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Latin America and the Caribbean: U.S. Policy and Issues in the 116th Congress

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SUMMARY

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Mark P. Sullivan, Coordinator
Specialist in Latin American Affairs

June S. Beittel
Analyst in Latin American Affairs

Peter J. Meyer
Specialist in Latin American Affairs

Clare Ribando Seelke
Specialist in Latin American Affairs

Maureen Taft-Morales
Specialist in Latin American Affairs

M. Angeles Villarreal
Specialist in International Trade and Finance

Latin America and the Caribbean: U.S. Policy and Issues in the 116th Congress

The United States maintains strong linkages with neighboring Latin America and the Caribbean based on geographic proximity and diverse U.S. interests, including economic, political, and security concerns. The United States is a major trading partner and source of foreign investment for many countries in the region, with free-trade agreements enhancing economic linkages with 11 countries. The region is a large source of U.S. immigration, both legal and illegal; proximity and economic and security conditions are major factors driving migration. Curbing the flow of illicit drugs has been a key component of U.S. relations with the region for more than four decades and currently involves close security cooperation with Mexico, Central America, and the Caribbean. U.S. support for democracy and human rights in the region has been long-standing, with current focus on Cuba, Nicaragua, and Venezuela. Overall, although the region has made significant advances over the past four decades in terms of both political and economic development, notable challenges remain and some countries have experienced major setbacks, most prominently Venezuela. Most significantly in 2020, the Coronavirus Disease 2019 (COVID-19) pandemic is having widespread economic, social, and political effects in the region and is currently surging in infections and deaths in some countries. As of September 2, 2020, the region had almost 280,000 deaths (almost 31% of deaths worldwide).

Under the Trump Administration, U.S. relations with Latin America and the Caribbean have generally moved toward a more confrontational approach from one of engagement and partnership during past Administrations. Since FY2018, the Administration's proposed foreign aid budgets for the region would have cut assistance levels significantly. To deter increased unauthorized migration from Central America, the Administration has used a variety of immigration policy tools as well as aid cuts and threats of increased U.S. tariffs and taxes on remittances. Among trade issues, President Trump strongly criticized and repeatedly threatened to withdraw from the North American Free Trade Agreement (NAFTA); this led to negotiation of the new United States-Mexico-Canada Agreement (USMCA). The Trump Administration also has imposed strong economic sanctions on Venezuela and has shifted U.S. policy toward Cuba away from engagement toward increased sanctions.

Congressional Action in the 116th Congress. Congress traditionally has played an active role in policy toward Latin America and the Caribbean in terms of both legislation and oversight. The 116th Congress has not approved the Trump Administration's downsized foreign aid budget requests for the region for FY2019 (P.L. 116-6) and FY2020 (P.L. 116-94), instead providing aid amounts roughly similar to those provided in recent years. For FY2021, the House-passed foreign aid appropriations bill, Division A of H.R. 7608, approved in July 2020, would fund key countries and programs at amounts higher than requested. Congress approved the Venezuela Emergency Relief, Democracy Assistance, and Development Act of 2019 in December 2019 (included in Division J of P.L. 116-94), which, among its provisions, codifies several types of sanctions imposed and authorizes humanitarian assistance. In January 2020, Congress completed action on implementing legislation (P.L. 116-113) for the USMCA, but before final agreement, the trade agreement was amended to address several congressional concerns. The FY2020 National Defense Authorization Act (FY20202 NDAA; P.L. 116-92), approved in December 2019, includes provisions on Venezuela and Guatemala and reporting requirements on Brazil, Honduras, Central America, and Mexico. The House-passed FY2021 NDAA, H.R. 6395, approved in July 2020, has provisions on the Caribbean, Brazil, Colombia, Venezuela, Mexico, Guatemala, and Central America.

Either or both houses approved several bills and resolutions on a range of issues: H.R. 133, which would promote economic cooperation and exchanges with Mexico; H.R. 2615, which would authorize aid to Central America to address the root causes of migration; S.Res. 35 and S.Res. 447 on the political situation in Bolivia; H.Res. 441 and S.Res. 277, commemorating the 1994 bombing of the Argentine-Israeli Mutual Association in Buenos Aires; H.Res. 754 and S.Res. 525 expressing support for democracy and human rights in Nicaragua; and S.Res. 454, calling for the release of Cuban democracy activist Jose Daniel Ferrer. Congressional committees have held over 20 oversight hearings on the region in the 116th Congress (see Appendix).

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Political and Economic Situation amid COVID-19

With 33 countries—ranging from the Caribbean nation of St. Kitts and Nevis, one of the world's smallest states, to the South American giant of Brazil, the world's fifth-largest country—the Latin American and Caribbean region has made significant advances over the past four decades in terms of both political and economic development. (See **Figure 1** and **Table 2** for a map and basic facts on the region's countries.) Notable political and economic challenges remain, however, and some countries have experienced major setbacks, most prominently Venezuela, which has descended into dictatorship and economic collapse.

In 2020, the Coronavirus Disease 2019 (COVID-19) pandemic, which has surged in many Latin American and Caribbean countries, is having widespread public health, economic, social, and political effects throughout the region. As discussed below, before the pandemic, the International Monetary Fund (IMF) forecast a modest recovery of 1.6% economic growth for the region in 2020; by late June 2020, the IMF was projecting an economic decline of 9.4%, the worst on record, with almost every country in the region in deep recession.[1] Millions of people will fall into poverty, and many countries in the region may struggle with protracted economic recoveries, given that they rely on global investment, trade, and tourism that has been significantly affected by COVID-19 (see ""Economic Conditions," below.) Politically, observers have expressed concerns about leaders taking advantage of the emergency health situation to limit civil liberties for political gain. The pandemic could exacerbate public dissatisfaction with how democracy is working and stoke social unrest similar to that experienced by many countries in the region in 2019 (see "Political Conditions," below).

As of September 2, 2020, the region had almost 6.1 million confirmed cases (almost 29% of cases worldwide) and almost 280,000 deaths (almost 33% of deaths worldwide), with the virus continuing to spread at high levels in several countries. Brazil, Mexico, Peru, Colombia, and Chile have the highest numbers of deaths in the region, and Brazil has the highest death toll worldwide after the United States. The rankings change in terms of per capita deaths—Peru has the highest recorded deaths per capita in the region, followed by Chile, Brazil, Mexico, and Panama (see **Table 1**.) A June 2020 University of Washington model for COVID-19 in Latin America and the Caribbean forecast that deaths could reach 438,000 by October 1, 2020.[2]

Experts and observers are concerned that several countries, such as Mexico, Venezuela, Haiti, and Nicaragua, are significantly undercounting their death tolls. Many observers have expressed special concern for Venezuela, where the health care system was collapsing prior to the pandemic. Experts have criticized the leaders of Brazil, Mexico, and Nicaragua for playing down the virus threat and not taking adequate actions to stem its spread.

On May 19, 2020, the Director of the Pan American Health Organization (PAHO), Dr. Carissa Etienne, maintained that "the virus is surging across our region" and expressed concern about the poor and other vulnerable groups at greatest risk from the virus. Dr. Etienne expressed particular concern for cities, towns, and remote communities in the Amazon Basin, including indigenous communities, as well as people of African descent in Latin America, migrants in temporary settlements, and prisoners in crowded jails with poor sanitation.[3] On June 16, 2020, the PAHO

[1] International Monetary Fund (IMF), *World Economic Outlook Update*, January 2020 and June 2020.

[2] University of Washington, Institute for Health Metrics and Evaluation, "Correction: New IHME COVID-19 Model Forecasts Latin American, Caribbean Nations Will See Nearly 440,000 Deaths by October 1, 2020."

[3] Pan American Health Organization (PAHO), "PAHO Director Calls to Protect Vulnerable Groups from Effects of COVID-19 Pandemic," press release, May 19, 2020. Also see PAHO, "PAHO Director Asks Countries to Address

Director called on countries to work together to contain the spread of COVID-19 cases among migrant and vulnerable populations in border areas.[4] PAHO issued guidance in June 2020 on measures to reduce COVID-19 transmission among indigenous populations, Afro-descendants, and other ethnic groups. In July 2020, it issued an alert urging countries to intensify efforts to prevent further spread of the virus among indigenous communities in the Americas.[5] PAHO is playing a major role in supporting the response to COVID-19 in the Americas, including support for surveillance, laboratory capacity, health care services, infection prevention control, clinical management, and risk communication; it also has developed, published, and disseminated technical documents to help guide countries' efforts to manage the pandemic.[6]

Table 1. COVID-19 Deaths and Mortality Rates in Latin America and the Caribbean

(countries with more than 1,000 deaths as of September 2, 2020)

Country	Confirmed Cases	Deaths	Deaths per 100,000 People	Regional Rank (deaths per 100,000)
Brazil	3,950,931	122,596	58.53	3
Mexico	606,036	65,241	51.70	4
Peru	652,037	28,944	90.48	1
Colombia	624,026	20,050	40.38	7
Chile	413,145	11,321	60.45	2
Argentina	428,239	8,919	20.05	9
Ecuador	114,309	6,571	38.46	8
Bolivia	117,267	5,101	44.93	6
Guatemala	74,893	2,778	16.11	12
Panama	93,552	2,018	48.31	5
Honduras	61,769	1,888	19.69	10
Dominican Republic	94,979	1,738	16.35	11
Latin America & Caribbean Total	7,397,169	279,788	—	—
United States	6,073,840	184,664	56.44	—

Source: Johns Hopkins University School of Medicine, Coronavirus Resource Center, Mortality Analyses, September 2, 2020, updated daily at https://coronavirus.jhu.edu/data/mortality.

Health, Social, and Economic Emergencies Together, as COVID-19 Expands in the Americas," press release, May 12, 2020.

[4] PAHO, "PAHO Director Calls to Contain Spread of COVID-19 in Vulnerable Populations in Border Areas," June 16, 2020.

[5] PAHO, "PAHO Issues Guidance to Reduce COVID-19 Transmission Among Indigenous, Afro-descendant Groups," press release, June 8, 2020. "PAHO Calls on Countries to Intensify Efforts to Prevent Further Spread of COVID-19 Among Indigenous Peoples in the Americas," press release, July 20, 2020.

[6] PAHO, COVID-19 Situation in the Region of the Americas, Situation Reports, available at https://www.paho.org/en/topics/coronavirus-infections/coronavirus-disease-covid-19-pandemic.

Figure 1. Map of Latin America and the Caribbean

Source: Congressional Research Service (CRS) Graphics.

Notes: Caribbean countries are in purple, Central American countries are in gold, and South American countries are in green. Although Belize is located in Central America and Guyana and Suriname are located in South America, all three are members of the Caribbean Community (CARICOM).

Table 2. Latin American and Caribbean Countries: Basic Facts

Country	Area (square miles)	Population (2019 estimated, thousands)	GDP (2019 est., U.S. $ billions, current)	GDP Per Capita (2019 est., U.S. $, current)	Leader (elected/next election)
Caribbean					
Antigua & Barbuda	171	93	1.7	18,109	Gaston Browne (March 2018/by March 2023)
Bahamas	5,359	381	12.7	33,261	Hubert Minnis (May 2017/by May 2022)
Barbados	166	287	5.2	18,069	Mia Mottley (May 2018/ by May 2023)
Belize[a]	8,867	406	2.0	4,925	Dean Barrow (Nov. 2015/by Feb. 2021)[b]
Cuba	42,803	11,332	100.0 (2018)	—	Miguel Díaz-Canel (April 2018/ 2023)[c]
Dominica	290	71	0.6	8,381	Roosevelt Skerrit (Dec. 2019/by Dec. 2024)
Dominican Republic	18,792	10,369	89.5	8,629	Luis Abinader (July 2020/ 2024)
Grenada	133	109	1.2	11,381	Keith Mitchell (March 2018/by March 2023)
Guyana[a]	83,000	785	4.1	5,252	Irfaan Ali (March 2, 2020/2025)[d]
Haiti	10,714	11,248	8.8	784	Jovenel Moïse (Nov. 2016/Oct. 2021)
Jamaica	4,244	2,875	15.7	5,461	Andrew Holness (Feb. 2016/Sept. 3, 2020)
St. Kitts & Nevis	101	57	1.0	18,246	Timothy Harris (June 2020/by 2025)
St. Lucia	238	180	2.0	11,076	Allen Chastanet (June 2016/by June 2021)
St. Vincent & the Grenadines	150	110	0.9	7,751	Ralph Gonsalves (Dec. 2015/by March 2021)[e]
Suriname[a]	63,251	598	3.8	6,311	Chandrikapersad "Chan" Santokhi (May 2020/May 2025)
Trinidad & Tobago	1,980	1,381	22.6	16,366	Keith Rowley (August 2020/by 2025)
Mexico and Central America					
Mexico	758,449	125,929	1,274.2	10,118	Andrés Manuel López Obrador (July 2018/July 2024)
Costa Rica	19,730	5,079	61.0	12,015	Carlos Alvarado (Feb. & April 2018/Feb. 2022)
El Salvador	8,124	6,704	26.9	4,008	Nayib Bukele (Feb. 2019/Feb. 2024)

