

**ASSESSING THE MERIDA INITIATIVE:
A REPORT FROM THE GOVERNMENT
ACCOUNTABILITY OFFICE (GAO)**

HEARING
BEFORE THE
SUBCOMMITTEE ON
THE WESTERN HEMISPHERE
OF THE
COMMITTEE ON FOREIGN AFFAIRS
HOUSE OF REPRESENTATIVES
ONE HUNDRED ELEVENTH CONGRESS
SECOND SESSION

—————
JULY 21, 2010
—————

Serial No. 111-109
—————

Printed for the use of the Committee on Foreign Affairs



Available via the World Wide Web: <http://www.foreignaffairs.house.gov/>

—————
U.S. GOVERNMENT PRINTING OFFICE

57-608PDF

WASHINGTON : 2010

For sale by the Superintendent of Documents, U.S. Government Printing Office
Internet: bookstore.gpo.gov Phone: toll free (866) 512-1800; DC area (202) 512-1800
Fax: (202) 512-2104 Mail: Stop IDCC, Washington, DC 20402-0001

COMMITTEE ON FOREIGN AFFAIRS

HOWARD L. BERMAN, California, *Chairman*

GARY L. ACKERMAN, New York	ILEANA ROS-LEHTINEN, Florida
ENI F.H. FALEOMAVAEGA, American Samoa	CHRISTOPHER H. SMITH, New Jersey
DONALD M. PAYNE, New Jersey	DAN BURTON, Indiana
BRAD SHERMAN, California	ELTON GALLEGLY, California
ELIOT L. ENGEL, New York	DANA ROHRBACHER, California
BILL DELAHUNT, Massachusetts	DONALD A. MANZULLO, Illinois
GREGORY W. MEEKS, New York	EDWARD R. ROYCE, California
DIANE E. WATSON, California	RON PAUL, Texas
RUSS CARNAHAN, Missouri	JEFF FLAKE, Arizona
ALBIO SIRES, New Jersey	MIKE PENCE, Indiana
GERALD E. CONNOLLY, Virginia	JOE WILSON, South Carolina
MICHAEL E. McMAHON, New York	JOHN BOOZMAN, Arkansas
THEODORE E. DEUTCH, Florida	J. GRESHAM BARRETT, South Carolina
JOHN S. TANNER, Tennessee	CONNIE MACK, Florida
GENE GREEN, Texas	JEFF FORTENBERRY, Nebraska
LYNN WOOLSEY, California	MICHAEL T. McCAUL, Texas
SHEILA JACKSON LEE, Texas	TED POE, Texas
BARBARA LEE, California	BOB INGLIS, South Carolina
SHELLEY BERKLEY, Nevada	GUS BILIRAKIS, Florida
JOSEPH CROWLEY, New York	
MIKE ROSS, Arkansas	
BRAD MILLER, North Carolina	
DAVID SCOTT, Georgia	
JIM COSTA, California	
KEITH ELLISON, Minnesota	
GABRIELLE GIFFORDS, Arizona	
RON KLEIN, Florida	

RICHARD J. KESSLER, *Staff Director*
YLEEM POLETE, *Republican Staff Director*

SUBCOMMITTEE ON THE WESTERN HEMISPHERE

ELIOT L. ENGEL, New York, *Chairman*

GREGORY W. MEEKS, New York	CONNIE MACK, Florida
ALBIO SIRES, New Jersey	MICHAEL T. McCAUL, Texas
GENE GREEN, Texas	CHRISTOPHER H. SMITH, New Jersey
GABRIELLE GIFFORDS, Arizona	DAN BURTON, Indiana
ENI F. H. FALEOMAVAEGA, American Samoa	ELTON GALLEGLY, California
DONALD M. PAYNE, New Jersey	RON PAUL, Texas
JOHN S. TANNER, Tennessee	JEFF FORTENBERRY, Nebraska
BARBARA LEE, California	GUS BILIRAKIS, Florida
JOSEPH CROWLEY, New York	
RON KLEIN, Florida	

CONTENTS

	Page
WITNESS	
Mr. Jess T. Ford, Director, International Affairs and Trade Team, United States Government Accountability Office (GAO)	10
LETTERS, STATEMENTS, ETC., SUBMITTED FOR THE HEARING	
The Honorable Eliot L. Engel, a Representative in Congress from the State of New York, and Chairman, Subcommittee on the Western Hemisphere: Prepared statement	3
Mr. Jess T. Ford: Prepared statement	13
APPENDIX	
Hearing notice	36
Hearing minutes	37
The Honorable Connie Mack, a Representative in Congress from the State of Florida: Prepared statement	38
The Honorable Christopher H. Smith, a Representative in Congress from the State of New Jersey: Prepared statement	39
Written responses from Mr. Jess T. Ford to questions submitted for the record by the Honorable Eliot L. Engel	40

ASSESSING THE MERIDA INITIATIVE: A REPORT FROM THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO)

WEDNESDAY, JULY 21, 2010

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC.

The subcommittee met, pursuant to notice, at 2:45 p.m., in room 2172, Rayburn House Office Building, Hon. Eliot L. Engel (chairman of the subcommittee) presiding.

Mr. ENGEL. The subcommittee will come to order.

Our hearing today is "Assessing the Merida Initiative: A Report from the Government Accountability Office," or the GAO.

On Sunday, 18 people were murdered in cold blood at a party in northern Mexico. This came just 3 days after a car bomb killed several people in Ciudad Juarez. And it came a week after the Ninth U.S. Circuit Court of Appeals ordered immigration judges to seriously consider granting asylum to Guatemalan women who fear they will be murdered in a country where more than 3,800 women have been killed since 2000.

Nobody can bring back the lives of the many people tragically killed through drug-related and other violence in Mexico and Central America. But if we are to avoid future tragedies of this magnitude, we must redouble our efforts to support a holistic security strategy.

Such a strategy must confront drug cartels head-on while also investing in drug and violence prevention and treatment programs, both in Latin America and here at home. One such effort that I have championed here in Congress is the Merida Initiative.

Today, the Government Accountability Office is releasing a report that I commissioned, along with Ranking Member Mack, on the Merida Initiative and the Central American piece of Merida, which is now known as the Central America Regional Security Initiative, or CARSI.

Let me start with the good news from the report.

In December, the GAO issued an interim report on the slow speed of Merida assistance to Mexico and Central America. Since then, the GAO reports that the Obama administration has picked up the pace in getting essential equipment and training to our partners in these countries.

I commend President Obama and Secretary Clinton for cutting through our Government's red tape to get the Merida Initiative

moving. In the coming months, we must continue to expedite our assistance to Mexico and Central America.

On a more disappointing note, however, today's report notes that, nearly 3 years and \$1.6 billion after the announcement of the Merida Initiative, our counternarcotics assistance to Mexico and Central America lacks fundamental measurements of success.

Specifically, the GAO found that the State Department's performance measures, and I quote from the report, "do not provide measurable targets and do not measure outcomes." As the GAO report notes, and I quote again, "Without targets to strive toward, State cannot determine if it is meeting expectations under the Merida Initiative."

Now, I just want to say this, and I want to say it very emphatically: Our long history of counternarcotics spending in the Western Hemisphere demands that we had better define our goals.

You all have heard me express my concerns in this subcommittee about coordination of the Merida Initiative. The GAO report notes that tracking Merida funds is difficult, as each of the three State Department bureaus managing these funds has a different method. It is really incredible to me that there is still no consolidated database for tracking these funds. If the State Department cannot track its own funding, then how can we in Congress exercise appropriate oversight? We can and must do better than this.

I have long called for a coordinator at the State Department for our security programs in the Americas, and this is just another reason why we need it. I have had this discussion with Secretary Clinton, and she was favorable. I hope we can move forward and get a coordinator for our security programs in the Americas. This would help us in Merida funding; it would help us understand what is happening with the funding. It is ridiculous to keep calling the State Department and, each time, getting a different person to find out what is really going on with Merida.

With regard to the Central America Regional Security Initiative, or CARS, I was stunned to learn that the narcotics affairs section at the U.S. Embassy in Mexico City serves as the account manager for funds destined for Central America. I cannot understand why this extra layer of bureaucracy is needed.

And, finally, unlike Mexico, in Central America there is no formal coordination mechanism in place between U.S. agencies and their host-government counterparts working on CARS implementation. This cannot continue and must be improved.

I would like to thank the Government Accountability Office for its excellent report. In addition to Mr. Ford, who is testifying here today, I greatly appreciate the contributions from Juan Gobel, Marc Castellano, Marisela Perez, Erin Saunders Rath, and Judith Williams.

Thank you.

And I now call on Mr. McCaul for his opening statement.

[The prepared statement of Mr. Engel follows:]

**Opening Statement
Chairman Eliot L. Engel**

House Foreign Affairs Subcommittee on the Western Hemisphere

**Assessing the Merida Initiative: A Report from the Government
Accountability Office (GAO)**

Wednesday, July 21, 2010

On Sunday, 18 people were murdered in cold blood at a party in Northern Mexico. This came just three days after a car bomb killed several people in Ciudad Juarez. And, it came a week after the 9th U.S. Circuit Court of Appeals ordered immigration judges to seriously consider granting asylum to Guatemalan women who fear they will be murdered in a country where more than 3,800 women have been killed since 2000.

Nobody can bring back the lives of the many people tragically killed through drug-related and other violence in Mexico and Central America. But, if we are to avoid future tragedies of this magnitude, we must redouble our efforts to support a holistic security strategy. Such a strategy must confront drug cartels head on while also investing in drug and violence prevention and treatment programs both in Latin America and here at home. One such effort that I have championed here in Congress is the Merida Initiative.

Today, the Government Accountability Office (GAO) is releasing a report that I commissioned, along with Ranking Member Mack, on the Merida Initiative and the Central American piece of Merida which is now known as the Central American Regional Security Initiative (CARSI).

Let me start with the good news from the report. In December, the GAO issued an interim report on the slow speed of Merida assistance to Mexico and Central America. Since then, the GAO reports that the Obama Administration has picked up the pace in getting essential equipment and training to our partners in these countries. I commend President Obama and Secretary Clinton for cutting through our government's red tape to get the Merida Initiative moving. In the coming months, we must continue to expedite our assistance to Mexico and Central America.

On a more disappointing note, today's report notes that nearly three years and \$1.6 billion after the announcement of the Merida Initiative, our counternarcotics assistance to Mexico and Central America lacks fundamental measurements of success. Specifically, GAO found that the State Department's performance measures "do not provide measurable targets, and do not measure outcomes." As the GAO report notes, "without targets to strive toward, State cannot determine if it is meeting expectations

under the Merida Initiative.” Our long history of counternarcotics spending in the Western Hemisphere demands that we better define our goals.

