence prevention in San Salvador, Chalchuapa, and San Vicente, meeting with local officials and program implementers. Staff also discussed the country's security situation and political climate with journalists and human rights advocates.

Roundtables, briefings, and workshops

- ***Latin American diplomats***, June 2019: Mexican Ambassador Martha Bárcena hosted a roundtable discussion with diplomats from Mexico, the Andes (Colombia and Peru), and Central America (El Salvador, Honduras, and Panama).
- ***Overview of counternarcotics policies***, August 2019: WHDPC commissioners held a full day of presentations and briefings by experts from the Congressional Research Service and former or current senior officials from the Departments of State, Homeland

Security, Defense and the Treasury. Topics included lessons learned from foreign assistance programs as well as border security and anti-money-laundering/counter terrorism finance efforts, such as sanctions and the Financial Crimes Enforcement Network (FinCEN).

- ***Indicators***, December 2019: The WHDPC held a workshop on supply-side indicators and performance measures. Bryce Pardo discussed findings by the RAND Drug Policy Research Center with officials from the White House Office of National Drug Control Policy (ONDCP), the Department of State's Bureau of Narcotics and Law Enforcement Affairs (INL), and USAID.
- ***Plan Colombia***, February 2020: The WHDPC met with US officials and outside experts to analyze eradication and alternative development in Colombia. Juan Carlos Garzón of FIP presented research on the impact of eradication and alternative development programs in Colombia, with comments by Adam Isacson of the Washington Office on Latin America, Dr. David Spencer of the National Defense University, and officials from the ONDCP, the State Department/Bureau of Narcotics and Law Enforcement Affairs (INL), and USAID.
- ***Merida Initiative and CARSI***, March 2020: The WHDPC held a discussion on criminal justice/police reform and violence prevention programs in Mexico and Central America. Juan Salgado presented findings by the WJP on the impact of criminal justice reform in Mexico, Maureen Meyer of the Washington Office on Latin America discussed efforts to strengthen police, and Enrique Roig of Creative Associates (formerly with USAID) discussed violence prevention. Discussants included Eric Olson of the Seattle Foundation and the Wilson Center, Ricardo Zúñiga, diplomatic fellow at the Wilson Center, and officials from State Department/INL and USAID.
- ***SOUTHCOM***, June 2020: The WHDPC held a virtual meeting with Admiral Craig S. Fuller, head of the US Southern Command, and members of his staff to discuss drug interdiction and how to coordinate overall US strategy in the region.

Commissioner biographies

Shannon K. O'Neil, Chair

Shannon O'Neil is the vice president, deputy director of studies, and Nelson and David Rockefeller senior fellow for Latin America Studies at the Council on Foreign Relations. She is an expert on Latin America, global trade, US-Mexico relations, corruption, democracy, and immigration.

O'Neil has lived and worked in Mexico and Argentina and travels extensively in Latin America. She was a Fulbright scholar and a Justice, Welfare, and Economics fellow at Harvard University, and has taught Latin American politics at Columbia University. Before turning to policy, O'Neil worked in the private sector as an equity analyst at Indosuez Capital and Credit Lyonnais Securities. She holds a BA from Yale University, an MA in international relations from Yale

University, and a PhD in government from Harvard University. She is a member of the board of directors of the Tinker Foundation.

O’Neil is the author of *Two Nations Indivisible: Mexico, the United States, and the Road Ahead* (Oxford University Press, 2013), which analyzes the political, economic, and social transformations Mexico has undergone over the last three decades and why these changes matter for the United States. She is a columnist for Bloomberg Opinion, and her written commentary has appeared widely. She is a frequent guest on national broadcast news and radio programs. O’Neil has testified before Congress on both Mexico and Latin America, and regularly speaks at global academic, business, and policy conferences.

Clifford Sobel, Vice Chair

Clifford Sobel is presently Managing Partner of Valor Capital Group, a growth equity and venture capital investment firm focused on United States and Brazil cross-border opportunities. He is also a partner in Related Brazil, a mixed-use developer with projects in Brazil.

Ambassador Sobel served as United States Ambassador to the Netherlands from 2001 until 2005 and Ambassador to Brazil from 2006 until 2009.

He received recognition for contributions to bilateral relations from Brazil’s Minister of Defense as well as the State Governments of Minas Gerais, Pernambuco, and Sergipe. He was also named Man of the Year by the Brazil-American Chamber.

Ambassador Sobel presently serves on the President’s Intelligence Advisory Board (PIAB), the Secretary of State’s Foreign Affairs Policy Board (FAPB), the Advisory Board for SOUTHCOM.