Country	Area (square miles)	Population (2019 estimated, thousands)	GDP (2019 est., U.S. $ billions, current)	GDP Per Capita (2019 est., U.S. $, current)	Leader (elected/next election)
Guatemala	42,042	17,613	81.3	4,617	Alejandro Giammattei (June & August 2019/2023)
Honduras	43,278	9,594	24.4	2,548	Juan Orlando Hernández (Nov. 2017/Nov. 2021)
Nicaragua	50,336	6,528	12.5	1,919	Daniel Ortega (Nov. 2015/Nov. 2021)
Panama	29,120	4,219	68.5	16,245	Laurentino Cortizo (May 2019/May 2024)
South America					
Argentina	1,073,518	45,052	445.5	9,888	Alberto Fernández (Oct. 2019/Oct. 2023)
Bolivia	424,164	11,550	42.4	3,671	Jeanine Áñez (Oct. 2019/Oct. 18, 2020)[f]
Brazil	3,287,957	209,962	1,847.0	8,797	Jair Bolsonaro (Oct. 2018/Oct. 2022)
Chile	291,932	19,107	294.2	15,399	Sebastián Piñera (Nov. 2017/Nov. 2021)
Colombia	439,736	50,382	327.9	6,508	Iván Duque (May & June 2018/May 2022)
Ecuador	109,484	17,268	107.9	6,249	Lenín Moreno (Feb. & April 2017/Feb. 2021)
Paraguay	157,048	7,153	40.7	5,692	Mario Abdo Benítez (April 2018/April 2023)
Peru	496,225	32,496	229.0	7,047	Martín Vizcarra (April & June 2016/April 2021)[g]
Uruguay	68,037	3,519	59.9	17,029	Luis Lacalle Pou (Oct. & Nov. 2019/Oct. 2024)
Venezuela	352,144	27,530	70.1	2,548	Nicolás Maduro (May 2018/May 2024)[h]

Sources: Area statistics are from the Central Intelligence Agency's *World Factbook*, with square kilometers converted into square miles. Population and economic statistics are from the International Monetary Fund (IMF), *World Economic Outlook Database*, October 2019. Since the IMF database does not include economic statistics on Cuba, population and gross domestic product (GDP) statistics for Cuba are from the World Bank's World Development Indicators databank.

a. Geographically, Belize is located in Central America and Guyana and Suriname are located on the northern coast of South America, but all three are members of the Caribbean Community (CARICOM) and are therefore listed under the Caribbean region.

b. In Belize, elections are expected in November 2020 but are not constitutionally due until February 2021.

c. Cuba does not have direct elections for its head of government. Instead, Cuba's legislature selects the president of the republic for a five-year term.

d. The government of President David Granger in Guyana lost a no-confidence vote in the country's legislature in December 2018. New elections were held on March 2, 2020, but allegations of fraud, a

recount, and numerous legal challenges delayed the declaration of official results until August 2, 2020. See CRS In Focus IF11381, *Guyana: An Overview*, by Mark P. Sullivan.

e. In St. Vincent and the Grenadines, elections are not constitutionally due until March 2021, but the government has said elections will be held by the end of 2020.

f. Bolivian President Evo Morales resigned on November 10, 2019, after weeks of protests and violence alleging fraud in the October 20, 2019, presidential election. Opposition Senator Jeanine Áñez became interim president on November 12, 2019. New presidential elections were scheduled for May 3, 2020, but were postponed twice because of the COVID-19 pandemic and now are scheduled for October 18, 2020. See CRS Insight IN11198, *Bolivia: Elections Postponed to October*, by Clare Ribando Seelke

g. Martin Vizcarra took office in March 2018 upon the resignation of Pedro Pablo Kuczynski, who faced impeachment.

h. Venezuela's May 2018 elections were characterized by widespread fraud. The United States and over 50 other countries recognize Juan Guaidó, president of Venezuela's National Assembly, as interim president of Venezuela.

Political Conditions

In the early 1980s, authoritarian regimes governed 16 Latin American and Caribbean countries, both on the left and the right. Today, three countries in the region—Cuba, Nicaragua, and Venezuela—are ruled by authoritarian governments.[7] Most governments in the region today are elected democracies. Although free and fair elections have become the norm, recent elections in several countries have been controversial and contested. In 2019, Argentina, Dominica, El Salvador, Panama, and Uruguay held successful free and fair elections. Guatemala held two presidential election rounds in June and August 2019 that international observers judged to be successful, but the elections suffered because several popular candidates were disqualified from the race on dubious grounds.

In Bolivia, severe irregularities in the conduct of the country's October 2019 presidential elections ignited protests and violence that led to the resignation of incumbent President Evo Morales, who was seeking a fourth term. New elections under Interim President Jeanine Áñez were scheduled for May 3, 2020, but were postponed because of the COVID-19 pandemic. Initially the elections were postponed until September 6, but they were postponed again to October 18, 2020. International criticism of Bolivia's interim government has been growing because of alleged human rights violations and the curtailment of civil liberties. (See "Bolivia" section below and CRS Insight IN11198, *Bolivia: Elections Postponed to October*.)

To date, five Caribbean countries have held elections in 2020, Jamaica has elections scheduled for early September, and two countries potentially could hold elections by the end of the year.

- **Guyana** held elections on March 2, 2020, that were marred by allegations of fraud. After a recount and multiple legal challenges by supporters of the government of President David Granger, final results were not issued until August 2, 2020, with opposition candidate Mohamed Irfaan Ali of the People's Progressive Party/Civic sworn in as president. (See CRS In Focus IF11381, *Guyana: An Overview*, by Mark P. Sullivan.)
- In **Suriname,** legislative elections took place on May 25, 2020, with the opposition Progressive Reform Party (VHP) winning the most seats in the

[7] See The Economist Intelligence Unit (EIU), *Democracy Index 2019*, January 2020 (hereinafter cited as EIU, *Democracy Index, 2019*), which classifies all three governments as *authoritarian* based on some 60 indicators; and Freedom House, *Freedom in the World 2020*, March 2020, which classifies all three governments as *not free* based on their poor records on political rights and civil liberties. For additional background, see CRS Report R46016, *Democracy in Latin America and the Caribbean: A Compilation of Selected Indices*, by Carla Y. Davis-Castro.

country's 51-member National Assembly. Under Suriname's system of government, the president is elected indirectly by a two-thirds majority vote of the legislature. On July 13, the National Assembly elected VHP leader Chandrikapersad "Chan" Santokhi as president, succeeding longtime ruler Desi Bouterse and beginning a new political era for Suriname. Since 2010, Bouterse had been elected president three times; prior to that, he overthrew elected governments in 1980 and 1990. He was convicted in absentia in the Netherlands in 1999 for drug trafficking, and in November 2019 he was convicted in Suriname for the 1982 killing of 15 political opponents.

- In the **Dominican Republic**, the COVID-19 pandemic resulted in elections being moved from May 17 to July 5, 2020. Opposition candidate Luis Abinader of the Modern Revolutionary Party (PRM) defeated the candidate of the ruling Dominican Liberation Party (PLD), which has held the presidency and legislature since 2004. The PRM also won a Senate majority and a plurality in the Chamber of Deputies. (See CRS In Focus IF10407, *Dominican Republic*, by Clare Ribando Seelke and Rachel L. Martin.)
- In parliamentary elections held in **St. Kitts and Nevis** and **Trinidad and Tobago**, ruling parties were returned to office. St. Kitts and Nevis held elections on June 5, 2020, in which Prime Minister Timothy Harris led a three-party coalition known as Team Unity to its second electoral victory since 2015. Trinidad and Tobago held elections on August 10, and Prime Minister Keith Rowley of the ruling People's National Movement was returned to power for his second term since 2015.
- In **Jamaica**, parliamentary elections are scheduled for September 3, 2020, with the ruling Jamaica Labour Party, led by current Prime Minister Andrew Holness, vying for a second term against the opposition People's National Party led by former Finance Minister Dr. Peter Phillips.
- Elsewhere in the region, although parliamentary elections in **Belize** are expected during the first week of November 2020, they have not yet been called and are not officially due until February 2021. In **St. Vincent and the Grenadines**, elections are not due until March 2021, but the government previously said elections would be held before the end of 2020.[8]

Despite significant improvements in political rights and civil liberties since the 1980s, many countries in the region still face considerable challenges. In a number of countries, weaknesses remain in the state's ability to deliver public services, ensure accountability and transparency, advance the rule of law, and ensure citizen safety and security. There are numerous examples of elected presidents who have left office early amid severe social turmoil and economic crises, the presidents' own autocratic actions contributing to their ouster, or high-profile corruption. In addition to Morales's resignation in 2019, corruption scandals either caused or contributed to several presidents' resignations or removals—Guatemala in 2015, Brazil in 2016, and Peru in 2018.

Although the threat of direct military rule has dissipated, civilian governments in several countries have turned to their militaries or retired officers for support or during crises, raising

[8] "Elections Set for the First Week in November, Breakingbelizenews.com, July 29, 2020, and EIU, *Organisation of Eastern Caribbean States, Country Report*, 2nd Quarter 2020.

concerns among some observers.[9] For example, in February 2020 in El Salvador, President Nayib Bukele used the military in an effort to intimidate the country's legislature into approving an anti-crime bill; the action elicited strong criticism in El Salvador and abroad, with concerns centered on the politicization of the military and the separation of powers.[10]

The quality of democracy has eroded in several countries over the past several years. The Economist Intelligence Unit's (EIU's) 2019 democracy index shows a steady regional decline in democratic practices in Latin America since 2017. Several years ago only Cuba was viewed as an authoritarian regime, but Venezuela joined its ranks in 2017 as President Nicolás Maduro's government violently repressed the political opposition. Nicaragua turned to authoritarian practices in 2018 under long-time President Daniel Ortega, as the government violently repressed protests. The continued regional downward trend in 2019 stemmed from Bolivia's post-election crisis and to a lesser extent by setbacks in the following other countries: Guatemala, where the government ousted the anti-corruption body known as the International Commission against Impunity in Guatemala; Haiti, which experienced widespread anti-government protests against corruption and deteriorating economic conditions; and Guyana, with the delay of elections following a no-confidence vote by the legislature in December 2018.[11]

Public satisfaction with how democracy is operating has declined along with the quality of democracy in the region. According to the 2018/2019 AmericasBarometer public opinion survey, the percentage of individuals satisfied with how democracy was working in their countries averaged 39.6% among 18 countries in the region, the lowest level of satisfaction since the poll began in 2004.[12] Given these trends, the eruption of social protests in many countries around the region in 2019 is unsurprising, but in each country a unique set of circumstances has sparked the protests. In addition to the protests in Bolivia and Haiti cited above, protests broke out in Ecuador over fuel price increases, in Chile over pent-up frustration over social inequities, and in Colombia over opposition to a range of government policies and proposals, from tax reform to education to peace accord implementation.

Although each country is unique, several broad political and economic factors appear to be driving the decline in satisfaction with democracy in the region. Political factors include an increase in authoritarian practices, weak democratic institutions and politicized judicial systems, corruption, high levels of crime and violence, and organized crime that can infiltrate or influence state institutions. Economic factors include declining or stagnant regional economic growth rates over the past several years; high levels of income inequality in many Latin American countries; increased poverty; and the inadequacy of public services, social safety net programs, and advancement opportunities, along with increased pressure on the region's previously expanding middle class.[13] The COVID-19 pandemic could exacerbate some of these factors and contribute to further deterioration in political conditions in the region.

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[9] See "Latin America's 21st-Century Militaries," *Americas Quarterly*, vol. 14, no. 1 (2020), pp. 12-72.

[10] See Brian Winter, "Latin America's Armed Forces, Q&A: Why El Salvador's Crisis Is Different – and Worrying," *Americas Quarterly*, February 13, 2020; and Christine Wade, "Bukele's Politicization of the Military Revives Old Fears in El Salvador," *World Politics Review*, February 12, 2020.

[11] EIU, *Democracy Index 2019*.

[12] Elizabeth J. Zechmeister and Noam Lupu, *LAPOP's AmericasBarometer Takes the Pulse of Democracy*, Vanderbilt University, Latin American Public Opinion Project (LAPOP), 2019.