You all have heard me express my concerns in this Subcommittee about coordination of the Merida Initiative. The GAO’s report notes that tracking Merida funds is difficult as each of the three State Department bureaus managing these funds has a different method. It’s incredible to me that there is still no consolidated database for tracking these funds. If the State Department cannot track its own funding, then how can we in Congress exercise appropriate oversight? We can and must do better than this. I have long called for a coordinator at the State Department for our security programs in the Americas, and this is just another reason why we need it.

With regards to the Central American Regional Security Initiative (CARSI), I was stunned to learn that the Narcotics Affairs Section (NAS) at the U.S. Embassy in Mexico City serves as the account manager for funds destined for Central America. I cannot understand why this extra layer of bureaucracy is needed. And, finally, unlike Mexico, in Central America, there is no formal coordination mechanism in place between U.S. agencies and their host government counterparts working on CARSI implementation. This must be improved.

I now would like to thank the Government Accountability Office (GAO) for its excellent report. In addition to Mr. Ford who is testifying here today, I greatly appreciate the contributions from Juan Gobel, Marc Castellano, Marisela Perez, Erin Saunders Rath and Judith Williams.

Mr. MCCAUL. Well, thank you, Mr. Chairman. Thank you for holding this hearing on a foreign policy issue that I consider to be one of the most important facing the United States and Mexico.

I remember years ago traveling down to Mexico City with—I see Congressman Cuellar just arrived. We visited with newly elected President Calderon, talked to him. He said security was his number-one issue. And he said, “But I need your help,” and, in a very bold way, asked for military assistance from the United States. And I say that was bold for a Mexican President to be able to make that ask. I am glad to say that we met that request by President Calderon, and we began the Merida Initiative.

Since that visit, though, about 25,000 people have died in Mexico at the hands of the drug cartels. In recent weeks, we have seen that violence escalate, the U.S. Consular Office in Juarez being under attack, under siege; Nuevo Laredo; and this past week, as the chairman referenced, a car bomb, in a sort of Iraq-Afghanistan style, went off in Juarez, just south of the border from El Paso, Texas, my home State.

Their expanding expertise reinforces the belief that the cartels are actively working with terrorist organizations. And it is crucial that the United States stand strong in its commitment to dismantle the drug trafficking organizations and, in doing so, that we uphold our commitments to the President of Mexico, as he aggressively attacks the drug trafficking networks.

He does not take this lightly, nor do I. We all know how violent the situation is and how dangerous it is for the Mexican administration to be cracking down on these very dangerous elements that are exporting drugs into this country, and violence.

The last hearing we held on this topic highlighted the slow manner in which the U.S. assistance is reaching the programs established under the Merida Initiative. I appreciate the GAO coming here to testify, to report on possible improvement in this area, as well as better coordination between U.S. agencies supporting the Merida Initiative and with our Mexican counterparts in securing our southern border against illicit activity.

This coordination between the United States and Mexico needs to be institutionalized as a standard of our bilateral relationship to guarantee that progress cannot be undone. We need to strengthen security of our borders, enforce the laws we have on the books, and utilize the funds we have appropriated for the Merida Initiative to address this violence and illegal activity.

And as we hear from the GAO’s witness on the recommendations for better performance metrics in the Merida Initiative, I will also be looking to hear how our current strategy will address the balloon effect of the drug trade.

I must express my disappointment, as well, to the chairman that, since this initiative has begun, only 46 percent of the funds have been obligated and only 9 percent of those funds have been expended. I understand that this takes time. I understand that it takes time to build helicopters and military hardware. But I hope, Mr. Chairman, for the sake of our two countries, that we can expedite this very important initiative.

And, with that, I yield back.

Mr. ENGEL. Thank you, Mr. McCaul, for an excellent statement.

And I want to also add my voice to my admiration for Mexican President Felipe Calderon, who I think has done a really excellent job in confronting the drug cartels and letting them know that violence and drug dealing is unacceptable, and we are not going to just look the other way and pretend it doesn't exist.

So, with that, I call on Mr. Sires for an opening statement.

Mr. SIRES. Thank you, Mr. Chairman, for holding today's hearing.

Mr. Ford, nice to see you again.

Mr. Ford, I remain extremely concerned about the escalating violence within Mexico and the precipitating violence against American citizens in and around our own borders. The revised strategy of the Merida Initiative has the potential to improve programs already on the way and to decrease crime and violence. However, my colleagues and I on this subcommittee have heard numerous testimonies accounting the historical slow distribution of the Merida assistance. And I fear that, while this new strategy may provide the positive changes we need to decrease violence, without changes in the distribution of assistance this new strategy may not reach its full potential.

It is estimated that of \$1.6 billion in Merida Initiative funds intended to actively support projects in Mexico and Central America, only about 46 percent of the funds have been obligated, and only 9 percent have been expended. In recent months, we have seen some equipment assistance and training provided, but there still remains a much larger portion of assistance that has yet to be allocated, making it extremely difficult to fully understand the results the Merida Initiative could provide in both countries. We must continue to find ways that the Merida assistance can be allocated in the most efficient and responsible fashion.

We must also continue to work with the Mexican agencies so that we may better understand their needs and ensure improvements are made within their agencies in order to guarantee transparent allocation of funding. It has come to my attention that the narco groups have circumvented the Mexican Government's authority across agencies. And we must ensure that the new Merida strategy aims to reduce this phenomenon and decreases bloodshed in both countries.

Again, thank you, Chairman Engel, for holding this hearing. And I look forward to Mr. Ford's testimony.

Mr. ENGEL. Thank you, Mr. Sires.

Ms. Lee?

Ms. LEE. Thank you, Mr. Chairman. Thank you very much for this hearing.

And I want to welcome Mr. Ford to this committee. And I want to thank you and your team at GAO for your efforts in putting together this very thorough report.

Today's hearing is really very timely, as we work to address the vicious spread of illicit drug use and narcotrafficking in the United States and Mexico, which continues, and increasing so, to devastate families and communities at home and abroad. This report makes it obvious that we need better monitoring and evaluation of our counternarcotics assistance programs, which, as many of us know, is true of our foreign aid programs more generally.

However, I have been critical, myself personally, from the start of the initiative, in that it has focused overwhelmingly on military aid and supply-side counter-drug efforts. If we continue to operate in a vacuum and ignore the root causes of drug trafficking and related violence, then we will continue to see our counternarcotics efforts fail. We need to begin to shift amounts of our foreign counter-drug assistance dollars away from military and supply-side policing efforts toward judicial reforms, institution-building, human rights, and at-risk youth programs.

Also, I am a member of the Appropriations Subcommittee on State and Foreign Ops, and I requested that at least two-thirds of our ESF and our INCLE funding in the Fiscal Year 2011 approps bill go toward good governance, rule of law, and human rights activities.

Also, we need to aggressively and holistically address drug use here in our own country at home and the societal harm that drugs continue to cause. I support the bill that Chairman Engel has introduced, the Western Hemisphere Drug Policy Commission Act, which passed the House in December. And it would create a commission to evaluate not only our supply-side counter-drug strategies but best practices around the world for demand-side policies, as well.

Finally, let me just say, Mr. Chairman and Mr. Ford, I think we need to aggressively combat illicit arms trafficking from our own country, which any expert in the region will tell you is contributing significantly to the spiraling violence that we are witnessing today. I wish we could reinstate the assault weapons ban.

Thank you very much.

Mr. ENGEL. Thank you, Ms. Lee. And I agree with you about the illicit gun trafficking. That is something that we have to deal with.

Mr. Green?

Mr. GREEN. Thank you, Mr. Chairman, for holding this hearing today.

I want to thank Director Ford for the GAO report and for appearing before our committee today.

Almost daily, my hometown newspaper, the Houston Chronicle, publishes stories on the violence taking place across the border in Mexico. I am sure many of you have learned of the senseless killing of 17 people this past weekend in Torreon, Coahuila, a Mexican state that borders the Rio Grande River. Media records indicate that the killings are believed to be connected to the growing rivalry between two of Mexico's largest drug trafficking organizations, the Gulf Cartel and the Zetas.

Last month, Rodolfo Torre Cantu, the leading candidate in the governor's race in the Mexican state of Tamaulipas, which also borders Texas, was assassinated. It has been reported that the murder of Dr. Torre Cantu was also connected to the drug war and the rivalry between the Gulf Cartel and the Zetas.

I am sure everyone is well aware of the murders of Lesley Ann Enriquez, a staff member at the U.S. Consulate in Ciudad Juarez; her husband, Arthur Redelfs, an El Paso sheriff's deputy; and Jorge Alberto Salcido, the husband of a Mexican employee at the consulate, this past March. These murders are also believed to be linked to drug trafficking organizations.

The Congressional Research Service has reported that, in 2008, 5,100 people were killed in drug-trafficking-related violence in Mexico. In 2009, that number grew to 6,500. Understandably, people in our district and throughout the Southwest are very concerned about this violence and its potential to spill over into the United States.

Almost 3 years ago, the United States and Mexico agreed on the Merida Initiative to stem the tide against organizations like the Sinaloa and Gulf cartels, which are responsible for bringing hundreds of tons of cocaine and heroin into this country and for eroding civil society in Mexico. Similar drug trafficking organizations are producing similar results in Guatemala, El Salvador, and Honduras.

This Congress and the American people are expecting results, and we cannot afford to allow damaging effects of the illicit drug trade and its related violence to continue. We cannot allow further delays in Congress's efforts to provide support to our neighbors. We cannot wait for months at a time to go by, due to a slow negotiation between agencies.

This is one of the paramount security concerns of this country and our people. We need results, and we need tools and performance measures, and we need targets to strive toward. This is necessary if we want to know if we are even winning this war or if we need to examine this matter further and redouble our efforts.

And, again, Mr. Chairman, thank you.

And, again, Director Ford, thank you for being here.

Mr. ENGEL. Thank you, Mr. Green.

It is now my pleasure to call on Mr. Cuellar, who is not a member of the committee but has done a lot of work with me on these issues. And he chairs the Committee on Homeland Security's Border, Maritime, and Global Counterterrorism Subcommittee. And we held a joint hearing, this subcommittee and his subcommittee.

So, welcome, Mr. Cuellar. And you may make an opening statement.