He also serves on the Board of the Council of the Americas, Council of American Ambassadors, Christie’s Advisory Board for the Americas, the Advisory Board of The Belfer Center for Sciences and International Affairs at Harvard, and the New Jersey Performing Arts Center. He is a Member of the Council of Foreign Relations (CFR), and Co-Chairs the Big Barn Dialogues Conference at Yellowstone, Montana, which focuses on the evolving relations between China and the United States.

Ambassador Sobel previously served on the Board of the Wenzhou Kean University based in Zhejiang Province, China and the Advisory Board of the American Military Commander of Europe and NATO. By Presidential Appointment he previously served on the US Holocaust Memorial Council, as well as The Naval Post Graduate School Board in Monterey, California. He also served as a Board Member of Diamond Offshore Drilling (NYSE-DO) and the Millennium Promise Board of Directors, and a Board Member of Aegon (NYSE – AEG) and Alpinvest, a fund of funds group based in Amsterdam, NL. He was Chairman of Net2Phone (NASDAQ-NTOP), a pioneer internet telephony company that went public in 1999 and was acquired by AT&T in 2000.

Sam Farr

Sam Farr served 12 terms in the US Congress, representing California’s 17th and 20th districts from 1993-2017.

He served on the House Appropriations Committee, rising to ranking member of the Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related

Agencies. He also served on the House Democracy Assistance Commission, which worked with partner legislatures in emerging democracies to enhance accountability, transparency, legislative independence, and government oversight. He authored the legislation creating the State Department's Office of the Coordinator of Reconstruction and Stabilization.

Before he was elected to Congress, Farr served in the California State Assembly from 1980 to 1993. He became interested in Latin America as a Peace Corps volunteer during the 1960s in Colombia, where he taught community development skills in the department of Antioquia.

Farr holds a bachelor's degree from Willamette University and attended Santa Clara University School of Law and the Monterey Institute of International Affairs.

Douglas Fraser

General Douglas Fraser served as the Commander, US Southern Command (SOUTHCOM), responsible for military operations in Central and South America and the Caribbean.

Since retiring from US Air Force in January 2013, General Fraser has worked as a consultant to SAAB Defense and Security, Stellar Solutions, the Institute for Defense Analysis, and Flatter, INC. He chairs the Air Force Studies Board at the National Academies of Sciences, Engineering and Medicine and is a senior fellow at the National Defense University.

As SOUTHCOM commander, General Fraser led the Defense Department's relief efforts following the 2010 Haiti earthquake and guided the international detection and monitoring effort for the movement of illicit goods through international waters from South America through Central America and the Caribbean to the US. He also served as the Deputy Commander, US Pacific Command, from 2008-2009 and commanded four different organizations in Alaska: the Alaskan Command, the Alaskan North American Defense Region, Joint Task Force Alaska, and the Eleventh Air Force, from 2005-2008.

General Fraser holds a bachelor's degree from the US Air Force Academy and a master's in political science from Auburn University at Montgomery. He is a graduate of the USAF Weapons School, Squadron Officer School, Air Command and Staff College, and the National War College.

Pete P. Gallego

Pete Gallego is president of Sul Ross State University in Alpine, Texas. He served in Congress as US Representative for the 23rd district of Texas from 2013-2014. He is also a former member of the Texas House of Representatives, representing the 74th district from 1991-2012.

While in Congress, Gallego served on the House Armed Services Committee, which had oversight over US efforts to stem narcotics trafficking in Central and South America. He was a member of the US/Mexico Interparliamentary Group. He received Mexico's prestigious Ohtli Award for his work advancing the interests of Mexican Americans in the United States.

When elected to the Texas House in 1990, Gallego became the first Hispanic to represent his district, which lies along the US border with Mexico. In 1991, he became the first freshman member and the first ethnic minority member ever elected as chair of the Texas House Democratic Caucus, a post he held until January 2001.

Gallego served on the board of directors of the National Association of Latino Elected Officials (NALEO), and four terms as Chair of the Mexican American Legislative Caucus (MALC). His

state legislative career included chairmanships of the General Investigating Committee and several select and joint committees.

Gallego received his bachelor's degree from Sul Ross State University in 1982 and earned a J.D. from The University of Texas in Austin.

Juan S. González

Juan González served as Deputy Assistant Secretary of State for Western Hemisphere Affairs, where he led US diplomatic engagement in Central America and the Caribbean. He is currently a principal at JSG Strategy.