[13] See, for example, the following studies and articles discussing social unrest in Latin America: EIU, *Where Next and What Next for Latin America?*, December 2019; Michael Mantera and Maria de Lourdes Despradel, *Latin America and the Caribbean in the New Decade, How Did We Get There?*, Center for Strategic and International Studies, January 2020; Michael Shifter, "The Rebellion Against the Elites in Latin America," *New York Times*, January 21, 2020; and

Human rights groups and other observers have expressed concerns about leaders taking advantage of the pandemic to advance their own agenda. In Bolivia, the government of Interim President Áñez issued a decree in April 2020 criminalizing the spread of misinformation affecting public health; lawyers and human rights groups criticized the government for using a health emergency to punish anyone who publishes information that the government deems incorrect.[14] Critics included the Special Rapporteur for Freedom of Expression of the Inter-American Commission on Human Rights and the U.N. High Commissioner for Human Rights.[15] In El Salvador, President Bukele has been accused of exploiting the health crisis to pursue his aggressive anti-gang policies. Photos released by the government in late April 2020 of a crackdown on jailed gang members prompted strong criticism by human rights organization of inhumane conditions imposed on prisoners and actions that could exacerbate the spread of COVID-19.[16] In Venezuela, according to Human Rights Watch, the security forces and Venezuelan government authorities have used a state of emergency imposed to curb the spread of COVID-19 as an excuse to crack down on dissent and increase control over the population.[17]

In August 2020, the Inter-American Dialogue published a report with the Special Rapporteur for Freedom of Expression at the Organization of American States (OAS) expressing concern about the criminalization of free speech in the region related to governments' responses to the pandemic, restrictions on pandemic-related reporting, and stigmatization of media organizations by some leaders for reporting on the pandemic. The report also documented restrictions on access to public information related to COVID-19 in a number of countries in the region.[18]

Economic Conditions

Even before the onset of COVID-19 and its economic effects, Latin America and the Caribbean experienced several years of slow economic growth. Beginning around 2015, the global decline in commodity prices significantly affected the region, as did China's economic slowdown and its reduced appetite for imports from the region. According to the IMF, the region experienced an economic contraction of 0.6% in 2016, dragged down by recessions in Argentina and Brazil and by Venezuela's severe economic deterioration as oil prices fell. From 2017 to 2019, the region registered only marginal growth rates, including an estimated growth rate of 0.1% in 2019. Regional growth in 2019 was suppressed by the collapse of much of the Venezuelan economy, which contracted 35%, and by continued recession in Argentina, which suffered an economic contraction of 2.2%.[19]

The reduction in economic activity resulting from the COVID-19 pandemic has led to significant economic decline for the region and will have negative ramifications for the region's economic prospects. Compounding the problem was an historic drop in the price of oil (caused by

Eric Farnsworth, "In a Season of Discontent, Are Latin American Democracies at Risk?," *World Politics Review*, December 6, 2019.

[14] Gideon Long, "Bolivia Leader Faces Claims of Using Outbreak to Tighten Grip," *Financial Times*, May 5, 2020.

[15] "Bolivia: Pandemic Policies Under Fire," *LatinNews Weekly Report*, May 14, 2020; and "Bolivia: Misinformation Decree Sparks Free Speech Concerns," *LatinNews Daily*, May 13, 2020.

[16] May Beth Sheridan, "Photos Show El Salvador's Crackdown on Imprisoned Gang Members," *Washington Post*, April 28, 2020; Human Rights Watch, "El Salvador" Inhumane Prison Lockdown Treatment," April 29, 2020.

[17] "Venezuela: A Police State Lashes Out Amid COVID-19," Human Rights Watch, August 28, 2020.

[18] Catharine Christe, Edison Lanza, and Michael Camilleri, *COVID-19 and Freedom of Expression in the Americas*, Inter-American Dialogue, August 2020.

[19] Economic statistics are from the International Monetary Fund (IMF), *World Economic Outlook Database*, April 2020.

disagreements among producers over production cuts) beginning in late February 2020; the fiscal accounts of countries dependent on proceeds from oil sales (Venezuela and Ecuador in particular, and to a lesser extent Brazil, Colombia, and Mexico) have deteriorated rapidly.[20]

In early 2020, the IMF projected regional growth would reach 1.6% during the year, led by recovery in Brazil and spurred by growth forecasts of 3% or higher for Chile, Colombia, and Peru. With the COVID-19 pandemic, the IMF has altered its forecast twice and now is predicting the worst economic downturn on record for the region. In April 2020, the IMF predicted a regional contraction of 5.2% in 2020, with almost all countries experiencing deep recessions. By late June 2020, as the economic fallout from the pandemic intensified worldwide, the IMF revised its forecast downward again, estimating a 9.4% economic contraction for the region in 2020, with the region's six largest economies forecast to contract between 7.5% and 13.9% (see **Table 3**). Tourism-dependent Caribbean economies, including the Bahamas, Barbados, Jamaica, and Eastern Caribbean countries, are being especially hard hit economically, with these economies forecast to contract 10.3%.[21]

The IMF is currently forecasting a regional recovery of 3.7% in 2021, reflecting the normalization of economic activity from very low levels in response to COVID-19. This rebound, however, depends largely on the course of the pandemic and could be affected by a second outbreak, both within the region and abroad.

Table 3. Latin America and Caribbean: Real GDP Growth, 2018-2021

(annual percentage change)

Regional Average and Six Largest Economies	2018	2019 estimate	2020 projection	2021 projection
Latin America and the Caribbean	1.1	0.1	-9.4	3.7
Brazil	1.3	1.1	-9.1	3.6
Mexico	2.2	-0.3	-10.5	3.3
Argentina	-2.5	-2.2	-9.9	3.9
Colombia	2.5	3.3	-7.8	4.0
Chile	3.9	1.1	-7.5	5.0
Peru	4.0	2.2	-13.9	6.5

Source: International Monetary Fund, *World Economic Outlook Update*, June 2020, and "Outlook for Latin America and the Caribbean: An Intensifying Pandemic," *IMF Blog*, June 26, 2020.

The decline in economic growth in 2020 is expected to increase income inequality and poverty in Latin America and the Caribbean. Latin America already was the most unequal region in the world in terms of income inequality, according to the U.N. Economic Commission for Latin America and the Caribbean (ECLAC). Despite an easing of income inequality in the region from

[20] Mauricio Cárdenas, "The Impact of Coronavirus and the Oil Price War on Latin America," State of the Planet, Earth Institute, Columbia University, March 18, 2020. Also see CRS Report R46270, *Global Economic Effects of COVID-19*, coordinated by James K. Jackson.

[21] IMF, *World Economic Outlook Update*, January 2020 and June 2020; IMF, *World Economic Outlook Database*, October 2019 and April 2020; and IMF, "Outlook for Latin America and the Caribbean: An Intensifying Pandemic," *IMF Blog*, June 26, 2020.

2002 to 2014, reductions in income inequality had slowed since 2015. In 2020, ECLAC projects that inequality will rise in all countries in the region, with the worst results in some of the region's largest economies—Brazil, Mexico, and Argentina.[22]

The level of poverty in the region, after having decreased significantly from 2002 through 2014, has increased over the past five years. In 2014, 27.8% of the region's population lived in poverty; that figure increased to 30.3% by 2019, with an estimated 186 million people living in poverty, according to ECLAC. According to a July 2020 U.N. report, as a result of the pandemic, poverty is expected to increase to 37.2% in 2020, with an increase of 45 million people moving into poverty, resulting in a total of 230 million people in the region in poverty.[23]

A challenge for the region's economic recovery is the high rate of informality in the labor market of many Latin American countries (reportedly about half of workers in Latin America work in the informal economy). As the World Bank notes, many workers are self-employed and many are paid under the table, living paycheck to paycheck; such characteristics make it more difficult for governments to design programs that reach and provide adequate assistance to these workers.[24]

There were concerns that incoming remittances from abroad (the lion's share from the United States) would drop significantly because of the pandemic. For several countries—El Salvador, Guatemala, Haiti, Honduras, Jamaica, and Nicaragua—remittances play a significant role in their economies. In April 2020, the World Bank predicted that remittances to Latin America and the Caribbean would decline by 19.3% in 2020.[25] An Inter-American Dialogue report estimated that, as of April 2020, remittances from the United States to the region had declined 16% compared to 2019.[26] Nevertheless, there are indications that remittances to the region have rebounded, with Mexico showing an overall increase in remittances for the first six months of 2020, and remittances to Central American countries recovering in June and July 2020.[27]

Although a number of countries in the region have implemented stimulus programs to help protect their economies and vulnerable populations, many countries have needed external financing to respond to the severe economic downturn. In response, the international financial institutions are providing assistance to countries throughout the Latin America and Caribbean region to support the region's response to COVID-19.

- The World Bank, as of August 27, 2020, reported it is providing almost $4 billion across the Latin American and Caribbean region; to date, it has identified specific projects in 20 Latin American and Caribbean countries. The assistance focuses on minimizing the loss of life, strengthening health systems and disease surveillance, mitigating the pandemic's economic impact, and addressing supply-

[22] U.N. Economic Commission for Latin America and the Caribbean (ECLAC), *Social Panorama of Latin America 2019*, December 2019, and *The Social Challenge in Times of COVID-19*, May 12, 2020.

[23] U.N. ECLAC, *Social Panorama of Latin America 2019*, December 2019; and United Nations, *Policy Brief: The Impact of COVID-19 on Latin America and the Caribbean*, July 9, 2020.

[24] World Bank, "Latin American and the Caribbean, Overview," updated April 28, 2020. Also see Matías Busso et al, "Covid-19: The Challenge of Ensuring Assistance to Informal and Vulnerable Worker," Inter-American Development Bank, Ideas Matter, May 6, 2020.

[25] World Bank, "World Bank Predicts Sharpest Decline of Remittances in Recent History," press release, April 22, 2020.

[26] Mariellen Malloy Jewers and Manuel Orozco, *Migrants, Remittances, and COVID-19, Remittance Behavior and Economic and Health Vulnerabilities*, Inter-American Dialogue, August 2020.

[27] Kevin Sieff, "Migrant Remittances Increase Abroad, Defying Economists' Predictions," *Washington Post*, August 9, 2020; and "In Brief: Remittances Surge in El Salvador, Guatemala," *LatinNews Daily*, August 27, 2020.

chain issues and delivery. Over the next 15 months, countries in the region also may benefit from a portion of the $160 billion in worldwide assistance the bank is providing.[28]

- The IMF, as of September 2, 2020, had approved $50.9 billion in lending to 20 countries in the region contending with the pandemic's economic impact, including $23.9 billion for Chile, $11 billion for Peru, and $10.8 billion for Colombia.[29]
- The Inter-American Development Bank announced in March 2020 that it was providing support to countries in four priority areas: (1) the immediate public health response, (2) safety nets for vulnerable populations, (3) economic productivity and employment, and (4) fiscal policies for the amelioration of economic impacts. The bank is making available up to $12 billion, including $3.2 billion in additional funding for 2020 and the remainder in reprogrammed existing health projects to address the crisis.[30]
- The Development Bank of Latin America, as of July 2020, is providing $4.9 billion in financing to address the effects of the pandemic in 54 operations across the region.[31]

For additional information, see CRS In Focus IF11581, *Latin America and the Caribbean: Impact of COVID-19*, by Mark P. Sullivan et al.; CRS Report R46270, *Global Economic Effects of COVID-19*, coordinated by James K. Jackson; and CRS Report R46342, *COVID-19: Role of the International Financial Institutions*, by Rebecca M. Nelson and Martin A. Weiss.

U.S. Policy Toward Latin America and the Caribbean

U.S. interests in Latin America and the Caribbean are diverse and include economic, political, security, and humanitarian concerns. Geographic proximity has ensured strong economic linkages between the United States and the region, with the United States being a major trading partner and source of foreign investment for many Latin American and Caribbean countries. Free-trade agreements (FTAs) have augmented U.S. economic relations with 11 countries in the region. The Western Hemisphere is a large source of U.S. immigration, both legal and illegal; geographic proximity and economic and security conditions are major factors driving migration trends.

Curbing the flow of illicit drugs from Latin America and the Caribbean has been a key component of U.S. relations with the region and a major interest of Congress for more than four decades. The

[28] The countries are Argentina, Belize, Bolivia, Colombia, Dominica, Dominican Republic, El Salvador, Ecuador, Grenada, Guatemala, Haiti, Honduras, Panama, Paraguay, Peru, St. Lucia, St. Vincent and the Grenadines, Suriname, Trinidad and Tobago, and Uruguay. See World Bank, "World Bank's Response to Covid-19 (Coronavirus) in Latin America & Caribbean," fact sheet, updated August 27, 2020, at https://www.worldbank.org/en/news/factsheet/2020/04/02/world-bank-response-to-covid-19-coronavirus-latin-america-and-caribbean.

[29] The other 17 countries receiving IMF support are the Bahamas, Barbados, Bolivia, Costa Rica, Dominica, Dominican Republic, Ecuador, El Salvador, Grenada, Guatemala, Haiti, Honduras, Jamaica, Panama, Paraguay, St. Lucia, and St. Vincent and the Grenadines, See IMF, "Emergency Funding and Debt Relief, Western Hemisphere," updated September 2, 2020, at https://www.imf.org/en/Topics/imf-and-covid19/COVID-Lending-Tracker#WHD.

[30] Inter-American Development Bank, "IDB Group Announces Priority Support Areas for Countries Affected by COVID-19," news release, March 26, 2020.