Mr. CUELLAR. Thank you very much, Mr. Chairman. I appreciate the leadership that you have taken on the Merida Initiative. And, of course, thank the ranking member from Texas, also, and the members of the committee for allowing me to be here.

Mr. Chairman, I think one of the things we have to keep in mind—and, as you know, I am from Laredo, Texas. I live on the border. My brother is the sheriff down there on the border itself. He has been doing narcotics with the State for about 27 years before that. So I am very familiar with what is happening in Mexico.

The bottom line is, Mr. Chairman, I think one of the things—and yesterday I was on a panel with the Mexican Ambassador, and I know he doesn't like it when I say this, but I think Mexico is where Colombia was in the 1980s, 1990s, whether we say no or yes to that. But the situation is, one thing we learned from there is that this is going to be a long-term battle. It is not going to happen overnight, where we are going to win this.

And this is why these performance measures are so important, setting the goals, making sure that we address the goals so we know whether we are winning or not. Because it is going to take a long time.

I know we have some friends from SEDENA coming in tomorrow to talk to us, and we will be talking to them. And I understand what Ms. Lee is saying that, I think the first part of Merida was on the military, but now we have to go into what we call institution-building, the capacity-building, making sure the judiciary system works well, making sure that the prisons, the prosecutorial system, and, of course, professionalizing the police.

If you look at a prosecutor on this side, that prosecutor will have about at least a 95 percent chance of prosecuting somebody. In Mexico, if you look at it, if they get caught—if they get caught—and put in the legal system, the prosecutor has less than a 2 percent chance.

So, therefore, in order to build up the institutions, it is going to take time. It is going to take time. And as we build the police force and as we start looking at the prosecutorial system and, of course, the judiciary and the prison system, all of this is going to take time.

And I think this GAO report is important because we need to know what are the—not the big goals of the Merida Initiative is, but what are the goals that we want to measure, and what measures are we going to be using to measure those goals.

Otherwise, we won't be able to—you know, we can talk about measuring activity. How much money have we spent? Nine percent. How much has been obligated? Forty-something percent. I understand, like Mr. McCaul and the chairman said, you know, it takes time to buy helicopters, it takes time to do all this, but eventually we are measuring activity—that is, buying the equipment.

But I think what is important is, are we winning down there? Because if they win down there, if they are successful, and for us on the border, we live on the border, we have our families there, we drink the water, breathe the air down on the border, we want to make sure that that violence doesn't spill over.

So, again, Mr. Chairman, I want to thank you and your committee for the leadership that you are taking on this Merida Initiative. Thank you.

Mr. ENGEL. Thank you very much, Mr. Cuellar. We are happy to have you with us today.

I am now pleased to introduce our distinguished witness today, Mr. Jess Ford. Jess is the director for international affairs and trade at the Government Accountability Office (GAO) where he has worked since 1973. He joined GAO in 1973 and has worked extensively in international affairs, the national security affairs area, concerning trade, foreign assistance, and foreign policy issues. He has managed GAO audits of the Agency for International Development, the State Department, and the Department of Defense.

In January 1994, Mr. Ford was selected into GAO's Senior Executive Service and is currently director, International Affairs and Trade. He has directed the completion of numerous studies on U.S. National security issues, foreign assistance, counternarcotics, border security, and foreign affairs management activities, and has testified before Congress over 40 times on these topics.

So, Mr. Ford, welcome to the subcommittee. We are all ears. Obviously, the GAO had an important role to play in this report, and we are very anxious to hear from you.

STATEMENT OF MR. JESS T. FORD, DIRECTOR, INTERNATIONAL AFFAIRS AND TRADE TEAM, UNITED STATES GOVERNMENT ACCOUNTABILITY OFFICE (GAO)

Mr. FORD. Thank you, Mr. Chairman and members of the subcommittee. I am pleased to be here today to discuss U.S. support to Mexico and Central America on the Merida Initiative.

As you mentioned, crime and violence in Mexico and Central America has continued to increase in recent years and poses a threat not only to those areas but also to the United States, particularly along the U.S.-Mexican border.

To address this growing narcotics and crime issue, in October 2007 the United States and Mexico launched the Merida Initiative, a \$1.6 billion effort aimed at supporting law enforcement. The Department of State manages the Merida Initiative and, in cooperation with several other U.S. agencies, is responsible for its implementation.

My remarks today are based on our report, which is released today, entitled, "Merida Initiative: The United States Has Provided Counternarcotics and Anticrime Support but Needs Better Performance Measures."

I plan to focus on three topics: First, the status of the Merida program implementation; secondly, coordinating mechanisms that are in place for the Merida program; and, third, what the State Department strategy for implementation is for the Merida program.

In brief, Mr. Chairman, we found that, while the United States has provided assistance, better performance measures are needed to improve the management and accountability of the Merida Initiative.

The United States has delivered various forms of equipment and training under the Merida Initiative. As was mentioned by several members, as of March 31st of this year, 46 percent of Fiscal Year 2008 and 2010 moneys have been obligated for this program, and approximately 9 percent has been expended. This is an improvement from what we reported back in December of last year.

In Mexico, the United States has delivered items including five Bell helicopters, biometric equipment, immigration computer equipment, software, laboratory equipment, and canines. In addition, the United States has assisted in the training of over 4,000 Federal police recruits in Mexico, has established a law enforcement academy in Mexico. And, in Central America, it has delivered some forms of equipment, vehicles, and training designed to address the crime and gang problem in those locations.

While the pace of delivery has been slowed by a number of implementation challenges, it has increased, as I mentioned, in the last 6 months. Deliveries of equipment and training have been delayed by challenges associated with insufficient numbers of staff to administer the program, negotiations on interagency and bilateral agreements, delays in the procurement processes for some forms of equipment, some changes in local governments which slowed the delivery of equipment, and funding availability. U.S. agencies are working to address these challenges, particularly the Embassy in Mexico City and in Central America locations, who are attempting to expedite the delivery of assistance.

The State Department has primary responsibility for coordinating the Merida Initiative, which has diverse program components that are being implemented by a wide range of U.S. agencies under the leadership of the State Department. Although State has not comprehensively documented its coordinating structure for Merida, we were able to identify several of the mechanisms they put in place to coordinate the program.

At the highest policy level, the National Security Council is, of course, the primary agency for coordinating policy-level efforts with Merida. Within the State Department, the Deputy Assistant Secretary for North America and Western Hemisphere Affairs is the principal Merida coordinator. However, other State Department offices, such as the Bureau of International Narcotics and Law Enforcement and other bureaus within the State Department, also have focal points who are involved in the implementation of the Merida Initiative.

Similarly, at the Embassy level, there are several coordinating mechanisms that have been put in place, both internally, to coordinate all of the agency efforts at the Embassy level, and a bilateral coordinating mechanism with the Mexican Government, which we had an opportunity to participate in during our visit there back in March.

At this point, there is no formal coordinating mechanism for the Central American aspect of the Merida program. And we are waiting to see how the administration will announce the strategy under CARSII and what type of mechanisms they may put in place to coordinate the program once that gets under way.

Finally, Mr. Chairman, I want to talk about the lack of performance measures for the program.

Earlier this year, the United States and Mexico announced a new strategy predicated on four goals: First, to disrupt criminal groups; secondly, to reform rule of law and respect for human rights; third, to create a 21st-century border; and, fourth, to develop strong and resilient communities.

While the State Department has developed some performance metrics for the delivery of assistance, we found that no performance metrics have been established for any of these four goals to date. For example, the State Department's strategic documents do not include performance measures to indicate progress toward achieving any of these goals or timelines for all future deliveries and completion of Merida program moneys.

Our prior work has shown that including these types of elements is important because it helps decision-makers determine whether or not the program is being successful and whether or not adjustments may need to be made if things are not working in accordance with what the expectations of our Government are.

In general, State Department's performance measures do not align with the existing goals, do not establish targets to measure against, and do not discuss what the outcomes are that are expected under the programs. To address this issue, we add in a recommendation in our report that the State Department establish these goals. And they have told us they are in the process of attempting to do this.

Finally, on the issues of timelines, we found that the State Department has developed some timelines on deliveries of equipment and training, but they do not have, at this point, a comprehensive set of timelines for the delivery of equipment or training for the entire program.

Again, we recommended in our report that they establish such timelines, again, so you have a better understanding of when things will be delivered, what the schedule looks like, and, if they are going to make adjustments, you will be in a position to understand what the adjustments are. Again, the State Department in their comments to us on our report indicated that they planned to address this issue and establish better timelines for the delivery of both equipment and training.

With that, Mr. Chairman, I am going to conclude and try to answer any questions that you may have.

[The prepared statement of Mr. Ford follows:]

United States Government Accountability Office

GAO

Testimony
Before the Subcommittee on the Western
Hemisphere, Committee on Foreign
Affairs, House of Representatives

For Release on Delivery
Expected at 2:30 p.m. EDT
Wednesday, July 21, 2010

MÉRIDA INITIATIVE

The United States Needs Better Performance Measures for Its Counternarcotics and Anticrime Support Efforts

Statement of Jess T. Ford, Director
International Affairs and Trade Team



GAO
Accountability Integrity Reliability

Highlights

Highlights of GAO-10-915T, a testimony before the Subcommittee on the Western Hemisphere, Committee on Foreign Affairs, House of Representatives

Why GAO Did This Study

Crime and violence related to drug trafficking in Mexico and Central America have increased in recent years and pose a threat not only to those areas but to the United States as well, particularly along the Southwest border. The Mérida Initiative, announced in 2007, provides about \$1.6 billion in law enforcement support to Mexico and Central American countries. The Department of State (State) manages the initiative while other U.S. agencies play key roles in implementation. This testimony addresses (1) the status of Mérida program implementation; (2) State's strategy for implementation; and (3) coordination mechanisms in place for Mérida. This testimony is based on a new GAO report being released at today's hearing (GAO-10-837).

What GAO Recommends

The related GAO report recommends that the Secretary of State incorporate into the strategy for the Mérida Initiative outcome performance measures that indicate progress toward strategic goals and develop more comprehensive timelines for future program deliveries. State agreed with our recommendations.

View GAO-10-915T or key components. For more information, contact Jess T. Ford at (202) 512-4268 or fordj@gao.gov.