In addition to serving at the State Department, González was a special advisor to Joe Biden from 2013 to 2015, accompanying the vice president on seven visits to Latin America and coordinating the launch of the US-Mexico High-Level Economic Dialogue, the Caribbean Energy Security Initiative, and the Alliance for Prosperity in the Northern Triangle of Central America. From 2011 to 2013, he was National Security Council director for Western Hemisphere Affairs.

Prior to joining the White House, González served in a variety of positions at the State Department's Bureau of Western Hemisphere Affairs, including Chief of Staff to Assistant Secretary of State Arturo Valenzuela. He served as a Peace Corps volunteer in Guatemala in 2001.

González holds an M.A. from Georgetown University's Edmund A. Walsh School of Foreign Service, where he is currently adjunct faculty in the Center for Latin American Studies. He is also a Senior Fellow at the Penn Biden Center for Global Diplomacy and Global Management, a Term Member of the Council on Foreign Relations, a board member of the Washington Office on Latin America, and a member of the Advisory Board of Foreign Policy for America.

Dan Restrepo

Dan Restrepo served as the principal advisor to President Barack Obama on issues related to Latin America, the Caribbean, and Canada. He was special assistant to the president and senior director for Western Hemisphere affairs at the National Security Council from March 2009 to July 2012.

Restrepo currently serves as a consultant for a wide range of clients, including multinational media and technology companies, independent energy producers, private equity funds, major consumer products and infrastructure companies, and global law firms. He is a senior fellow at the Center for American Progress, a regular conference speaker, and an on-air contributor for CNN Español.

As an advisor to the White House, Restrepo managed the development and implementation of US security, economic, energy, and trade policy related to the Western Hemisphere. He also managed presidential participation in 30 bilateral meetings, two Summits of the Americas, two North American Leaders' Summits, three trips to Mexico, and visits to Brazil, Chile, and El Salvador. He served as advisor and principal Spanish-language media surrogate to the Obama presidential campaigns of 2008 and 2012.

Restrepo worked as an associate at the law firm of Williams & Connolly, LLP, and served as a judicial clerk to the Honorable Anthony J. Scirica of the US Court of Appeals for the Third

Circuit. Restrepo also worked for Rep. Lee H. Hamilton on the staff of the House Foreign Affairs Committee in the mid-1990s.

He is a graduate of the University of Virginia and the University of Pennsylvania School of Law.

Matt Salmon

Matt Salmon represented Arizona's 1st and 5th districts in the US Congress over five terms, from 1995 to 2001 and from 2013-2017.

He is now Vice President for Government Affairs at Arizona State University, overseeing the university's local, state, and federal relations teams.

In the US Congress, Salmon was a member of the House Committee on Foreign Affairs, serving as chair of the subcommittees on the Western Hemisphere and Asia and the Pacific. He also served in the Arizona State Senate, where he rose to assistant majority leader and chair of the Rules Committee.

Prior to seeking public office, Salmon had a career in telecommunications. A member of the Church of Jesus Christ of the Latter-Day Saints, Salmon lived as a missionary in Taiwan from 1977-79 and speaks fluent Mandarin.

Staff biographies

Mary Speck, Executive Director

Mary Speck is an expert on Latin American politics and governance. She has lived and worked throughout the region as an analyst, reporter, and researcher. She was a Senior Associate (non-resident) with the Center for Strategic and International Studies and directed the International Crisis Group's Mexico and Central America Project, conducting research into organized crime, corruption, and security sector reform. Before joining Crisis Group, she worked as a journalist, covering the Andean region as a correspondent for the Miami Herald and reporting freelance from Central and South America. Dr. Speck holds a PhD in history from Stanford University and a BA from Bryn Mawr College.

Chloe Gilroy, Research Associate

Chloe Gilroy is a researcher specializing in citizen security issues in Latin America and the Caribbean including counternarcotics, organized crime, and migration. She was a research fellow at the Washington Office on Latin America and the Center for International Policy. She also spent four years working as a paralegal in direct immigration legal services at Catholic Charities Community Services and the New York Legal Assistance Group. Gilroy holds a MSc in Foreign Service from Georgetown University and a BA in Government and Latin American Studies from Colby College.

Edward Gracia, Associate Director (until Aug. 2020)

Edward Gracia is an analyst in Latin American affairs. Before joining the commission, he worked at the Congressional Research Service, a non-partisan agency that serves the United States Congress. He has written about Latin America and the Caribbean, global health issues, and the Central Asian Republics. He holds an MA from Georgetown University and a BA from

Haverford College. He has also studied at La Universidad de Los Andes in Bogotá, Colombia, and La Universidad Complutense in Madrid, Spain. He left the WHDPC in August 2020 to accept a position as Congressional Liaison with the InterAmerican Foundation.

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