[31] Development Bank of Latin America (CAF), "Latin America Works Together with CAF for Economic and Social Recovery," news release, July 7, 2020.

flow of illicit drugs, including heroin, methamphetamine, and fentanyl from Mexico and cocaine from Colombia, poses risks to U.S. public health and safety; and the trafficking of such drugs has contributed to violent crime and gang activities in the United States. Since 2000, Colombia has received U.S. counternarcotics support through Plan Colombia and its successor programs. In addition, for over a decade, the United States sought to forge close partnerships with other countries to combat drug trafficking and related violence and advance citizen security. These efforts include the Mérida Initiative begun in 2007 to support Mexico, the Central America Regional Security Initiative (CARSI) begun in 2008, and the Caribbean Basin Security Initiative (CBSI) begun in 2009.

Another long-standing component of U.S. policy has been support for strengthened democratic governance and the rule of law. As described in the previous section, although many countries in the region have made enormous strides in terms of democratic political development, several face considerable challenges. U.S. policy efforts have long supported democracy promotion efforts, including support for strengthening civil society and promoting the rule of law and human rights.

Trump Administration Policy

In its policy toward Latin America and the Caribbean, the Trump Administration has retained many of the same priorities and programs of past Administrations, but it has also diverged considerably. The Administration has generally adopted a more confrontational approach, especially regarding efforts to curb irregular immigration from the region. In 2018, the State Department set forth a framework for U.S. policy toward the region focused on three pillars for engagement: (1) economic growth and prosperity, (2) security, and (3) democratic governance.[32] The framework reflects continuity with long-standing U.S. policy priorities for the region but at times appears to be at odds with the Administration's actions, which sometimes have been accompanied by antagonistic statements on immigration, trade, and foreign aid. Meanwhile, according to Gallup and Pew Research Center polls, negative views of U.S. leadership in the region have increased markedly during the Trump Administration (see text box "**Latin America and the Caribbean: Views of U.S. Leadership**").

In August 2020, the White House set forth a strategic framework for the Western Hemisphere, which states that the principal goal of U.S. engagement with the region "is to support a prosperous, safe, and democratic region with which the United States can partner to advance shared interests." The framework set forth five lines of effort to realize this goal: (1) securing the homeland, which includes preventing illegal and uncontrolled human migration, smuggling, and trafficking; (2) advancing economic growth and an expansion of free market in the Americas; (3) reaffirming the region's commitment to democracy and the rule of law, which includes efforts to restore human rights and democracy in Nicaragua and Venezuela and enable a transition to democracy in Cuba; (4) countering economic aggression and malign political influence in the region from such external actors as China; and (5) expanding and strengthening cooperation with like-minded partners in the region in such areas as resilience to threats and hazards,

[32] U.S. Department of State, then-Secretary of State Rex W. Tillerson, "U.S. Engagement in the Western Hemisphere," February 1, 2018, at https://www.state.gov/u-s-engagement-in-the-western-hemisphere/. These three pillars dovetail with key topics for the Western Hemisphere currently laid out on the State Department's website: fostering inclusive economic growth, protecting U.S. citizens at home and abroad, and defending freedom. See https://www.state.gov/bureaus-offices/under-secretary-for-political-affairs/bureau-of-western-hemisphere-affairs/.

countermeasures against actors that undermine political and economic stability, and efforts to assist countries in achieving self-reliance and self-security.[33]

Foreign Aid. The Administration's proposed foreign aid budgets for FY2018 and FY2019 would have cut assistance to the region by more than a third, and the FY2020 budget request would have cut funding to the region by about 30% compared to that appropriated in FY2019. Congress did not implement those budget requests and instead provided significantly more for assistance to the region in appropriations measures. Nevertheless, in 2019, the Trump Administration withheld an estimated $405 million that Congress had appropriated for Central America in FY2018 and reprogrammed the funds elsewhere. For FY2021, the Administration has requested $1.4 billion in assistance for the region, 18% less than allocated in FY2020. As of August 21, 2020, U.S. agencies had allocated more than $141 million of new and previously announced assistance to help the region respond to challenges posed by the COVID-19 pandemic. (See "U.S. Foreign Aid" section.)

Trade. In 2017, President Trump ordered U.S. withdrawal from the proposed Trans-Pacific Partnership (TPP) FTA that had been negotiated by 12 Asia-Pacific countries in 2015. The TPP would have increased U.S. economic linkages with Latin American countries that were parties to the agreement—Chile, Mexico, and Peru. President Trump strongly criticized the North American Free Trade Agreement (NAFTA) with Mexico and Canada, repeatedly warned that the United States might withdraw from the agreement, and initiated renegotiations in 2017. The three countries agreed in September 2018 to a new United States-Mexico-Canada Agreement (USMCA), which entered into force on July 1, 2020; the agreement retained many NAFTA provisions but also included some modernizing updates and changes, including provisions on digital trade and the dairy and auto industries. (See "Trade Policy" section.)

Latin America and the Caribbean: Views of U.S. Leadership

Negative views of U.S. leadership in the region have predominated since the Trump Administration took office in 2017, influenced by disparaging political rhetoric and certain actions on immigration and trade. Such views could affect the willingness of countries to cooperate with the United States on regional and global challenges. A Gallup public opinion poll of worldwide views on U.S. leadership in 2017 showed that in Western Hemisphere countries, 58% disapproved of U.S. leadership and 24% approved. The highest rates of disapproval included Chile (74%), Mexico (72%), and Uruguay (70%). This result was a significant change from 2016, when the Gallup poll showed that 27% disapproved of U.S. leadership and 49% approved.

Subsequent Gallup polls in 2018 and 2019 showed some improvement in views of U.S. leadership in the region, with 31% approving in 2018 and 34% in 2019. Despite the improvement, continued negative views prevailed in most countries in the region, with 53% in 2018 and 51% in 2019 disapproving of U.S. leadership. Among the countries with the highest percentage negative views of U.S. leadership in 2019 were Mexico (75%), Chile (67%), and Uruguay (55%); those with the highest percentage of positive views were the Dominican Republic (56%) and El Salvador (44%). A January 2020 Pew Research report likewise showed low confidence rates for President Trump in Argentina (22%), Brazil (28%), and Mexico (8%)

Sources: Gallup, *Rating World Leaders, 2018-2020, The U.S. vs. Germany, China, and Russia*; "Trump Ratings Remain Low Around Glove, While Views of U.S. Stay Mostly Favorable," Pew Research Center, January 8, 2020.

Mexico, Central America, and Migration Issues. Relations with Mexico have been tested by inflammatory anti-immigrant rhetoric, immigration actions, and changes in U.S. border and asylum polices that have shifted the burden of interdicting migrants and offering asylum to Mexico. In September 2017, the Administration announced that it would end the Deferred Action

[33] The White House, National Security Council, "Overview of Western Hemisphere Strategic Framework," August 2020; and Nora Gámez Torres, "Trump Adviser to Unveil U.S. Strategy for the Americas in South Florida Event," *Miami Herald*, August 16, 2020.

for Childhood Arrivals (DACA) program; begun in 2012 by the Obama Administration, the program provides relief from deportation for several hundred thousand immigrants who arrived in the United States as children. Ultimately, federal court challenges led to a Supreme Court ruling in June 2020 that vacated the Administration's action on DACA. In December 2018, Mexico's president agreed to allow the United States to return certain non-Mexican migrants to Mexico (pursuant to Migrant Protection Protocols, or MPP) while awaiting U.S. immigration court decisions. In May 2019, President Trump threatened to impose new tariffs on motor vehicles from Mexico if the government did not increase actions to deter U.S.-bound migrants from Central America; Mexico ultimately agreed in June 2019 to increase its enforcement actions and to allow more U.S.-bound asylum seekers to await their U.S. immigration proceedings in Mexico. Despite tensions, U.S.-Mexico bilateral relations remain friendly, with continued strong energy and economic ties, including the USMCA, and close security cooperation related to drug interdiction. (See "Mexico" and "Migration Issues" sections.)

Other Administration actions on immigration have caused concern in the region. In 2017 and 2018, the Administration announced plans to terminate Temporary Protected Status (TPS) designations for Nicaragua, Haiti, El Salvador, and Honduras, but federal court challenges have put the terminations on hold. (See "Migration Issues" section.)

Unauthorized migration from Central America's Northern Triangle countries—El Salvador, Guatemala, and Honduras—has increased in recent years, fueled by difficult socioeconomic and security conditions and poor governance. To deter such migration, the Trump Administration implemented a "zero tolerance" policy toward illegal border crossings in 2018 and applied restrictions on access to asylum at the U.S. border. The Administration also has used aid cuts of previously appropriated assistance for and threats of increased U.S. tariffs and taxes on remittances to compel Central American countries and Mexico to curb unauthorized migration to the United States. In 2019, the Administration negotiated "safe third country" agreements with each of the Northern Triangle countries to permit the United States to transfer asylum applicants from third countries to the Northern Triangle countries. (See "Central America's Northern Triangle" section.)

Venezuela, Cuba, and Nicaragua. In November 2018, then-National Security Adviser John Bolton made a speech in Miami, FL, on the Administration's policies in Latin America that warned about "the destructive forces of oppression, socialism, and totalitarianism" in the region. Reminiscent of Cold War political rhetoric, Bolton referred to Cuba, Nicaragua, and Venezuela as the "troika of tyranny" in the hemisphere that has "finally met its match." He referred to the three countries as "the cause of immense human suffering, the impetus of enormous regional instability, and the genesis of a sordid cradle of communism in the Western Hemisphere."[34]

As the situation in Venezuela has deteriorated under the Maduro government, the Trump Administration has imposed targeted and broader financial sanctions, including sanctions against the state oil company, the country's main source of income. In January 2019, the Administration recognized the head of Venezuela's National Assembly, Juan Guaidó, as interim president. In September 2019, the United States joined 11 other Western Hemisphere countries to invoke the Rio Treaty to facilitate a regional response to the Venezuelan crisis. The Administration also is providing humanitarian and development assistance for Venezuelans who have fled to other countries, especially Colombia, as well as for Venezuelans inside Venezuela. (See "Venezuela" section.)

[34] The White House, "Remarks by National Security Adviser John R. Bolton on the Administration's Policies in Latin America," November 2, 2018.

With regard to Cuba, the Trump Administration has not continued the policy of engagement advanced during the Obama Administration and has imposed a series of economic sanctions on Cuba for its poor human rights record and support for the Maduro government. Economic sanctions have included restrictions on travel and remittances, efforts to disrupt oil flows from Venezuela, and authorization (pursuant to Title III of the LIBERTAD Act, P.L. 104-114) of the right to file lawsuits against those trafficking in confiscated property in Cuba. In 2017, the State Department cut the staff of the U.S. Embassy in Havana by about two-thirds in response to unexplained injuries of U.S. diplomatic staff. (See "Cuba" section.)

Since political unrest began to grow in Nicaragua in 2018, the Trump Administration has employed targeted sanctions against several individuals close to President Ortega due to their alleged ties to human rights abuses or significant corruption. (See "Nicaragua" section.)

Congress and Policy Toward the Region

Congress traditionally has played an active role in policy toward Latin America and the Caribbean in terms of both legislation and oversight. Given the region's geographic proximity to the United States, U.S. foreign policy toward the region and domestic policy often overlap, particularly in areas of immigration and trade.

The 116th Congress completed action on FY2019 foreign aid appropriations in February 2019 when it enacted the Consolidated Appropriations Act, 2019 (P.L. 116-6). Amounts appropriated for key U.S. initiatives and countries in Latin America and the Caribbean exceeded the Administration's request by almost $600 million. Congress completed action on FY2020 foreign aid appropriations in December 2019 when it enacted the Further Consolidated Appropriations Act, 2020 (P.L. 116-94), with amounts for key countries and regional programs once again significantly exceeding the Administration's request. The House approved the FY2021 foreign aid appropriations bill, Division A of H.R. 7608, in July 2020; the bill and accompanying report, H.Rept. 116-444, do not specify aid levels for every country in the region, but the amounts for several key aid programs (Central America, Colombia, Mexico, and the Inter-American Foundation) are significantly more than requested (see "U.S. Foreign Aid" section).

In January 2020, Congress completed action on implementing legislation for the USMCA (P.L. 116-113).[35] The agreement retains many of NAFTA's provisions and includes new provisions on the auto and dairy industries and some modernizing features. Before the legislation received final congressional approval in January 2020, the trade agreement was amended to address concerns of Congress regarding provisions related to labor (including enforcement), the environment, dispute settlement procedures, and intellectual property rights (IPR).[36]

On Venezuela, Congress has supported the Administration's efforts to sanction the Maduro government for its antidemocratic actions and to provide humanitarian assistance to Venezuelan migrants throughout the region. In December 2019, Congress enacted the Venezuela Emergency Relief, Democracy Assistance, and Development Act of 2019, or the VERDAD Act of 2019, in Division J of P.L. 116-94. The measure incorporates provisions from S. 1025, as reported by the Senate Foreign Relations Committee in June 2019, and provisions from three bills on Venezuela

[35] The USMCA does not go into force until after Canada ratifies the agreement (Mexico did so in December 2019); and at least 30 days prior to USMCA's entry into force, the President must notify Congress that he has determined that the other parties have taken the necessary legal and regulatory measures to comply with their commitments under the agreement. See CRS Report R44981, *The United States-Mexico-Canada Agreement (USMCA)*, by M. Angeles Villarreal and Ian F. Fergusson.