July 21, 2010

MÉRIDA INITIATIVE**The United States Needs Better Performance Measures for Its Counternarcotics and Anticrime Support Efforts****What GAO Found**

The United States has delivered various equipment and training to Mexico under the Mérida Initiative. While the pace of delivery has been slowed by a number of implementation challenges, it has increased recently. As of March 31, 2010, 46 percent of fiscal year 2008 to fiscal year 2010 Mérida funds had been obligated, and approximately 9 percent had been expended. In Mexico, U.S. agencies have delivered major equipment including five Bell helicopters, several X-ray inspection devices, law enforcement canines and training for their handlers, and training for over 4,000 police officers. In Central America, U.S. agencies have delivered police vehicles and non-intrusive inspection equipment and have provided various courses, including workshops on combating arms trafficking, and training on handling evidence from clandestine criminal laboratories. Deliveries of equipment and training have been delayed by challenges associated with insufficient number of staff to administer the program, negotiations on interagency and bilateral agreements, procurement processes, changes in government, and funding availability. U.S. agencies are working to address these challenges. For example, the Embassy Narcotics Affairs Section in Mexico City has more than doubled its staff resources since Mérida was launched.

While State has developed some of the key elements of an implementation strategy for the Mérida Initiative, including a mission, strategic goals, and a resource plan, its strategic documents lack certain key elements that would facilitate accountability and management. For example, its strategic documents do not include outcome performance measures that indicate progress toward achieving strategic goals. In addition, State has not developed a comprehensive set of timelines for all expected deliveries, though it plans to provide additional equipment and training in both Mexico and Central America.

State has primary responsibility for coordinating the Mérida Initiative. GAO identified several mechanisms that incorporate decision-makers at various levels of government that facilitate coordination between State headquarters and posts; within post, and bilaterally with foreign governments. For example, several State bureaus regularly coordinate with other U.S. agencies on Mérida policy and programmatic issues. Similarly, State headquarters and U.S. embassies in Mexico and Central America have established mechanisms to coordinate and communicate on implementation. U.S. agencies at posts also have developed and adapted mechanisms to coordinate efforts within the U.S. Embassy community in Mexico and Central American countries. Moreover, State has established formal bilateral mechanisms to coordinate with Mexican authorities.

Mr. Chairman and Members of the Subcommittee:

I am pleased to be here today to discuss U.S. support to Mexico and Central America under the Mérida Initiative. Crime and violence in Mexico and Central America have continued to increase in recent years and pose a threat not only to those areas but to the United States as well, particularly along the U.S.-Mexico border. To address growing narcotics and crime issues in the region, in October 2007, the United States and Mexico launched the Mérida Initiative, a \$1.6 billion effort aimed at supporting law enforcement. The Department of State (State) manages the Mérida Initiative and, in cooperation with several other U.S. agencies, is responsible for its implementation. State outlined its strategy in the fiscal year 2008 Spending Plan and in other documents that define a mission, strategic goals, and a resource plan. As violence in Mexico and Central America continues, some members of the U.S. Congress have criticized the slow pace of delivery of training and equipment. Mexican officials have also cautioned that delays could undermine support for the Initiative and the Calderón Administration's decision to seek support from the United States.

My remarks today are based on our report, released at this hearing, entitled *Mérida Initiative: The United States Has Provided Counternarcotics and Anticrime Support but Needs Better Performance Measures*. I will focus on three topics: (1) the status of Mérida program implementation; (2) State's strategy for implementation; and (3) coordination mechanisms in place for Mérida.

To address these objectives in our report, we reviewed State's spending plans for Mérida; State and U.S. Agency for International Development (USAID) budget documents and bilateral agreements between the United States and Mexico and between the United States and the Central American countries; and interagency agreements between State and other U.S. agencies implementing Mérida programs. We also interviewed officials at the Departments of State, Defense (DOD), Treasury (Treasury), Justice (DOJ), and Homeland Security (DHS); and USAID, the Office of National Drug Control Policy (ONDCP), and the Office of Management and Budget (OMB). In addition, we interviewed foreign government officials and reviewed documentation collected during site visits in Mexico, El Salvador, Panama, and Guatemala. Field work included visits to locations where programs and equipment have been delivered, as well as police and military and other law enforcement organizations.

We conducted this performance audit from September 2009 to July 2010 in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In brief, Mr. Chairman, we found that while the United States has provided counternarcotics and anticrime support, better performance measures are needed to improve management and accountability of the Mérida Initiative.

The United States Has Delivered Equipment and Training under Mérida and Is Working to Overcome Implementation Challenges

The United States has delivered various equipment and training under the Mérida Initiative. As of March 31, 2010, 46 percent of fiscal year 2008 to fiscal year 2010 Mérida funds had been obligated, and approximately 9 percent had been expended. In Mexico, the United States has delivered items including five Bell helicopters, biometric equipment, immigration computer equipment and software, forensics lab equipment, and canines. In addition, the United States has assisted in training over 4,000 police graduates from Mexico's federal police training facility, the academy at San Luis Potosí. In Central America, the United States has provided over 60 contraband detection kits, police vehicles, and training.

While the pace of delivery has been slowed by a number of implementation challenges, it has increased recently as U.S. agencies work to overcome these challenges. Deliveries of equipment and training have been delayed by challenges associated with insufficient number of staff to administer the program, negotiations on interagency and bilateral agreements, procurement processes, changes in government, and funding availability. U.S. agencies are working to address these challenges. For example, the Embassy Narcotics Affairs Section in Mexico City has more than doubled its staff resources since Mérida was launched. Moreover, some U.S. agencies have sought alternative methods to initiate and speed the implementation of certain programs. In Mexico, for example, Treasury's Office of Technical Assistance used its own funds to start developing programs while an Amended Letter of Agreement was negotiated and signed with Mexico. In addition, USAID identified approximately \$2 million in existing program funds to initiate community involvement and training projects while waiting for Mérida funds to become available, according to USAID officials.

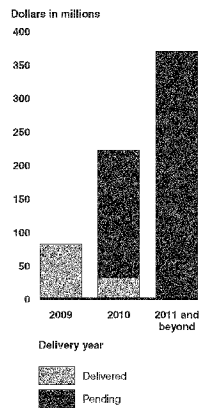
State's Strategy for Mérida Is Missing Elements That Would Improve Accountability and Management

While State has developed some of the elements of a strategy for implementing the Mérida Initiative, including a mission, strategic goals, and a resource plan, its strategic documents lack certain other key elements that would facilitate accountability and management. For example, State's strategic documents do not include performance measures that indicate progress toward achieving strategic goals or timelines for all future deliveries and completion of Mérida programs. Our prior work has shown that including these elements is important because they enable decision-makers to determine whether the program is successful and if any adjustments need to be made and in what ways.

In general, State's performance measures do not align with existing strategic goals, do not provide measurable targets, and do not measure outcomes. We have reported before that performance measures that include such attributes are key characteristics of successful program management. Such measures provide valuable information for decision-makers to identify strengths and weaknesses in programs, identify the factors that may be contributing to any problems, and adjust processes to address the problems. Almost all of State's performance measures do not provide specific measurable targets with milestones to indicate success in the short term and the long term. Without targets to strive toward, State cannot determine if it is meeting expectations under the Mérida Initiative.

In addition, State has not developed comprehensive timelines for delivery of all equipment and training planned under Mérida. While U.S. agencies have already provided major equipment and some training using Mérida funds, as of March 31, 2010, a significant amount of equipment and training intended to be provided under the Initiative was still pending delivery. For Mexico, this includes between 9 and 11 Black Hawk helicopters, 4 CASA aircraft, an additional 3 Bell helicopters, over 200 polygraph units, mobile gamma radiation inspection trucks, as well as railroad units to detect weapons and other contraband, and multiple professionalization programs and projects in various training and technical assistance. While State has estimated timelines for some of these items, it does not provide comprehensive timelines for all of the planned projects for fiscal years 2008 and 2009. For instance, State does not have an estimated target date for providing the rest of the training planned for Mexico. Of the major equipment provided under the fiscal year 2008 and fiscal year 2009 plans for Mexico, State estimates that it will deliver about half of the funding associated with this equipment by the end of fiscal year 2010 (see fig. 1). For Central America, some of the items that have not been delivered include up to 8 interceptor boats and maritime support equipment and various training and technical support, including for anti-gang activities.

Figure 1: State Estimates in Dollar Value of Major Equipment Deliveries to Mexico under Mérida as of March 2010



Source: GAO, based on Department of State data.

State Has Primary Responsibility for Coordinating the Mérida Initiative

State has primary responsibility for coordinating the Mérida Initiative, which has diverse program components that are being implemented by a wide range of U.S. agencies under the leadership and management of the State Department. Although State has not comprehensively documented a coordinating structure for Mérida, we identified several mechanisms in place involving decision-makers at various levels of government.

According to State officials, the National Security Council (NSC) has a key policy role in coordinating the Initiative. State officials told us that the NSC leads the inter-agency policy effort on the U.S. government counternarcotics and law enforcement approach to the region, which includes the Mérida Initiative and domestic efforts, such as the Southwest Border strategy. State has designated the Deputy Assistant Secretary for North America of Western Hemisphere Affairs (WHA) as the “principal” Mérida coordinator. However, other State offices, such as International Narcotics and Law Enforcement (INL), and other agencies have also

designated their own "coordinators" for Mérida. The WHA coordinator and her counterparts in other bureaus and USAID communicate programmatic activity via a weekly Mérida Initiative Core Group meeting. In addition, several State bureaus regularly coordinate with other U.S. agencies on Mérida policy and programmatic issues. Similarly, headquarters and U.S. embassies in Mexico and Central America have established mechanisms to coordinate and communicate on implementation. Under the leadership of the U.S. ambassadors, agencies at posts also have developed and adapted mechanisms to coordinate efforts within the U.S. Embassy community in Mexico and Central American countries. Moreover, State has established formal bilateral mechanisms to coordinate with Mexican authorities. This includes a High-Level Consultative Group consisting of cabinet-level officials whose purpose is "to set strategic direction" for the Mérida Initiative, a Policy Coordination Group consisting of ambassador and assistant secretary-level officials whose purpose is to set policy and monitor the progress on the strategic direction, and a Bilateral Implementation Group consisting of working-level officials whose purpose is to review status of projects and comment on any successes or difficulties encountered. For Central American countries, unlike Mexico, no formal coordination mechanism is in place between U.S. agencies and their host government counterparts working on Mérida implementation. However, State officials describe a high level of security dialogue and bilateral coordination between the United States and Central American Mérida recipient countries.

**GAO Recommends
That State
Incorporate
Performance
Measures That
Indicate Progress
Toward Strategic
Goals in the Strategy
for the Mérida
Initiative and Develop
More Comprehensive
Timelines for Future
Deliveries**

In the report issued today, we recommended that the Secretary of State incorporate into the strategy for the Mérida Initiative outcome performance measures that indicate progress toward strategic goals and develop more comprehensive timelines for future deliveries.

State commented on a draft of our report and agreed with our findings and recommendations.

Mr. Chairman, this concludes my statement. I would be pleased to respond to any questions that you or other Members of the Subcommittee may have.

**GAO Contact and
Staff
Acknowledgments**

For questions regarding this testimony, please contact Jess T. Ford at (202) 512-4268 or fordj@gao.gov. Contact points for our Offices of Congressional Relations and Public Affairs may be found on the last page of this statement. Individuals who made key contributions to this statement include Juan Gobel, Assistant Director; Marc Castellano; Marisela Perez; Erin Saunders Rath; Debbie Chung; Grace Lui; and Martin De Alteriis. Technical assistance was provided by Jena Sinkfield and Doug Cole.

This is a work of the U.S. government and is not subject to copyright protection in the United States. The published product may be reproduced and distributed in its entirety without further permission from GAO. However, because this work may contain copyrighted images or other material, permission from the copyright holder may be necessary if you wish to reproduce this material separately.

GAO's Mission	The Government Accountability Office, the audit, evaluation, and investigative arm of Congress, exists to support Congress in meeting its constitutional responsibilities and to help improve the performance and accountability of the federal government for the American people. GAO examines the use of public funds; evaluates federal programs and policies; and provides analyses, recommendations, and other assistance to help Congress make informed oversight, policy, and funding decisions. GAO's commitment to good government is reflected in its core values of accountability, integrity, and reliability.
Obtaining Copies of GAO Reports and Testimony	The fastest and easiest way to obtain copies of GAO documents at no cost is through GAO's Web site (www.gao.gov). Each weekday afternoon, GAO posts on its Web site newly released reports, testimony, and correspondence. To have GAO e-mail you a list of newly posted products, go to www.gao.gov and select "E-mail Updates."
Order by Phone	<p>The price of each GAO publication reflects GAO's actual cost of production and distribution and depends on the number of pages in the publication and whether the publication is printed in color or black and white. Pricing and ordering information is posted on GAO's Web site, http://www.gao.gov/ordering.htm.</p> <p>Place orders by calling (202) 512-6000, toll free (866) 801-7077, or TDD (202) 512-2537.</p> <p>Orders may be paid for using American Express, Discover Card, MasterCard, Visa, check, or money order. Call for additional information.</p>
To Report Fraud, Waste, and Abuse in Federal Programs	<p>Contact:</p> <p>Web site: www.gao.gov/fraudnet/fraudnet.htm E-mail: fraudnet@gao.gov Automated answering system: (800) 424-5454 or (202) 512-7470</p>
Congressional Relations	Ralph Dawn, Managing Director, dawnr@gao.gov , (202) 512-4400 U.S. Government Accountability Office, 441 G Street NW, Room 7125 Washington, DC 20548
Public Affairs	Chuck Young, Managing Director, youngc1@gao.gov , (202) 512-4800 U.S. Government Accountability Office, 441 G Street NW, Room 7149 Washington, DC 20548



Please Print on Recycled Paper

Mr. ENGEL. Thank you very much, Mr. Ford.

Let me start with this. In your report, you argue that the State Department's performance metrics for the Merida Initiative do not provide measurable targets and do not measure outcomes.

Can you give us examples of what specific targets and outcomes you think should be measured by the State Department in evaluating Merida? In other words, how should we define success?

Mr. FORD. Okay, I think that is an excellent question. Let me start with the basics first.

We haven't seen any statements of how they are going to measure success under these new four objectives that they just established with the Mexican Government. So I can only notionally answer this in terms of what would be the kind of metrics one might look for. I can't tell you that these are the ones being considered by the administration at this point. So I need to make that clear.

I mean, we have worked in the counter-drug area for years at GAO, and there are areas where one could reasonably see potential goals and objectives that can be measured to try to judge the success of a program.

So, in the case of Plan Colombia, the goal was established to try to reduce the level of cultivation of coca plants in that country and the potential for production of cocaine over a specified period of time. Specifically, it called for a 50 percent reduction over 6-year period.

We wrote a report on that in 2008, and we found part of the goals were achieved in the area of poppy cultivation, and that the goals for coca cultivation were not achieved, although there were reductions. The most recent data issued by the ONDCP indicates that, as of 2008, there has, in fact, been a greater reduction in the amount of cocaine that can be produced.

Those metrics are available. There are numbers you can measure against them, and you can track the progress on a year-to-year basis. Now, that is just a notional example based on the Colombia program, and I am not suggesting that that would be one you would apply here in Mexico.

But the important point here is, you want to establish a goal. You want to establish a benchmark you are going to measure against. You want to establish a way of tracking that, a target that you want to establish. And that helps one determine whether or not you are moving the ball forward and whether you are seeing progress. So that is notionally how we see how you might be able to determine whether this program is moving forward or not.

Mr. ENGEL. Thank you.

In the report, you say that tracking Merida funds is difficult because each of the three State Department bureaus managing Merida funds has a different method for tracking. And you note that the State Department currently has no consolidated database for these funds. I mentioned that in my opening remarks.

If the State Department can't even keep track of its own funding, how can Members of Congress exercise oversight of the Merida Initiative? This is obviously a serious problem. How serious do you think it is? Does it go beyond Merida and impact on our other foreign assistance programs? And, if so, what needs to be done to fix this?

Mr. FORD. Okay, let me start by saying, yes, in fact, it is a challenge for the State Department to provide, particularly, real-time information on the current status of funding obligations, expenditures, and also a delivery schedule on equipment that is going to be provided over a specified period of time.

With regard to the funding part of this issue, the State Department's accounting system is not set up based on a concept of programs. It is set up based on a concept of the funding accounts that the Congress appropriates the money under. So, for example, Congress provides money under the Economic Support Fund concept. They provide money under the INCLE concept, which is counter-narcotics money that goes to INL. They provide money under other budget accounts. And that is the way the State Department's accounting system tends to track money, in terms of obligations and expenditures.

What they do not do—and I can certainly say this for Merida, and I can't say conclusively for other programs, although I have reason to believe it is true, as well—is that for programmatic programs that Congress puts out, they don't have a readily available system to track, at a program level, what obligations and expenditures are. And that is what the problem is with the Merida program.

As we mentioned in our report, you have three different bureaus in the State Department tracking money that Congress has provided. Part of it is FMF money, part of it is the INCLE money, and part of it is the ESF money that Congress has given under this program. They have three different bureaus tracking it. They don't all have the same process in place. They are trying to put in place a spreadsheet, for lack of a better term, that will enable them to get this information on a more real-time basis so that they can give you answers to the questions when you call them and say, "Where do we stand as of today?"

I brought an example. This is not a funding example, but this is a spreadsheet that State Department created for the delivery of their equipment to Mexico. And it is fairly detailed. It gives you a good idea of what they have already delivered and what they plan to deliver. But it is not comprehensive, and it is something that they just put together based on a spreadsheet. It is not based on any system they have in place.

Mr. ENGEL. Thank you very much.

Mr. McCaul?

Mr. MCCAUL. Thank you, Mr. Chairman.

And, Mr. Ford, thank you for your testimony.

This is not all good news. There is no performance metrics, or none have been developed, for any of the four goals stated? Is that your testimony?

Mr. FORD. That is my testimony, but I want to add something, if I might.

The original goals established under the Merida program in 2008 are different than the ones we have now. There are some similarities. Those goals were more directly related to law enforcement issues, interdicting drugs, supporting law enforcement.

At that time, the State Department did, in fact, begin to develop some performance metrics based on those goals. Now, we critique

some of those in our report. We said the goals that they put in place, some of them were fine; others, they didn't have benchmarks, they didn't know what the starting point was. Some of them didn't have targets, so you didn't know—they had a good goal, but they didn't know what the target was, how far along do we need to be before we achieve something. So we critiqued that in our report.

Unfortunately, what the State Department has done is, they developed those on the old goals, and they haven't yet developed any for the new goals. So that is why we are in an awkward situation, where we know they have tried to do this when they started the program, but now they are evolving into something new and we haven't seen it.

Mr. McCAUL. And there are three different bureaus tracking the funding, according to your testimony?

Mr. FORD. Yes.

Mr. McCAUL. How do you propose to fix that?

And I say that because we appropriated this money in Fiscal Year 2008, \$1.32 billion. Only 46 has been obligated; only 9 percent has been expended. In the current budget request for 2011, we have an additional \$480 million. And yet we can't seem to move this thing forward.

Mr. FORD. Okay, you know, I am not the administration, so I am going to try to give you my perspective based on our work.

Mr. McCAUL. I appreciate that.

Mr. FORD. I think in the beginning of the program there were a lot of organizational issues that needed to be dealt with. We didn't have many staff to administer the program in Mexico, for example. The NAS down there, I think we had about 15 people, and now they are up to about 50. So part of it was you just didn't have enough people to administer the program.

Then another problem was, we needed to sign letters of agreement with the Government of Mexico, which authorizes the exchange of the equipment based on certain laws and everything that have to be met in our Government and in their government. For the last two letters of agreement, it took an inordinate amount of time for them to finalize them.

The first time they did this, it was our understanding that it was because the two governments had not had a major program expansion like this, and it was just a case of both governments understanding the terminologies and what everybody had to do. And that kind of explained why there was a delay the first go-around.

The second go-around, I can't explain why there were delays. But we know that the second letter of agreement, which was just signed in May, which obligated another \$200-some-odd million, that agreement took several months. And we don't know the reason why that took as long as it did.

And then you have the issues related to procuring major pieces of equipment and how long it takes. Like Black Hawk helicopters, you know, it takes 18 months or more—

Mr. McCAUL. Can I ask you about that? I mean, we just can't afford to delay anymore. There is a crisis going on on the border and in Mexico.

And, you know, the helicopter issue is just one example. When we talk to the manufacturers, they say, "Sure, we can build them." But there is a delay, as you testified to, in the procurement process. What can we do to expedite that?

Mr. FORD. I am not sure for the big-ticket items like the Black Hawks. It is not clear to me what can actually be—they have to follow the procurement rules that are specified by DOD and by law. I don't have an answer for how they can more quickly acquire them.

I do know the State Department attempted to finance, I think, three of the Black Hawk helicopters without going through the FMF process that DOD manages, and that their goal was to acquire those Black Hawk helicopters, three of them I believe, more quickly than they could if they went through the FMF process.