[36] Kimberly Ann Elliot, "Trump and Pelosi Both Claim Victory on the USMCA. Who Really Won?" *World Politics Review*, January 7, 2020.

passed by the House in March 2019: H.R. 854, to authorize humanitarian assistance to the Venezuelan people; H.R. 920, to restrict the export of defense articles and crime control materials; and H.R. 1477, to require a threat assessment and strategy to counter Russian influence in Venezuela. In other legislative action, the House approved H.R. 549 in July 2019, which would provide TPS to Venezuelans in the United States.

Congress included several provisions related to Latin America in the National Defense Authorization Act for Fiscal Year 2020 (FY2020 NDAA; P.L. 116-92), signed into law in December 2019. Among the provisions are the following:

- **Venezuela.** Section 890 prohibits the Department of Defense (DOD) from entering into a contract for the procurement of goods or services with any person that has business operations with the Maduro regime in Venezuela.
- **Western Hemisphere Resources.** Section 1265 provides that the Secretary of Defense shall seek to enter into a contract with an independent nongovernmental institute that has recognized credentials and expertise in national security and military affairs to conduct an accounting and an assessment of the sufficiency of resources available to the U.S. Southern Command, the U.S. Northern Command, the Department of State, and the U.S. Agency for International Development (USAID) to carry out their respective missions in the Western Hemisphere. Among other matters, the assessment is required to include "a list of investments, programs, or partnerships in the Western Hemisphere by China, Iran, Russia, or other adversarial groups or countries that threaten the national security of the United States." A report on the assessment is due to Congress within one year, in unclassified form, but may include a classified annex.
- **Brazil.** Section 1266 requires the Secretary of Defense, in coordination with the Secretary of State, to submit a report to Congress regarding the human rights climate in Brazil and U.S.-Brazilian security cooperation.
- **Guatemala.** Section 1267 requires the Secretary of Defense to certify, prior to the transfer of any vehicles to the Guatemalan government, that the government has made a credible commitment to use such equipment only as intended.
- **Honduras.** Section 1268 requires the Secretary of Defense to enter into an agreement with an independent institution to conduct an analysis of the human rights situation in Honduras.
- **Central America and Mexico.** Section 5522 requires the Director of National Intelligence, in collaboration with other agencies, to submit within 90 days a comprehensive assessment of drug trafficking, human trafficking, and human smuggling activities in Central America and Mexico; the report may be in classified form, but if so, it shall contain an unclassified summary.

For the FY2021 NDAA, the House-passed version of the bill, H.R. 6395, approved in July 2020, includes numerous provisions on Latin America and the Caribbean. These include the following:

- Section 1283, which would express the sense of Congress supporting the enhancement of engagement with the **Caribbean**;
- Section 1290, which would prohibit the use of any federal funds to provide assistance to **Brazilian security forces** to involuntarily relocate indigenous or Quilombola communities;
- Section 1298, which would require a report on possible misuse of U.S. security sector funds for illegal surveillance by **Colombia's armed services**;

- Section 1299A, which would require a report on the multifaceted crisis in **Venezuela** and its implications for U.S. national security and regional security and stability, including an assessment of the influence of external actors in Venezuela, such as China, Cuba, Iran, and Russia;
- Section 1299I, which would require a report on **Mexican security forces**;
- Section 1299K, which would extend the certification requirement from the FY2020 NDAA related to the transfer of any equipment by the Department of Defense to **Guatemala**;
- Section 1299P, which would incorporate many provisions of a bill approved by the House in July 2019 (H.R. 2615) requiring the Secretary of State to develop strategies to support efforts to advance prosperity, combat corruption, strengthen democratic institutions, and improve security conditions in the Northern Triangle countries of **Central America**, including the use of targeted sanctions to fight corruption in these countries;

Other bills and resolutions that have passed either or both houses include the following:

- **Mexico.** In January 2019, the House approved H.R. 133, which would promote U.S.-Mexican economic partnership and cooperation, including a strategy to prioritize and expand educational and professional exchange programs with Mexico. The Senate approved the bill, amended, in January 2020, which included a new provision that would promote positive cross-border relations as a priority for advancing U.S. foreign policy and programs.
- **Central America.** The House approved H.R. 2615, the United States-Northern Triangle Engagement Act, in July 2019, which would authorize foreign assistance to El Salvador, Guatemala, and Honduras to address the root causes of migration. The bill would also require the State Department to devise strategies to foster economic development, combat corruption, strengthen democracy and the rule of law, and improve security conditions in the region.
- **Bolivia.** The Senate approved S.Res. 35 in April 2019, expressing support for democratic principles in Bolivia and throughout Latin America. In January 2020, the Senate approved S.Res. 447, expressing concerns about election irregularities and violence in Bolivia and supporting the convening of new elections.
- **Argentina.** Both houses approved resolutions (H.Res. 441 in July 2019, and S.Res. 277 in October 2019) commemorating the 25th anniversary of the 1994 bombing of the Argentine-Israeli Mutual Association in Buenos Aires.
- **Nicaragua.** Both Houses approved similar resolutions, H.Res. 754, approved by the House in March 2020, and S.Res. 525, approved by the Senate in June 2020, regarding continued U.S. support for the people of Nicaragua in their peaceful efforts to promote democracy and human rights and the use of tools under U.S. law to increase political and financial pressure on the Ortega government.
- **Cuba.** In June 2020, the Senate approved S.Res. 454, calling for the release of democracy activist José Daniel Ferrer and all members of the Patriotic Union of Cuba who have been arbitrarily imprisoned.

Congressional committees have held over 20 oversight hearings on the region, including on Venezuela, Central America (including the impact of U.S. aid cuts), relations with Colombia, human rights in Cuba, China's engagement in Latin America, environmental concerns in the

Brazilian Amazon, repression in Nicaragua, Haiti, security cooperation with Mexico, and the U.S. response to COVId-19 in the region (see **Appendix**).

Regional U.S. Policy Issues

U.S. Foreign Aid

The United States provides foreign assistance to Latin American and Caribbean countries to support development and other U.S. objectives. U.S. policymakers have emphasized different strategic interests in the region at different times, from combating Soviet influence during the Cold War to promoting democracy and open markets, as well as countering illicit narcotics, since the 1990s. The Trump Administration has sought to shift the focus of U.S. assistance efforts in some parts of the region to address U.S. domestic concerns, such as irregular migration.

The Trump Administration also has sought to reduce U.S. assistance to Latin America and the Caribbean, proposing significant cuts in each of its annual budget requests. Although Congress has slightly increased aid to the region over the past four years, the Administration has used various authorities to suspend and reprogram some of that assistance. In 2019, for example, the Administration withheld an estimated $405 million that Congress had appropriated for Central America in FY2018 and reprogrammed the funds to address other foreign policy priorities inside and outside the Western Hemisphere. (See "Central America's Northern Triangle," below.)

For FY2021, the Trump Administration has requested $1.4 billion for Latin America and the Caribbean through foreign assistance accounts managed by the State Department and USAID. That amount would be $314 million, or 18%, less than the estimated $1.7 billion of U.S. assistance allocated to the region in FY2020 (see **Table 4**). The proposal would cut funding for every type of assistance and most Latin American and Caribbean countries. For a fourth consecutive year, the Trump Administration also has proposed eliminating the Inter-American Foundation (IAF)—a small, independent U.S. foreign assistance agency that promotes grassroots development in the region—and consolidating its programs into USAID.

Congressional Action: After a partial government shutdown and a short-term continuing resolution (P.L. 116-5), the 116th Congress completed action on FY2019 foreign aid appropriations in February 2019. Of the funds appropriated in the Consolidated Appropriations Act, 2019 (P.L. 116-6), nearly $1.7 billion of foreign assistance was allocated to Latin America and the Caribbean. That amount was slightly more than was allocated to the region in FY2018 and nearly $600 million more than the Trump Administration requested for the region.

Table 4. U.S. Assistance to Latin America and the Caribbean: FY2016-FY2021

(billions of U.S. dollars)

2016	2017	2018	2019	2020 (est.)	2021 (req.)
1.69	1.67	1.67[a]	1.69	1.72	1.40

Sources: U.S. Department of State, *Congressional Budget Justifications for Foreign Operations,* FY2013-FY2021; and U.S. Department of State, FY2020 estimate data, June 15, 2020.

Notes: These figures exclude Food for Peace Act (P.L. 480) food aid and assistance appropriated as voluntary contributions to the Organization of American States.

a. Final FY2018 allocations are unclear, because the Administration reprogrammed approximately $405 million of FY2018 aid that Congress appropriated for El Salvador, Guatemala, and Honduras, reallocating some of those funds to countries outside of the Latin American and Caribbean region.

Although the House passed an FY2020 foreign aid appropriations bill in June 2019 (H.R. 2740, H.Rept. 116-78), and the Senate Appropriations Committee reported its bill in September 2019 (S. 2583, S.Rept. 116-126), neither measure was enacted before the start of FY2020. Instead, Congress passed two continuing resolutions (P.L. 116-59 and P.L. 116-69), which funded foreign aid programs in Latin America and the Caribbean at the FY2019 level until December 2019, when President Trump signed into law the Further Consolidated Appropriations Act, 2020 (P.L. 116-94). More than $1.7 billion appropriated in the act was allocated to Latin America and the Caribbean, which is $525 million more than the Trump Administration requested for the region.

The House passed an FY2021 foreign aid appropriations measure (Division A of H.R. 7608) on July 24, 2020. The bill and the accompanying report (H.Rept. 116-444) do not specify appropriations levels for every Latin American and Caribbean country. Nevertheless, the amounts designated for several key U.S. initiatives differ significantly from the Administration's request. The bill would provide

- $519.9 million to address the underlying factors driving irregular migration from Central America ($143 million more than the Administration requested and $13.3 million less than allocated to the region in FY2020);
- $457.3 million to support the peace process and security and development efforts in Colombia ($44.4 million more than requested and $5.6 million more than allocated in FY2020);
- $159.9 million to support security and rule-of-law efforts in Mexico ($96.2 million more than requested and $2 million more than allocated in FY2020);
- $30 million to support a democratic transition and reestablish health systems in Venezuela ($175 million less than requested and $5 million than allocated in FY2020); and
- $41.5 million for the IAF ($37.6 million more than requested and $4 million more than Congress appropriated for the agency in FY2020).

The bill also includes $9.1 billion of emergency foreign aid to respond to the COVID-19 pandemic globally—$10 million of which would be provided to the IAF. Those funds would build on nearly $1.8 billion of FY2020 emergency foreign aid provided through two supplemental appropriations bills (P.L. 116-123 and P.L. 116-136). As of August 21, 2020, U.S. agencies had allocated more than $141 million in new and previously announced assistance to help Latin American and Caribbean countries respond to the health, economic, and humanitarian challenges posed by the pandemic.[37]

The Senate Appropriations Committee has yet to mark up a foreign assistance appropriations bill for FY2021.

In addition to appropriations measures, resolutions have been introduced in both houses (H.Res. 649 and S.Res. 297) to commend the IAF on its 50th anniversary, recognize its contributions to development and to advancing U.S. national interests, and pledge continued support for the agency's work.

For additional information, see CRS Report R46367, *Department of State, Foreign Operations, and Related Programs: FY2021 Budget and Appropriations*, by Cory R. Gill, Marian L. Lawson, and Emily M. Morgenstern; CRS Report R45547, *U.S. Foreign Assistance to Latin America and*

[37] U.S. Department of State, "Update: The United States Continues to Lead the Global Response to COVID-19," fact sheet, August 21, 2020, at https://www.state.gov/update-the-united-states-continues-to-lead-the-global-response-to-covid-19-6/.

the Caribbean: FY2019 Appropriations, by Peter J. Meyer and Edward Y. Gracia; CRS In Focus IF11496, *COVID-19 and Foreign Assistance: Issues for Congress*, by Nick M. Brown, Marian L. Lawson, and Emily M. Morgenstern; CRS In Focus IF11581, *Latin America and the Caribbean: Impact of COVID-19*, by Mark P. Sullivan et al.; and CRS In Focus IF11606, *COVID-19 and Foreign Assistance: Congressional Oversight Framework and Current Activities*, by Nick M. Brown and Emily M. Morgenstern.

Drug Trafficking and Criminal Gangs

Latin America and the Caribbean feature prominently in U.S. counternarcotics policy due to the region's role as a source and transit zone for several illicit drugs destined for U.S. markets—cocaine, marijuana, methamphetamine, and opiates (plant-based and synthetic). Heroin abuse and synthetic opioid-related deaths in the United States have reached epidemic levels, raising questions about how to address foreign sources of opioids. Policymakers also are concerned that methamphetamine and cocaine overdoses in the United States are on an upward trajectory.