Mr. MCCAUL. My time is running out, but I just wanted to end on this question. There has been some reference to Colombia. How would you compare—now, Plan Colombia actually eventually was a successful model. Are there lessons learned that we can take from what we did in Colombia to what is happening now in Mexico?

Mr. FORD. Well, I believe, based on our work there, that—I am going to sort of mirror what Congressman Cuellar said. I think that we need to accept the fact that it takes a while for these things to turn around.

The beginning years of Plan Colombia, we had a lot of the same sorts of problems that we are now talking about in Mexico. We had problems with getting the equipment down there on a timely basis. We had problems in being able to train the Colombian police and the Colombian military to use the equipment once we got it to them. We had problems with negotiating agreements with the Colombian Government to ensure that human rights were going to be honored as we increased our security assistance down there.

There were a lot of what I would characterize as early planning and implementation challenges in Plan Colombia. And if you had measured that program in the first 2 or 3 years of its existence, some of the things that I am reporting now probably would have—you know, that is what happened then.

Eventually, we were able to turn that around, because we did develop institutional capacity down there, not only with the security forces but also with their judiciary and some of the civil side. And that led to more successes, you know, in terms of stabilizing that country.

So I am not saying that is a model, but I will say that I believe patience is needed if we are going to try to change the dynamic in Mexico in a manner that will reduce violence and lessen the threat to our border.

Mr. MCCAUL. Thank you.

Mr. ENGEL. The gentleman's time has expired.

Mr. Sires?

Mr. SIRES. Thank you for your testimony, Mr. Ford.

The shift away from military assistance toward a greater assistance for civilian police training, do you see this improving our ability to spend the money the right way, or do you think it is going

to be a hindrance, the shift away from the fact that it is not as concentrated on the military?

Mr. FORD. Well, that is hard to argue, at this point. I mean, let me say it this way: I think anything we do to improve the law enforcement capability in Mexico is going to be a plus. Spending resources on that and ensuring that we get what we pay for and that the Mexican Government follows through with building that capacity, I see that as a value to what we want to achieve there.

I can't really comment on whether or not a shift from the military to law enforcement is a good thing or a bad thing. I just think that supporting the law enforcement community down there is important, and if we are going to do that, we just need to make sure that we do it effectively.

Mr. SIRES. And you said we haven't spent any money on the rest of the other countries? There is moneys in there for some of the other Central American countries. Has any money been spent?

Mr. FORD. Yeah. It is in our report. I am going to refer to that.

Again, this is as of March 31st of this year. For the Merida aspects of Central America, we had obligated about \$65 million, which is about 25 percent of the amount that has been allocated by Congress. And they expended approximately \$20 million, which is, oh, maybe 8 percent. That is where we are as of March.

Mr. SIRES. Are we encountering the same problems there also?

Mr. FORD. We are encountering—yeah. Yes. The answer is, yes, we are, the same problems in terms of coming up with delivery schedules that allow us to get the programs up and running. We are running into the same issue.

The difference is, in Central America, we are not spending a lot of money on hardware, like helicopters and things like that. A lot of the money is for technical assistance and training for law enforcement in those countries.

Mr. SIRES. On that spreadsheet that you showed before, are there fixed dates when certain things should be achieved or anything like that?

Mr. FORD. With regard to items that are pending, they report it three different ways. They have some by month, by October 2010. They have some by 2010 or 2011. And they have a couple of cases when they have a specific date.

Mr. SIRES. That is just reporting, but it is not a goal?

Mr. FORD. No, this is their planned schedule for delivery.

Mr. SIRES. Thank you, Mr. Chairman. I don't have any more questions.

Mr. ENGEL. Okay, thank you, Mr. Sires.

Mr. Green?

Mr. GREEN. Thank you, Mr. Chairman.

Director Ford, President Calderon's government has expanded its cooperation with the United States to a level unprecedented in our bilateral relations historically. And there appears to be more information-sharing and true partnership with Mexico in the fight against drug trafficking.

Can you characterize the existing level of cooperation with Mexico? And I don't know if you have a historical perspective. Do these changes extend across the breadth of the working relationships

with the various ministries in Mexico, or is it just certain ones that we have better luck with?

Mr. FORD. Well, first of all, let me comment sort of broadly, since we issued a report in 2007 on the counternarcotics program in Mexico, which was pre-Merida, and the level of our effort at that time was much smaller than it is today.

I can say, based on all of our meetings in Mexico, meeting with not only U.S. officials, including all of our law enforcement components, of course the Ambassador and other people associated with dealing with all different ministries in the Government of Mexico, almost uniformly we heard positive feedback in terms of the level of cooperation that we are getting from the Mexican Government in general.

Now, of course, like any other place, there are some agencies within the Mexican Government that are a little more reticent than others in terms of working with us. But, overall, we heard very positive comments from virtually everybody we talked to down there.

Mr. GREEN. I know it is interesting, having traveled to Mexico it seems like my whole life, that joke about, "We are from the government, here to help you." If you go down to Mexico and say, "We are here from the United States and we are here to help you," it is a problem, although I have noticed in the last 2 years there has been so much more cooperation. And I think President Calderon's leadership has been there for that.

In the GAO report, it shares that negotiating agreements between beneficiary governments in reaching understanding with the U.S. agency on implementation logistics can be time-consuming. From your research, is there a more effective way for these negotiations to shorten that time? And is it on us or is it on the Republic of Mexico?

Mr. FORD. I would say it is a little bit of both. Some of it is us. We just don't do a good job of—well, part of it is just setting good expectations. When we were down there in March, we talked to several Mexican Government officials who sort of felt like they were instantaneously going to get them equipment, or the U.S. Government said we were going to send them brand-new armored cars, and they would be there within a month or so, not realizing that it takes time for these things to happen. So part of it is basically setting good expectations with our partner.

And then, in terms of the actual implementation, clearly, on our side there were delays, for lots of different reasons, some of which I articulated earlier. And then, I think on the other side, on the Mexican side, in some cases they weren't 100 percent always clear about what exactly they wanted or what they really needed.

And what they are doing at the Embassy to address this issue is they have established a formal working group with Mexican officials and U.S. officials. They are going to work together so these day-to-day problems can be resolved. Hopefully, that will help expedite the delivery of the assistance.

Mr. GREEN. Okay. And I know the three bureaus have tracked the funds in the State Department—and you have discussed that. Is it possible for any of these agencies on the U.S. side to be

merged, so we can see maybe fewer decision-makers and more decisions being made?

Mr. FORD. Yeah, I think that—well, first of all, let me say this: The State Department recognizes they have this problem, that they cannot readily track the moneys, that they have sort of a fragmented approach. They have indicated to us they are going to try to address that, or they are in the process of trying to address it, by coming up with a more streamlined system. We haven't yet seen that, so I can't really comment on it, in terms of whether I think that is going to fix the problem.

But the fact that they recognize that they need to put something together that will provide more real-time information to Congress on what is really going on I think is a step forward. The real key is, can they really implement something that will allow you all to get information on everything that is going on? Right now, it is fragmented.

Mr. GREEN. Thank you, Mr. Chairman.

My frustration, I guess, is that this has been going on, and I know it was a President Bush initiative, but I would hope we would see much more quicker response on the United States's part, because this problem is in Mr. Cuellar's district, in my district, and it will be in New York, and of course Mr. McCaul's district in central Texas. And if we don't help our neighbors in Mexico, it will surely be in our backyard.

Mr. ENGEL. Well, thank you. I certainly agree. And we will keep exploring this. Thank you, Mr. Green.

We have been joined by Ms. Giffords of Arizona. And I am going to give her an extra minute so she can incorporate her opening statement into her questions.

So, Ms. Giffords, you have 6 minutes.

Ms. GIFFORDS. Thank you, Mr. Chairman.

And, Mr. Ford, thank you for joining us today.

It is interesting, when you look back from the first conversations we had a couple of years ago under the former administration about the Merida plan, and we had a lot of questions and a lot of skepticism. And the challenge for us is how we support the Calderon administration, which is really doing some very heavy lifting in a very, very difficult situation, but also having the ability to go to back to our constituents and our taxpayers, those of us who actually live on the border, and explain and justify to them this extraordinary amount of money that we are, of course, sending to Mexico.

I come from the worst part of the district, so if I sound a little angry, it is because I am. I represent half of the Tucson sector, which, by far—about 10 years ago, we had over 700,000 apprehensions. And last year we were down to 242,000 apprehensions, but over 1.2 million pounds of marijuana was actually seized in my sector.

And when people say that the border is more secure now than it has ever been, I beg them to come down and actually talk directly to my constituents, to the ranchers out in Cochise County, to the Krentz family, who had a family member that was murdered on his own land, and explain how much safer it is, when their

property values have absolutely plummeted and they don't feel safe.

So the challenges we have—and I was fortunate to have the chairman of the Homeland Security Committee with us a couple of weeks ago down for a border tour and for a chance to spend time with the ranchers and to do a rancher town hall meeting, for the chairman to hear directly about what is working and what is not working. And, with that, we had the sector chief of the border patrol alongside.

And so, my questions—and, again, I know we are talking about different programs; we are talking about north side of the border and south side of the border. But the reality is, it is all one big area when it comes to drugs that are moving up northward and we have cash and arms going in the other direction. And if we are going to get operational control of the border, we are going to have to think bilateral.

And so my question to you is, what sort of coordination is going on with the expenditure of the Merida money and the plans with the sector chiefs, particularly in the worst areas of the border?

Mr. FORD. Okay, that is a very good question. Here is my challenge in answering that. We know that there are a lot of efforts between our Government and Mexico on the border being undertaken primarily with DHS, ATF, the law enforcement community, State and local government. Many of those activities, as far as we know, are not really connected to the Merida program in terms of the assistance that we are providing to Mexico.

There are some programs that are directly related to the border, such as providing communication equipment. For example, the Department of Defense is providing communication equipment to their counterparts. ATF is running their gun-runner program, which is on the border. ICE has their gun program and their anti-smuggling programs.

A lot of those efforts, to our knowledge, are not directly associated with the Merida program. So I can't answer your question holistically in terms of what our Government is doing on the border. I know there are lots of things going on. We didn't study in detail many of those other programs for this particular job that I am reporting on.

But to the extent we had information about what we are providing to the Mexican counterparts—like, the customs service, we are giving them equipment; we are providing canine units to prevent smuggling—that should work for both sides of the border, there are a number of things we are financing with the Merida money.

But it is only part of, I think, your broader question, which is, what is the government as a whole doing to protect the border? And I don't know enough about how to answer that for the whole government. But I will say, for the Merida program, there are programs designed to help address the border specifically, not just the broader going after the drug traffickers.

Ms. GIFFORDS. Mr. Chairman and Mr. Ford, you know, when you are actually on the front line and you have spend a lot of time with the law enforcement agents and the border patrol and the people

that live there, you know, it becomes pretty—and then you look at the numbers, and the numbers just speak for themselves.

You know, the Tucson sector has more than all of the other areas combined, when it comes to seizures of narcotics. So, there is potential on all sorts of coming in from the Canadian border or on the coasts, but the reality is it is coming through Arizona right now in huge, huge numbers.

So with the deployment of the National Guard that is going to start in a couple of weeks, we are spending a lot of money on bringing the Guard in. We have a huge supplemental we are waiting to have the Senate pass through with \$700 million, as well, that is going to go toward increased Border Patrol and ICE agents and, you know, a huge increase of resources.

But if the coordination isn't taking place—and I beg people to come down, drive along the border, and see if you see one Mexican vehicle patrolling—one. I mean, of all of the time that I have been in Congress and all the time I spend out there, I have never seen one vehicle on the other side of the border—not one camera, not one radar system, not one balloon, not any type of surveillance.

So, you know, the numbers speak for themselves. You know, we are spending a lot of money, and I am not saying it is a waste. I am just saying that we know where the drugs are coming in, because we can just estimate by the seizures that we have. Yet, here we are spending money. We have DOD money, we have Department of State money, we have DHS money, we have a lot of money flowing. But when you talk to my sector chief that is on the front lines, he is not being asked, you know, "Should we put the resources south of Douglas or south of Nogales?" No one is talking to him.

And that is where I just—I don't get it. I don't know how we can sit here and, with straight faces, talk about why this is a good program if that just on-the-ground coordination is not taking place.

Mr. FORD. You know, I don't know what to say. I mean, again, part of the reason we think that they need to develop these metrics we talked about is so that you can get an answer to that question. Right now, I don't see any way how the administration can answer that because they don't have a way of saying whether or not the border effectiveness, from the Mexican side, is being improved because of our money. There is no way for us to know that, at this point.

Ms. GIFFORDS. And, Mr. Chairman, you know, I would love to work with you and others to figure this out. Because, obviously, this is an extraordinary sum of money that we are spending to secure the border and to try to reduce the amount of drugs that are smuggled in. But if we don't have the metrics and if we don't have a coordinated plan, then I would argue that we need to rethink this.

Mr. ENGEL. Well, let me just say, Ms. Giffords, I would be delighted to work with you. As you well know, I have a Tucson connection, with my son graduating from the university there. And I am hoping that your constituents do know that you are doing an excellent job fighting for these things. And I do hope we can have that hearing in Tucson or around Tucson before the end of the year. So I look forward to working with you on that.

As you can tell, we have been called for a vote, but we have been joined by Mr. Meeks of New York, who says he has one quick question before we adjourn.

Mr. MEEKS. Thank you, Mr. Chairman.

And my question is not exactly like the gentlelady from Arizona's, but it is similar in regards to coordination. We know that when we initially started talking about Plan Colombia, we had to work out some things, and I think, finally, we have it working.

But coordination is the key to success. And I know that we have initiatives now in Central America and initiatives in the Caribbean. And some argued against the Merida money initially because they say what happens is you close it off at one end and the drugs will come through another end.

So I am wondering whether or not you are also looking at the coordination between Central America and the Caribbean, so that it is not that, you know, one end going one way, then it goes someplace else, all still coming into the United States. And where it is Arizona that may have the key problem today, but it could be Florida tomorrow.

Is there any coordination between the Merida Initiative and the Caribbean and Central America? That is my question.

Mr. FORD. Okay. The short answer is I don't know, because the CARSI program that has been announced, the administration hasn't put its strategy out yet for that, so we don't know exactly what we are trying to do there. We don't know who is going to exactly administer the program.

The Caribbean Basin Security Initiative, which I presume is linked to that, same thing: We don't quite know what the strategy is and what the implementing pieces of that are going to be.

The Southwest Border Counternarcotics Strategy that was promulgated by the Office of National Drug Control Policy, which involves many U.S. agencies on the border designed to stop the flow of arms, bulk cash, and other things, we are not quite sure who is responsible for coordinating that, along with these other initiatives.

So my answer to that is, I think it is important that Congress ask the administration how they plan to coordinate all of these security initiatives. There may be a notional idea of how they plan on doing it, but we haven't seen it. And so I don't know how to answer that.

If you are asking me, do you think we have a coordination mechanism in place, I don't know that, at this stage.

Mr. MEEKS. Thank you.

Mr. Chairman, you know, I was and am a big supporter of Merida, but we have to make sure that we know how the money is being spent and that it is being coordinated so that we know that we are getting the best bang for our buck. Otherwise, we need to rethink what we are doing, because if it is not doing anything, we don't need to just throw money away.

So I would join Ms. Giffords in that vein, in saying, if we are doing it and we are doing it right, I am all for it, let's do it. But if not, then we need to rethink what we are doing.

Mr. ENGEL. Well, thank you, Mr. Meeks.

Mr. Ford, I want to thank you for your very excellent testimony. I actually agree with everything you have said, as I have agreed

with everything that has been said up here. I think we are all in sync on this and we realize how important it is, in terms of making sure that Mexico gets the help it needs but making sure that, when we send the help, it is being used properly. And I think we all have a stake in that. So I want to thank you for testifying.

I want to thank Mr. McCaul for ably filling in for Mr. Mack today. And Mr. McCaul, of course, is always a very valued member of this subcommittee, as well.

So, again, Mr. Ford, we look forward to continuing this discussion with you.

And the subcommittee hearing is now adjourned.

[Whereupon, at 3:44 p.m., the subcommittee was adjourned.]

A P P E N D I X



MATERIAL SUBMITTED FOR THE HEARING RECORD

SUBCOMMITTEE HEARING NOTICE
COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515-0128

SUBCOMMITTEE ON THE WESTERN HEMISPHERE
Eliot L. Engel (D-NY), Chairman

TO: MEMBERS OF THE COMMITTEE ON FOREIGN AFFAIRS

You are respectfully requested to attend an OPEN hearing of the Subcommittee on the Western Hemisphere, to be held in **Room 2172 of the Rayburn House Office Building (and available live, via the WEBCAST link on the Committee website at <http://www.hcfa.house.gov>)**:

DATE: Wednesday, July 21, 2010
TIME: 2:30 p.m.
SUBJECT: Assessing the Merida Initiative: A Report from the Government Accountability Office (GAO)
WITNESS: Mr. Jess T. Ford
Director
International Affairs and Trade Team
United States Government Accountability Office (GAO)

NOTE: Witnesses may be added.

By Direction of the Chairman

The Committee on Foreign Affairs seeks to make its facilities accessible to persons with disabilities. If you are in need of special accommodations, please call 202-225-5021 at least four business days in advance of the event, whenever practicable. Questions with regard to special accommodations in general (including availability of Committee materials in alternative formats and assistive listening devices) may be directed to the Committee.

COMMITTEE ON FOREIGN AFFAIRS

MINUTES OF SUBCOMMITTEE ON _____ MEETING

Day Wednesday Date 7/21/10 Room 2172 RHOB

Starting Time 2:45 pm Ending Time 3:44 pm

Recesses (_____ to _____)

Presiding Member(s) Eliot L. Engel

CHECK ALL OF THE FOLLOWING THAT APPLY:

- Open Session
- Electronically Recorded (taped)
- Executive (closed) Session
- Stenographic Record
- Televised

TITLE OF HEARING or BILLS FOR MARKUP: (Include bill number(s) and title(s) of legislation.)

Assessing the Merida Initiative: A Report from the Governmnet Accountability Office (GAO)

SUBCOMMITTEE MEMBERS PRESENT:

Eliot L. Engel, Michael McCaul, Albio Sires, Gene Green, Barbara Lee

NON-SUBCOMMITTEE MEMBERS PRESENT: (Mark with an * if they are not Members of HFAC.)

Henry Cuellar*

HEARING WITNESSES: Same as meeting notice attached? Yes No

(If "no", please list below and include title, agency, department, or organization.)

STATEMENTS FOR THE RECORD: (List any statements submitted for the record.)

Eliot L. Engel, Connie Mack, Christopher H. Smith

ACTIONS TAKEN DURING THE MARKUP: (Attach copies of legislation and amendments.)

n/a

RECORDED VOTES TAKEN (FOR MARKUP): (Attach final vote tally sheet listing each member.)

Subject	Yeas	Nays	Present	Not Voting

TIME SCHEDULED TO RECONVENE _____

or
TIME ADJOURNED 3:44 pm



Subcommittee Staff Director

Ranking Member Connie Mack
Subcommittee on the Western Hemisphere
“Assessing the Merida Initiative: A Report from the Government Accountability Office (GAO)”

Thank you, Mr. Chairman.

I want to thank Chairman Engel for holding this hearing on the implementation and coordination of programs under the Mérida Initiative. I also want to thank our witness for being here today.

As Congress continues to fund the Merida Initiative past its initial three-year plan, it is important that we evaluate the program and adjust as necessary.

This past week drug cartels used a mobile phone to set off a car bomb in a northern Mexican city across the border from El Paso, Texas. Their expanding expertise reinforces the belief that the cartels are actively working with terrorist organizations, which gain access to the hemisphere through Venezuela. It is crucial that the United States stand strong in its commitment to dismantle the drug trafficking organizations and, in doing so, that we uphold our commitments to the President of Mexico as he aggressively attacks the drug trafficking networks.

The last hearing we had on this topic highlighted the slow manner in which U.S. assistance is reaching the programs established under the Mérida Initiative. I hope the GAO will report improvement in this area, as well as better coordination both within U.S. agencies supporting the Mérida Initiative and with our Mexican counterparts in securing our southern border against illicit activity. This coordination between the United States and Mexico needs to be institutionalized as a standard of our bilateral relationship to guarantee that progress cannot be undone.

Unfortunately, as I noted in the last hearing, some in our country are misdirecting their focus toward advocating new federal gun laws and writing state laws on immigration that threaten the freedoms of U.S. citizens. This is not the correct approach. We need to strengthen security on our borders, enforce the laws we have on the books, and utilize the funds we have appropriated for the Mérida Initiative to address the violence and illegal activity originating from Mexico.

As we hear from our witness on the GAO’s recommendations for better performance metrics in the Mérida Initiative, I will also be looking to hear how our current strategy addresses the balloon effect of the drug trade. Any successful approach will have to address the free flow of drugs through Venezuela, a major cultivator and departure point for cocaine that directly influences Central America, the Caribbean, and Mexico.