Drug demand in the United States and changes in the international drug market have prompted rising drug production in Mexico and Colombia. Mexico has experienced an uptick in opium poppy cultivation, as well as the production of heroin, fentanyl (a synthetic opioid), and methamphetamine.[38] Over 90% of heroin seized and sampled in the United States comes from Mexico and increasingly has included fentanyl. In May 2019, the Chinese government implemented strict controls on all forms of fentanyl, including fentanyl analogues—a development that led to the emergence of Mexico as an important source of fentanyl-related substances.[39] Coca cultivation and cocaine production in Colombia, which supplies roughly 89% of cocaine in the United States, reached record levels in 2017, leveled off in 2018, and slightly increased in 2019.[40]

Whereas Mexico, Colombia, Peru, and most other source and transit countries in the region work closely with the United States to combat drug production and interdict illicit flows, the Venezuelan government does not. Public corruption in Venezuela also has made it easier for drug trafficking organizations to smuggle illicit drugs. In March 2020, the Department of Justice indicted Venezuela's leader, Nicolás Maduro (whom the United States does not recognize as Venezuela's legitimate president) and other current and former high-ranking Venezuelan officials. As charged, Maduro allegedly participated in the Cartel of the Suns drug trafficking organization in conspiracy with the Revolutionary Armed Forces of Colombia (FARC) to produce and traffic illicit drugs to the United States.

Contemporary drug trafficking and transnational crime syndicates have contributed to degradations in citizen security and economic development in some countries, often resulting in high levels of violence and homicide. Despite efforts to combat the drug trade, many Latin American governments, particularly in Mexico and Central America—a region through which roughly 93% of cocaine from South America transited in 2018—continue to suffer from weak criminal justice systems and overwhelmed law enforcement agencies.[41] Government corruption,

[38] U.S. Department of State, Bureau for International Narcotics and Law Enforcement Affairs, *International Narcotics Control Strategy Report (INCSR) Volume 1: Drug and Chemical Control*, March 2020 (hereinafter cited as State Department, INCSR 2020 Volume 1).

[39] U.S. Drug Enforcement Administration, *Fentanyl Flow to the United States*, January 2020.

[40] The White House, "ONDCP Reports Cocaine Production in Colombia is Leveling Off," June 26, 2019; "United States and Colombian Officials Set Bilateral Agenda to Reduce Cocaine Supply," March 5, 2020.

[41] U.S. Government, Interagency Assessment of Cocaine Movement (IACM), based on 2018 data from the Consolidated Counterdrug Database (CCDB).

including high-level cooperation with criminal organizations, further frustrates efforts to interdict drugs, investigate and prosecute traffickers, and recover illicit proceeds. At the same time, there is a widespread perception—particularly among Latin American observers—that U.S. demand for illicit drugs is largely to blame for the region's ongoing crime and violence problems. Although the COVID-19 pandemic has lowered violence in many countries, organized crime-related violence has escalated in a few countries, particularly Mexico.

Criminal gangs with origins in southern California, principally the Mara Salvatrucha (MS-13) and the "18th Street" gang, continue to undermine citizen security and subvert government authority in Central America. Gang-related violence has been particularly acute in El Salvador, Honduras, and urban areas in Guatemala, contributing to some of the highest homicide rates in the world. Although some gangs engage in local drug distribution, gangs generally do not have a role in transnational drug trafficking. Gangs have been involved in a range of other criminal activities, including extortion, money laundering, and weapons smuggling, and gang-related violence has fueled unauthorized migration to the United States.

U.S. Policy. For more than 40 years, U.S. policy toward the region has focused on countering drug trafficking and reducing drug production in Latin America and the Caribbean. The largest support program, Plan Colombia, provided more than $10 billion to help Colombia combat both drug trafficking and rebel groups financed by the drug trade from FY2000 to FY2016.[42] After Colombia signed a historic peace accord with the country's largest leftist guerrilla group, the FARC, the United States provided assistance to help implement the agreement. U.S. officials concerned about rising cocaine production have praised Colombian President Ivan Duque's willingness to restart aerial fumigation of coca crops and significantly scale up manual eradication.

U.S. support to combat drug trafficking and reduce crime also has included a series of partnerships with other countries in the region: the Mérida Initiative, which has led to improved bilateral security cooperation with Mexico; the Central America Regional Security Initiative (CARSI); and the Caribbean Basin Security Initiative (CBSI). During the Obama Administration, those initiatives combined U.S. antidrug and rule-of-law assistance with economic development and violence prevention programs.

The Trump Administration's approach to Latin America and the Caribbean has focused heavily on U.S. security objectives. All of the aforementioned assistance programs have continued, but they place greater emphasis on combating drug trafficking, gangs, and other criminal groups than during the Obama Administration. The Trump Administration also has sought to reduce funding for each of the U.S. security assistance programs and has reprogrammed, withheld, or not yet obligated significant portions of assistance to Central America due to concerns that those governments have not adequately curbed unauthorized migration. President Trump has welcomed Mexico's assistance on migration enforcement, but noted in an FY2020 presidential determination issued in August 2019 that "without further progress over [this year], he could determine that Mexico has 'failed demonstrably' to meet its international drug control commitments."[43] Such a determination could trigger U.S. foreign assistance cuts to Mexico. On April 1, 2020, the Trump Administration announced the deployment of the largest military-led

[42] See CRS Report R43813, *Colombia: Background and U.S. Relations*, by June S. Beittel.

[43] White House, Office of the Press Secretary, "Memorandum on the Presidential Determination on Major Drug Transit or Major Illicit Drug Producing Countries for Fiscal Year 2020," presidential memorandum, August 8, 2019.

antidrug effort in the Caribbean in several decades aimed at deterring drug trafficking emanating from Venezuela.[44]

President Trump also has prioritized combating gangs, namely the MS-13, which the Department of Justice (DOJ) has named a top priority. U.S. agencies, in cooperation with vetted units in Central America funded through CARSI, have brought criminal charges against thousands of MS-13 members in the United States. U.S. assistance that supports vetted units working with the U.S. Department of Homeland Security (DHS) and DOJ have been exempt from recent aid reductions for Central America.

Congressional Action: The 116th Congress has held hearings on opioids, which included consideration of heroin and fentanyl production in Mexico; corruption in the Americas; the importance of U.S. assistance to Central America (including CARSI); and relations with Colombia, Mexico, Venezuela, and Central America, including antidrug cooperation and concerns. Compared to FY2018, the Consolidated Appropriations Act, 2019 (P.L. 116-6) provided increased FY2019 resources for Colombia and Mexico, slightly less funding for CARSI, and stable funding for the CBSI. P.L. 116-6 provided $1.5 million to support the creation of a Western Hemisphere Drug Policy Commission to assess U.S. policy and make recommendations on how it might be improved. The Further Consolidated Appropriations Act, 2020 (P.L. 116-94) provides more security and rule of law funding for Colombia and Mexico than the estimated FY2019 appropriations level, less funding for CARSI, and slightly more funding for the CBSI. The FY2020 NDAA (P.L. 116-92) requires the Director of National Intelligence, in collaboration with other agencies, to submit within 90 days of enactment an assessment of drug trafficking, human trafficking, and human smuggling activities and how those activities influence migration in Mexico and the Northern Triangle. The FY2020 NDAA also establishes a Commission on Combating Synthetic Opioid Trafficking to report on, among other things, the scale of opioids coming from Mexico.

The House-passed version of the FY2021 foreign aid appropriations bill, Division A of H.R. 7608 (H.Rept. 116-444), approved July 24, 2020, would provide significantly more funding for Colombia and Mexico, CARSI, and CBSI than the Administration's FY2021 request. In comparison to the FY2020 enacted funding levels, the House bill would provide an increase in funding for CBSI and roughly level funding for Colombia, CARSI, and Mexico.

For additional information, see CRS In Focus IF10578, *Mexico: Evolution of the Mérida Initiative, 2007-2020*, by Clare Ribando Seelke; CRS In Focus IF10400, *Trends in Mexican Opioid Trafficking and Implications for U.S.-Mexico Security Cooperation*, by Liana W. Rosen and Clare Ribando Seelke; CRS Report R41576, *Mexico: Organized Crime and Drug Trafficking Organizations*, by June S. Beittel; CRS Report R44812, *U.S. Strategy for Engagement in Central America: Policy Issues for Congress*, by Peter J. Meyer; CRS Report R43813, *Colombia: Background and U.S. Relations*, by June S. Beittel; and CRS In Focus IF10789, *Caribbean Basin Security Initiative*, by Mark P. Sullivan.

Trade Policy

The Latin American and Caribbean region is among the fastest-growing regional trading partners for the United States. Economic relations between the United States and most of its trading partners in the region remain strong, despite challenges, such as slow economic growth and high levels of violence in some countries. The United States accounts for roughly 31% of the Latin

[44] The White House, "Remarks by President Trump, Vice President Pence, and Members of the Coronavirus Task Force in Press Briefing," April 1, 2020.

American and Caribbean region's merchandise imports and 44% of its merchandise exports. Most of this trade is with Mexico, which accounted for 65% of U.S. imports from the region and 61% of U.S. exports to the region in 2019. In 2019, total U.S. merchandise exports to Latin America and the Caribbean were valued at $418.9 billion, down from $429.7 billion in 2018. U.S. merchandise imports were valued at $467.0 billion in 2019 (see **Table 5**).

The United States strengthened economic ties with Latin America and the Caribbean over the past 26 years through the negotiation and implementation of FTAs. Starting with NAFTA in 1994, which was replaced by the USMCA when it entered into force on July 1, 2020, the United States currently has six FTAs in force involving 11 Latin American countries: Mexico, Chile, Colombia, Costa Rica, the Dominican Republic, El Salvador, Guatemala, Honduras, Nicaragua, Panama, and Peru. NAFTA was the first U.S. FTA with a country in the Latin American and Caribbean region, establishing new rules and disciplines that influenced future trade agreements on issues important to the United States, such as IPR protection, services trade, agriculture, dispute settlement, investment, labor, and the environment.

In addition to FTAs, the United States has extended unilateral trade preferences to some countries in the region through several trade preference programs. The Caribbean Basin Economic Recovery Act (no expiration), for example, provides limited duty-free entry of select Caribbean products as a core element of the U.S. foreign economic policy response to uncertain economic and political conditions in the region. Several preference programs for Haiti, which expire in 2025, provide generous and flexible unilateral preferences to the country's apparel sector. Two other preference programs include the Caribbean Basin Trade Partnership Act (CBTPA), which expires in September 2020, and the Generalized System of Preferences (GSP), which expires in December 2020. The CBTPA extends preferences on apparel products to eligible Caribbean countries similar to those given to Mexico under NAFTA, replaced by USMCA. The GSP provides duty-free tariff treatment to certain products imported from 120 designated developing countries throughout the world, including Argentina, Brazil, Ecuador, and other Latin American and Caribbean countries.

In the 15 to 20 years after NAFTA, some of the largest economies in South America, such as Argentina, Brazil, and Venezuela, resisted the idea of forming comprehensive FTAs with the United States. That opposition, at least in the case of Brazil, may be changing. In September 2019, President Trump noted preliminary talks with Brazil for a trade agreement, and Brazilian officials recently stated that the country was ready for a trade deal similar to USMCA. Numerous other bilateral and plurilateral trade agreements throughout the Western Hemisphere do not include the United States. For example, the Pacific Alliance, a trade arrangement composed of Mexico, Peru, Colombia, and Chile, is reportedly moving forward on a possible trade arrangement with Mercosur, composed of Brazil, Argentina, Uruguay, and Paraguay. On June 28, 2019, after 20 years of negotiations, the European Union and Mercosur reached a political agreement in principle for an ambitious and comprehensive trade agreement. On April 28, 2020, Mexico and the European Union finalized negotiations to update their original FTA and remove most of the remaining trade barriers between the two partners. U.S. policymakers, including in Congress, could examine how the United States could enhance trade relations with these countries through regional agreements or a broader regional FTA, such as the Free Trade Area of the Americas (FTAA) that was pursued in the mid-1990s but never concluded.[45]

[45] In 1994, 34 Western Hemisphere nations met at the first Summit of the Americas, envisioning a plan to complete a Free Trade Area of the Americas (FTAA) by January 1, 2005. Faced with deadlocked negotiations, the United States and Brazil, the FTAA co-chairs, brokered a compromise at the November 2003 Miami trade ministerial. It moved the FTAA away from the comprehensive, single undertaking principle, toward a two-tier framework comprising a set of

Table 5. U.S. Trade with Key Trading Partners in Latin America and the Caribbean, 2012-2019

(in billions of U.S. dollars)

Partner Country	2012	2013	2014	2015	2016	2017	2018	2019
U.S. Exports								
Mexico	215.9	226.0	241.0	236.5	230.2	243.5	265.4	256.4
Brazil	43.8	44.1	42.4	31.6	30.2	37.3	39.6	43.1
Chile	18.8	17.5	16.5	15.5	12.9	13.6	15.4	15.8
Colombia	16.4	18.4	20.1	16.3	13.1	13.4	15.2	14.8
Total LAC	399.1	410.4	424.9	389.0	366.1	393.9	429.7	418.9
World	1,545.8	1,578.5	1,621.9	1,503.3	1,451.5	1,546.5	1,666.0	1645.2
U.S. Imports								
Mexico	277.6	280.6	295.7	296.4	293.5	312.8	346.1	358.1
Brazil	32.1	27.5	30.0	27.5	26.0	29.5	31.1	30.9
Colombia	24.6	21.6	18.3	14.1	13.8	13.6	13.8	14.1
Chile	9.4	10.4	9.5	8.8	8.8	10.6	11.4	10.4
Total LAC	449.4	439.0	446.0	412.3	401.2	428.7	468.3	467.0
World	2,276.3	2,268.0	2,356.4	2,248.8	2,186.8	2,339.9	2,540.8	2,498.4

Source: U.S. International Trade Commission (ITC) Interactive, "DataWeb: Tariff and Trade."

Notes: This table provides statistics on the top four countries followed by the total of U.S. trade with all countries in Latin America and the Caribbean (LAC).

President Trump made NAFTA renegotiation and modernization a priority of his Administration's trade policy. Early in his Administration, he viewed FTAs as detrimental to U.S. workers and industries, stating that NAFTA was "the worst trade deal" and repeatedly warning that the United States may withdraw from the agreement. The United States, Canada, and Mexico subsequently renegotiated NAFTA and concluded negotiations for USMCA on September 30, 2018. Mexico was the first country to ratify the agreement in June 2019 and the first country to approve the amended USMCA on December 12, 2019. On January 16, 2020, Congress approved the agreement. Canada ratified the agreement on March 13, 2020. USMCA continues NAFTA's market opening provisions but also modernizes the agreement with new provisions on digital trade, state-owned-enterprises, currency manipulation, anti-corruption, and enforcement of worker rights and the environment. USMCA's tighter rules-of-origin requirements for the motor vehicle industry, removal of government procurement provisions for Canada, and lessening of investor state dispute settlement provisions are significant, because they scale back U.S. trade policy goals of previous Administrations.

In 2018, President Trump issued two proclamations imposing tariffs on U.S. imports of certain steel and aluminum products using presidential powers granted under Section 232 of the Trade Expansion Act of 1962. In doing so, the Administration added new challenges to U.S. trade

"common rights and obligations" for all countries, combined with voluntary plurilateral arrangements with country benefits related to commitments. The FTAA talks stalled in 2004. At the fourth Summit of the Americas held in November 2005, Brazil, Argentina, Uruguay, Paraguay, and Venezuela blocked an effort to restart negotiations. Further action has not occurred.

relations with the region. The proclamations outlined the President's decisions to impose tariffs of 25% on steel and 10% on aluminum imports, with some flexibility on the application of tariffs by country. In May 2018, President Trump proclaimed Argentina and Brazil permanently exempt from the steel tariffs in exchange for quota agreements, but he threatened to impose tariffs again in December 2019. The United States imposed tariffs on steel and aluminum imports from Mexico on May 31, 2018, and Mexico subsequently imposed retaliatory tariffs on 71 U.S. products, covering an estimated $3.7 billion worth of trade. By May 2019, President Trump had exempted Mexico from steel and aluminum tariffs, and Mexico agreed to terminate its retaliatory tariffs. On August 30, 2020, President Trump tightened the cap on allowable steel imports from Brazil, stating that the decision was made under Section 232 and acknowledging that the tightened quota may affect production activities in the United States.

President Trump's January 2017 withdrawal from the proposed TPP, an FTA that included Mexico, Peru, and Chile as signatories, signified another change to U.S. trade policy. In March 2018, all remaining TPP parties signed the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP or TPP-11), which essentially brought a modified TPP into effect. The TPP-11 has entered into force among seven countries—Canada, Australia, Japan, Mexico, New Zealand, Singapore, and Vietnam. Chile and Peru expect to ratify the agreement eventually. Colombia has expressed plans to request entry into the agreement after it enters into force among all partners. Some observers contend that U.S. withdrawal from the proposed TPP could damage U.S. competitiveness and economic leadership in the region, whereas others see the withdrawal as a way to prevent lower-cost imports and potential job losses.

Congressional Action: The 116th Congress, in both its legislative and oversight capacities, faced numerous trade policy issues related to NAFTA's renegotiation and the USMCA. The U.S. House of Representatives approved USMCA implementing legislation, H.R. 5430, on December 19, 2019, by a vote of 385-41, and the Senate approved it on January 16, 2020, by a vote of 89-10; it was signed into law (P.L. 116-113) on January 29, 2020. Lawmakers took an interest as to whether the Administration followed U.S. trade negotiating objectives and procedures as required by Trade Promotion Authority (Bipartisan Congressional Trade Priorities and Accountability Act of 2015, or TPA; P.L. 114-26). Some Members also considered issues surrounding the labor and environment provisions' enforceability, access to medicine, and economic effects. Other Members showed interest in how the USMCA may affect U.S. industries, especially the auto industry, as well as the overall effects on the U.S. and Mexican economies, North American supply chains, and trade relations with the Latin American and Caribbean region.

The effects of COVID-19 on the U.S.-Mexico supply chain may be of interest for U.S. policymakers, especially for products manufactured in Mexico for U.S. essential sectors, including the highly integrated motor vehicle industry. Automotive manufacturing plants in Mexico were closed for approximately two months due to the pandemic and started reopening in June, staggering hours and following government-established safety protocols. The industry currently is experiencing a market decrease of 32% compared with 2019. Some officials, including the Mexican Ambassador to the United States, noted that the United States and Mexico need to improve coordination in determining which sectors are essential and that the two countries need to work together to restart or continue production safely in essential sectors. Depending on how the pandemic spreads in the fall and winter, policymakers may wish to address how the United States and Mexico are cooperating on the possibility of future shutdowns.

Among other trade issues, legislation was introduced (H.R. 991 and S. 2473) that would extend CBTPA benefits through September 2030. Regarding Brazil, numerous Members of Congress are monitoring bilateral trade relations with increased concern about Brazil's restrictions on imports of ethanol from the United States. These concerns may have prompted the Trump

Administration's tightening of the U.S. quota on semi-finished steel from Brazil. Regarding the Section 232 investigations on aluminum and steel imports, the impact of tariffs and retaliatory tariffs from Mexico on U.S. producers, domestic U.S. industries, and consumers raised numerous issues for Congress. Policymakers also may consider how U.S. trade policy is perceived by the region and whether it may affect multilateral trade issues and cooperation on matters regarding security and migration. Another issue relates to U.S. market share. If Mexico, Chile, Colombia, Peru, and Mercosur countries continue trade and investment liberalization efforts with other countries without the United States, doing so may open the door to more intra-trade and investment among certain Latin American and Caribbean countries, or possibly China and other Asian countries, which may affect U.S. exports.

For additional information, see CRS In Focus IF10997, *U.S.-Mexico-Canada (USMCA) Trade Agreement*, by M. Angeles Villarreal and Ian F. Fergusson; CRS Report R44981, *The United States-Mexico-Canada Agreement (USMCA)*, by M. Angeles Villarreal and Ian F. Fergusson; CRS In Focus IF10038, *Trade Promotion Authority (TPA)*, by Ian F. Fergusson; CRS Report RL32934, *U.S.-Mexico Economic Relations: Trends, Issues, and Implications*, by M. Angeles Villarreal; and CRS Report R45249, *Section 232 Investigations: Overview and Issues for Congress*, coordinated by Rachel F. Fefer and Vivian C. Jones.

Migration Issues

Latin America's status as a leading source of both legal and unauthorized migration to the United States means that U.S. immigration policies significantly affect countries in the region and U.S. relations with their governments. Latin Americans comprise the vast majority of individuals who have received relief from removal (deportation) through the TPS program and the DACA initiative; they also comprise a large percentage of recent asylum seekers.[46] As a result, several U.S. immigration policy changes have affected countries in the region. These include the following Trump Administration actions: ending TPS designations for Haiti, El Salvador, Nicaragua, and Honduras; rescinding DACA through a process that the Supreme Court ruled in June 2020 did not follow proper procedures and had to be vacated;[47] and restricting access to asylum in the United States. In January 2019, the Administration launched the Migrant Protection Protocols (MPP), a program that requires many migrants and asylum seekers processed at the Mexico-U.S. border to be returned to Mexico to await their immigration proceedings; the program is currently facing legal challenges but remains in place.[48] The Administration also signed what it termed "asylum cooperative agreements"—also referred to as "safe third country" agreements—with Guatemala, El Salvador, and Honduras to allow the United States to transfer certain migrants who arrive at a U.S. border seeking asylum to apply for asylum in one of those countries. DHS began implementing the agreement with Guatemala in November 2019, but the agreements with Honduras and El Salvador have not yet been implemented.

[46] Temporary Protected Status (TPS) is a discretionary, humanitarian benefit granted to eligible nationals after the Department of Homeland Security (DHS) determines that a country has been affected by armed conflict, natural disaster, or other extraordinary conditions that limit the country's ability to accept the return of its nationals from the United States. TPS designations began for Nicaragua and Honduras in 1999, for El Salvador in 2001, and for Haiti in 2010. The Deferred Action for Childhood Arrival (DACA) initiative is an initiative that the Obama Administration implemented in 2012 to provide temporary relief from removal and work authorization to certain unlawfully present individuals who arrived in the United States as children.

[47] U.S. Dep't of Homeland Sec. v. Regents of the Univ. of Cal.,—S. Ct.—, 2020 WL 3271746, at *3 (2020).

[48] DHS, "Migrant Protection Protocols," press release, January 24, 2019. For additional information, see https://www.dhs.gov/publication/policy-guidance-implementation-migrant-protection-protocols.

The factors that have driven U.S.-bound migration from Latin America are multifaceted, and some have changed over time. They include poverty and unemployment, political and economic instability, crime and violence, natural disasters and climate change, as well as relatively close proximity to the United States, familial ties in the United States, and relatively attractive U.S. economic conditions. As an example, Venezuela, a historically stable country with limited emigration to the United States, recently has become the top country of origin among those who seek U.S. asylum affirmatively due to Venezuela's ongoing crisis.[49]

Migrant apprehensions at the southwest border had been steadily declining, reaching a 50-year low in 2017, but they began to rise in mid-2017. By FY2019, DHS apprehended 977,509 migrants, roughly 456,400 more than in FY2018.[50] Unaccompanied children and families from the Northern Triangle, many of whom were seeking asylum, made up a majority of those apprehensions.[51] During the first 10 months of FY2020, total apprehensions declined compared with FY2019, particularly since mid-March 2020, due to the COVID-19 pandemic.[52] In response to the pandemic, nonessential travel and asylum processing have been suspended at the U.S.-Mexico border through September 21, 2020, with any persons without valid travel documents returned to Mexico as quickly as possible.[53] Under these so-called Title 42 CDC travel restrictions, more than 90,000 migrants from Mexico and the Northern Triangle have been expelled to Mexico.[54] Mexico has had to contend with those individuals as well as the tens of thousands of individuals from those and other countries asked to "remain in Mexico" under MPP during a pandemic.

The Trump Administration's rhetoric and policies have tested U.S. relations with Mexico and the Northern Triangle countries. Mexico's President Andrés Manuel López Obrador agreed to shelter migrants affected by the MPP program and then, to avoid U.S. tariffs, allowed the MPP to be expanded in Mexico and increased Mexico's immigration enforcement efforts, particularly on its southern border. Amidst U.S. foreign aid cuts and tariff threats (in the case of Guatemala), the Northern Triangle countries signed "safe third country" agreements despite serious concerns about conditions in the three countries. Mexico and the Northern Triangle countries, which received some 91% of the 267,258 individuals removed from the United States in FY2019, have expressed concerns that removals could overwhelm their capacity to receive and reintegrate migrants. Central American countries also are concerned about the potential for increased removals of those with criminal records to exacerbate their security problems. More recently, in response to the United States deporting some migrants to Guatemala that turned out to be infected with COVID-19, the Guatemalan government has suspended repatriation flights on multiple occasions and called for the United States to adequately screen returning migrants for the disease.[55]

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[49] In FY2018, Venezuela ranked first among countries of origin for those seeking affirmative asylum in the United States. Guatemala and El Salvador ranked second and third. See DHS, Office of Immigration Statistics, *Annual Flow Report: Refugees and Asylees: 2018*, October 2019.

[50] DHS, U.S. Customs and Border Protection (CBP), "Southwest Border Migration FY2019" (hereinafter cited as CBP, "Southwest Border Migration FY2019").

[51] CBP, "Southwest Border Migration FY2019."

[52] CBP, "Enforcement Statistics FY2020.

[53] See CRS Insight IN11308, *COVID-19: Restrictions on Travelers at U.S. Land Borders*, by Audrey Singer.

[54] CBP, "Nationwide Enforcement Encounters: Title 8 Enforcement Actions and Title 42 Expulsions," August 26, 2020.