I appreciate this opportunity to hear an update on how this initiative is working and where we should push for improvement.

Thank you, Mr. Chairman.

Rep. Chris Smith
July 21, 2010
Assessing the Merida Initiative: Report from the GAO
Subcommittee on the Western Hemisphere

Mr. Chairman,

I thank you for holding this timely hearing on progress and challenges in implementing the Merida Initiative. Nearly 25,000 people have reportedly been killed in Mexico's drug violence since late 2006, when President Calderon initiated a new offensive in the drug war. In October of 2007, we launched the Merida Initiative to support Mexico's law enforcement in this all-important fight.

Three years later, it seems that this extremely well-funded program is not living up to its potential. Only nine percent of the \$1.6 billion promised under the Merida Initiative from 2008 to 2010 has actually been spent, and little more than 46% of the funds have been obligated. While the funds seems to be well directed, we are not really sure if they are achieving results, and our apparent inability to deliver on the other 90% of the Initiative is embarrassing and self-defeating.

The GAO Report before us today lists obstacles such as insufficient staff to administer the Initiative, stalled negotiations on interagency and bilateral agreements, procurement processes, changes in government, and a less than efficient funding process. The Report also details a lack of targets to determine what the funds are achieving.

It is as though we are trying to untangle ourselves from a largely self-created web of red tape while drug trafficking and organized crime continue to run ahead of us. We have seen success in Plan Colombia. I believe similar success is possible in Mexico and Central America. We have the will, we have the funding, and, with this report, I hope that we will have the insight to ensure that the Merida Initiative and related programs accomplish the tasks for which they were created.

Thank you, Mr. Chairman.

HOUSE COMMITTEE ON FOREIGN AFFAIRS
SUBCOMMITTEE ON THE WESTERN HEMISPHERE

Wednesday, July 21, 2010

ASSESSING THE MERIDA INITIATIVE: A REPORT FROM THE GOVERNMENT
ACCOUNTABILITY OFFICE (GAO)

Questions for the Record Posed by Chairman Eliot L. Engel

1. *Can you give us an example of a U.S. counternarcotics or foreign assistance program that has developed effective metrics to measure success? In other words, when it comes to benchmarks, what should be the model that the Merida Initiative looks to?*

On the flip side, please provide an example of a U.S. counternarcotics program which has not developed effective metrics and thus made it difficult to measure success.

GAO Response:

Each program has specific goals and objectives to achieve that are unique to the particular nature of assistance that they are providing, so specific performance measures from other programs may not necessarily be best applied to Mérida. Nevertheless, other programs have exhibited characteristics of successful performance measures that can serve as an example of how programs can measure success. Plan Colombia, for example, set a goal to reduce the amount of coca cultivation by 50 percent over six years. This is an example of a measurable goal that can indicate success of the program.

This month, we reported that the Department of Defense (DOD) does not have an effective performance measurement system to track the progress of its counternarcotics activities (GAO-10-835). We found that DOD's performance measures lack a number of attributes, such as balance and limited overlap, and reliability, objectivity, clarity, and measurable targets were only present in varying degrees. In addition, we found that DOD rarely uses the information in its performance measurement system to manage its counternarcotics activities and has applied few practices to facilitate its use.

2. *In December, you issued a report that focused on the slow pace of the Merida Initiative. In the study that is out today, you write that "since our last report, the pace of delivery of Merida support has increased."*

What actions has the Obama Administration taken to expedite Merida funding? What needs to be done by the administration and Congress to maintain a rapid funding pace?

GAO Response:

To expedite implementation of Mérida programs, posts in Mexico and Central America have used existing programming funds to initiate activities when anticipated Mérida funding has been delayed. For example, in Mexico, USAID tapped into approximately \$2 million in existing program funds to initiate community involvement and training projects while waiting for Mérida funds to become available.

Another way the Administration has expedited implementation of Mérida has been to bring on additional staff to handle the expansion of activity under the Initiative. For example, in 2007, the total number of headquarters INL staff dedicated to supporting Mérida was 3, compared to a planned level of 18 at the end of 2010. Similarly, the embassy Narcotics Affairs Section in Mexico City had a total staff of 19 in 2007, but had expanded to 51 staff as of March 2010.

State and DOD officials also told us that they are making efforts to manage expectations of their foreign counterparts and explain the procurement process so that they have a better understanding of how long it takes and how to expedite it.

What has been the impact of the delay of our assistance to Mexico and Central America?

GAO Response:

Mexican officials have cautioned that delays could undermine support for the Mérida Initiative and the Calderón Administration's decision to seek support from the United States. In a few cases, the Government of Mexico has purchased equipment on its own because it needed the equipment earlier than the United States could provide it. For instance, Mexican officials told us that they needed equipment for investigating money laundering, which they expected to receive from the United States under Mérida. However, rather than waiting for the United States to provide it, they went forward with the purchase on their own. In addition, an embassy official in Guatemala told us that delays in the receipt of funding affected their ability to support a program on the integration community policing and prosecutorial functions.

3. *You report that the State Department has not developed comprehensive timelines to estimate the time required to deliver all the equipment and training planned under Mérida.*

Why is this? Is any work being done to develop timelines?

GAO Response:

As we reported, State has developed some timelines, but not for all programs under Mérida for Mexico or Central America. Agency officials told us that there are several reasons why they do not have comprehensive timelines. These include uncertainty about whether and when certain countries will let the United States into the country to deliver the assistance, the capacity of the country to receive the assistance, difficulty in setting timeframes for certain capacity building activities that are not all fully defined, the uncertainty of timeframes for programs and equipment that are not yet under contract, and availability of funds. In their response to our report State officials indicated that they would be moving forward to develop comprehensive timelines for Mérida.

4. One of the major delays we have seen in delivering funding to Mexico and Central America is the result of the slow negotiation of Letters of Agreement (LOA) between our countries. You write that “negotiating agreements with beneficiary governments and reaching understanding with other U.S. agencies on implementing logistics can be time consuming.”

Is there a way to handle the LOA process more expeditiously so as not to hold up the disbursement of funding?

GAO Response:

State officials told us that, by leveraging lessons learned and best practices, future LOA negotiations should take less time.

5. *I was stunned to learn in your report that the Narcotics Affairs Section (NAS) at the U.S. Embassy in Mexico City serves as the account manager for funds destined for Central America under the Central American Regional Security Initiative (CARSI). This not only creates an extra layer of bureaucracy but also seems to put U.S. embassies in Central America at a disadvantage.*

Why does the NAS section at the U.S. Embassy in Mexico City serve as an account manager for CARSI funding? Do you think this needs to be changed?

GAO Response:

State officials at headquarters explained that the Narcotics Affairs Section (NAS) at the U.S. Embassy in Mexico City serves as the centralized account manager for all Mérida International Narcotics Control and Law Enforcement (INCLE) funds because it has the staffing and resources capabilities to carry out this task that are not present in the Central American countries receiving Mérida funds.

6. *In Mexico, I am pleased that there is a formal coordination mechanism in place between our two governments to coordinate Mérida funding.*

Why is there no coordination mechanism in place with our host government counterparts working on CARSI implementation? How has this impacted the program in Central America? Are efforts being made to put one in place?

GAO Response:

While there are no formal mechanisms to coordinate with counterparts in Central America comparable to those in Mexico, in our report, we note several examples of high level coordination between U.S. officials and authorities in various Central American countries. As we reported, State informed us that they have tried to coordinate the Mérida Initiative on a regional level for Central America, but this has been difficult because there are seven recipient countries

involved with distinct law enforcement priorities that necessitate different programs or strategies. Given these distinct challenges and priorities, each country carries out bilateral coordination with U.S. agencies differently and less formally.

How has this impacted the program in Central America?

GAO Response:

Currently, it is too early to assess the impact. Nonetheless, State officials informed us that while the bilateral coordination with Central American countries is less formalized than with Mexico, some bilateral coordination does exist with individual countries. For example, in Guatemala participating ministries have assigned high-level points of contact, usually cabinet-level officials, to work with U.S. agencies on Mérida implementation. In El Salvador, the lead diplomatic official at post reported meeting frequently with the President to discuss Mérida-related issues.

Are efforts being made to put one in place?

GAO Response:

Moving forward, State also informed us that they are looking for ways to coordinate to use Mérida/CARSI programs to support Central American countries' efforts to work together on a regional level. For example, using fiscal year 2008 Mérida funds, U.S. officials are currently conducting assessments of border control capacities with their Central American counterparts. The idea is that U.S. officials will be able to use these assessments to work with the seven countries in different groupings, based on key criminal activities identified.

7. *President Calderon's government has expanded its cooperation with the U.S. to a level unprecedented in our bilateral relations with Mexico. There appears to be more information sharing and a true partnership with Mexico in the fight against drug trafficking.*

Could you further characterize the existing level of cooperation with Mexico?

GAO Response:

From our discussions with U.S. and Mexican officials, there appears to be a strong sense of shared responsibility and high level cooperation in implementing the Mérida Initiative. As such, the U.S. and Mexico have created a multi-level working group structure to develop and implement bilateral security efforts.

Do these changes extend across the breadth of the working relationships we have with various Mexican ministries and agencies or are they solely with the top levels of those agencies?

GAO Response:

This structure incorporates from cabinet-level officials in the High-Level Consultative Group to agency officials at the working level implementing the Mérida Initiative from both the U.S. and Mexico. We personally observed collaboration in action at the monthly bilateral meeting we attended in March 2010. This is a working-level group that meets once month and gathers representatives from agencies from both governments working together on Mérida projects to review status of projects and comment on any successes or difficulties encountered. In addition, the Mérida Bilateral Implementation Office will provide a further step toward closer cooperation. This space will provide a venue for officials from the United States and Mexico to work together on a daily basis on Mérida Initiative projects.

Is this new cooperation sufficiently institutionalized or do you see it changing when President Calderon finishes his term?

GAO Response:

Both governments recognize the need to institutionalize this cooperation. As such, they are taking steps to create venues, such as the Mérida Bilateral Implementation Office, that can provide continuity.

[NOTE: The GAO Report to Congressional Requesters, "MÉRIDA INITIATIVE, The United States Has Provided Counternarcotics and Anticrime Support but Needs Better Performance Measures," was submitted for the record but is not reprinted here. It is available in committee records or may be accessed via the Internet at: <http://www.hcfa.house.gov/111/GAO072110.pdf>.]