[55] Cindy Carcamo and Molly O'Toole, "Migrants Deported by U.S. Make up More Than 15% of Guatemala's Coronavirus Cases," *Los Angeles Times*, May 4, 2020.

Congressional Action: The 116th Congress has provided foreign assistance to help address some of the factors fueling migration from Central America and to support Mexico's migration management efforts in FY2019 (P.L. 116-6) and FY2020 (P.L. 116-94). The House-passed version of the FY2021 foreign aid appropriations bill, Division A of H.R. 7608, would continue that funding. The report accompanying the bill, H.Rept. 116-444, would prohibit funds appropriated from being used to help implement asylum cooperation agreements. In July 2019, the House passed H.R. 2615, the United States-Northern Triangle Enhanced Engagement Act, which would require a report on the main drivers of migration from Central America.

The 116th Congress has also acted on bills that could affect significant numbers of individuals from Latin America and the Caribbean living in the United States. For example in June 2019, the House passed H.R. 6, the American Dream and Promise Act of 2019, which would establish a process for certain unauthorized immigrants who entered the United States as children, such as DACA recipients, and for certain TPS recipients to obtain lawful permanent resident (LPR) status. In July 2019, the House passed H.R. 549, the Venezuela TPS Act of 2019, which would provide TPS designation for Venezuela. In December 2019, the House passed H.R. 5038, the Farm Workforce Modernization Act of 2019, which would create a new temporary immigration status (certified agricultural worker (CAW) status) for certain unauthorized and other agricultural workers and would establish a process for CAWs to become LPRs.

For more information, see CRS Report R46419, *Immigration Legislation and Issues in the 116th Congress*, coordinated by Andorra Bruno; CRS Legal Sidebar LSB10402, *Safe Third Country Agreements with Northern Triangle Countries: Background and Legal Issues*, by Ben Harrington; CRS In Focus IF11151, *Central American Migration: Root Causes and U.S. Policy*, by Peter J. Meyer and Maureen Taft-Morales; CRS In Focus IF10215, *Mexico's Immigration Control Efforts*, by Clare Ribando Seelke; CRS Report R45266, *The Trump Administration's "Zero Tolerance" Immigration Enforcement Policy*, by William A. Kandel; CRS Report R45995, *Unauthorized Childhood Arrivals, DACA, and Related Legislation*, by Andorra Bruno; CRS Legal Sidebar LSB10497, *Supreme Court: DACA Rescission Violated the APA*, by Ben Harrington; CRS Report R44849, *H-2A and H-2B Temporary Worker Visas: Policy and Related Issues*, by Andorra Bruno; CRS Report RS20844, *Temporary Protected Status: Overview and Current Issues*, by Jill H. Wilson; CRS In Focus IF11363, *Processing Aliens at the U.S.-Mexico Border: Recent Policy Changes*, by Hillel R. Smith, Ben Harrington, and Audrey Singer; and CRS Report R46012, *Immigration: Recent Apprehension Trends at the U.S. Southwest Border*, by Audrey Singer and William A. Kandel.

Selected Country and Subregional Issues

The Caribbean

Caribbean Regional Issues

The Caribbean is a diverse region of 16 independent countries and 18 overseas territories, including some of the hemisphere's richest and poorest nations. Among the region's independent countries are 13 island nations stretching from the Bahamas in the north to Trinidad and Tobago in the south; Belize, which is geographically located in Central America; and Guyana and Suriname, located on the north-central coast of South America (see **Figure 2**).

Pursuant to the United States-Caribbean Strategic Enhancement Act of 2016 (P.L. 114-291), the State Department submitted a multiyear strategy for the Caribbean in 2017. The strategy established a framework to strengthen U.S.-Caribbean relations in six priority areas or pillars: (1)

security, with the objectives of countering transnational crime and terrorist organizations and advancing citizen security; (2) diplomacy, with the goal of increasing institutionalized engagement to forge greater cooperation at the Organization of American States (OAS) and the U.N.; (3) prosperity, including the promotion of sustainable economic growth and private sector-led investment and development; (4) energy, with the goals of increasing U.S. exports of natural gas and the use of U.S. renewable energy technologies; (5) education, focusing on increased exchanges for students, teachers, and other professionals; and (6) health, including a focus on long-standing efforts to fight infectious diseases such as HIV/AIDS.

In July 2019, the State Department issued a report to Congress on the implementation of its multiyear strategy. The report maintained that limited budgets and human resources have constrained opportunities for deepening relations, but funding for the strategy's security pillar has supported meaningful engagement and produced tangible results for regional and U.S. security interests.[56]

Because of their geographic location, many Caribbean nations are vulnerable to use as transit countries for illicit drugs from South America destined for the U.S. and European markets. Many Caribbean countries also have suffered high rates of violent crime, including murder, often associated with drug trafficking activities. In response, the United States launched the Caribbean Basin Security Initiative (CBSI) in 2009, a regional U.S. foreign assistance program seeking to reduce drug trafficking in the region and advance public safety and security. The program dovetails with the first pillar of the State Department's Caribbean multiyear strategy for U.S. engagement. From FY2010 through FY2020, Congress appropriated almost $677 million for the CBSI. These funds benefitted 13 Caribbean countries. The program has targeted assistance in five areas: (1) maritime and aerial security cooperation, (2) law enforcement capacity building, (3) border/port security and firearms interdiction, (4) justice sector reform, and (5) crime prevention and at-risk youth.

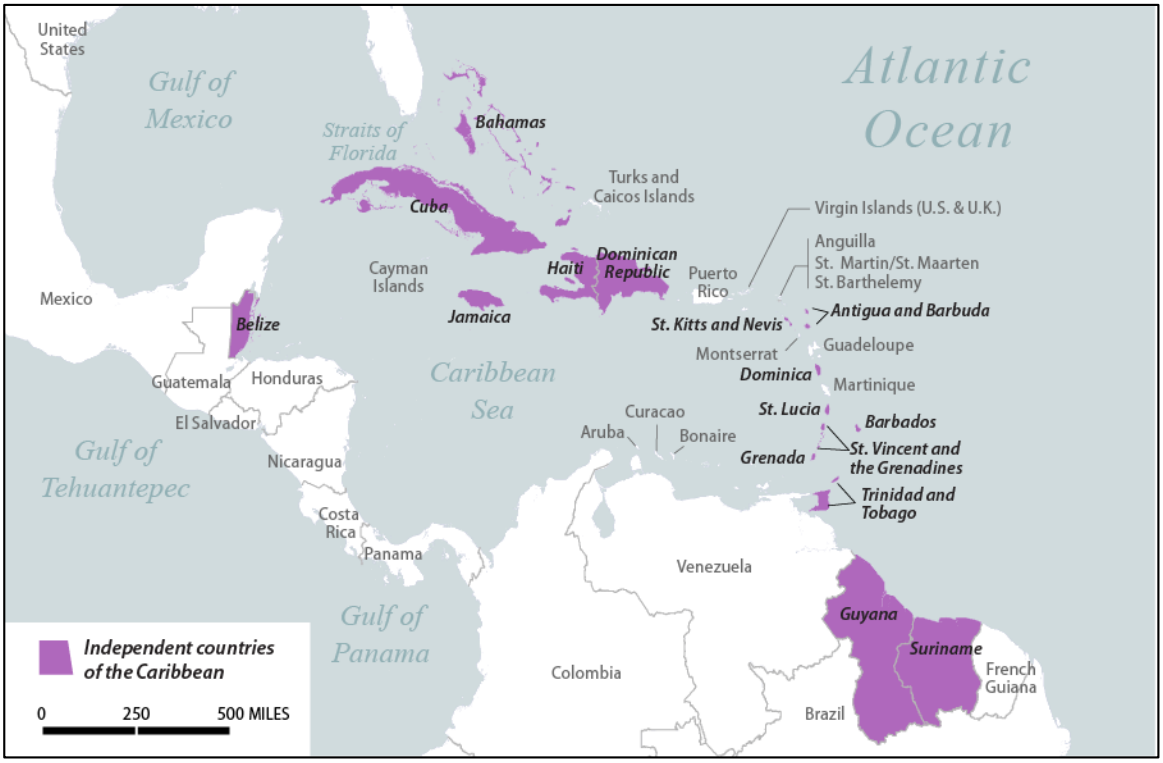
Many Caribbean nations depend on energy imports and, over the past decade, have participated in Venezuela's PetroCaribe program, which supplies Venezuelan oil under preferential financing terms. The United States launched the Caribbean Energy Security Initiative (CESI) in 2014, with the goals of promoting a cleaner and more sustainable energy future in the Caribbean.[57] The CESI includes a variety of initiatives to boost energy security and sustainable economic growth by attracting investment in a range of energy technologies through a focus on improved governance, increased access to finance, and enhanced coordination among energy donors, governments, and stakeholders.[58]

[56] U.S. Department of State, *2019 Report to Congress on Progress of Public Law (P.L.) 114-291: Efforts to Implement the Strategy for U.S. Engagement with the Caribbean Region*, July 2019.

[57] U.S. Department of State, Bureau of Western Hemisphere Affairs, "U.S.-Caribbean Resilience Partnership," at https://www.state.gov/u-s-caribbean-resilience-partnership/.

[58] For background, see U.S. Department of State, Bureau of Western Hemisphere Affairs, "Caribbean Energy Security Initiative (CESI)," at https://www.state.gov/caribbean-energy-security-initiative-cesi/.

Figure 2. Map of the Caribbean Region: Independent Countries



Source: CRS Graphics.

Notes: With the exception of Cuba and the Dominican Republic, the remaining 14 independent countries of the Caribbean region are members of the Caribbean Community, or CARICOM, an organization established by English-speaking Caribbean nations in 1973 to spur regional integration. Six Eastern Caribbean nations—Antigua and Barbuda, Dominica, Grenada, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines—are members of the Organization of Eastern Caribbean States, established in 1981 to promote economic integration, harmonization of foreign policy, and other forms of cooperation among member states.

Many Caribbean countries are susceptible to extreme weather events such as tropical storms and hurricanes, which can significantly affect their economies and infrastructure. Recent scientific studies suggest that climate change may be increasing the intensity of such events.[59] In September 2019, Hurricane Dorian caused widespread damage to the northwestern Bahamian islands of Grand Bahama and Abaco, with 70 confirmed deaths and many missing.[60] The United States responded with nearly $34 million in humanitarian assistance, including almost $25 million provided through USAID. Prior to the hurricane, the State Department had launched a U.S.-Caribbean Resilience Partnership in April 2019, with the goal of increasing regional disaster response capacity and promoting resilience to natural disasters. In December 2019, USAID announced it was providing $10 million to improve local resilience to disasters in the Caribbean.

The COVID-19 pandemic is having a significant economic impact on many Caribbean countries that depend on tourism. In 2020, all Caribbean economies (with the exception of Guyana) are expected to experience deep recessions. In June 2020, the IMF forecast that tourism-dependent

[59] See, for example, Kieran T Bhatia et al., "Recent Increases in Tropical Cyclone Intensification Rates," *Nature Communications*, vol. 10, no. 635 (2019).

[60] The Government of the Bahamas, Cabinet & Disaster Management (NEMA), "Hurricane Dorian, NEMA Update," November 29, 2019.

Caribbean economies would contract an average of 10.3% in 2020.[61] St. Lucia's ambassador to the United States, Anton Edmunds, maintains the pandemic could be "catastrophic to Caribbean tourism and regional economies," not only because of the cruise industry but more significantly because of the effect on land-based tourism, which is the major economic driver for most Caribbean countries.[62] To date, the Dominican Republic is the Caribbean country most affected by the spread of COVID-19, with 1,738 deaths as of September 2, 2020. Most other Caribbean countries have had significantly fewer deaths.[63]

Congressional Action: The 116th Congress has continued to appropriate funds for Caribbean regional programs. Over the past two fiscal years, Congress has funded the CBSI at levels significantly higher than requested by the Trump Administration. For FY2019, Congress appropriated $58 million for the CBSI ($36.2 million was requested), in the Consolidated Appropriations Act, 2019 (P.L. 116-6). For FY2020, the Trump Administration requested $40.2 million for the CBSI, about a 30% drop from FY2019 appropriations. Ultimately, Congress appropriated not less than $60 million for the CBSI for FY2020 in the Further Consolidated Appropriations Act, 2020 (P.L. 116-94). For FY2021, the Administration is requesting $32 million for the CBSI, a cut of almost 47% from that appropriated for FY2020. The House-passed version of the FY2021 foreign aid appropriations bill, Division A of H.R. 7608 (H.Rept. 116-444), approved July 24, 2020, would provide a minimum of $74.8 million for the CBSI, including $10 million to strengthen resilience to emergencies and disasters.[64]

In other legislative action, on July 29, 2020, the House Foreign Affairs Committee ordered reported, without amendment, H.R. 7703, the Caribbean Basin Security Initiative Authorization Act. The bill would authorize $74.8 million for the CBSI for each year from FY2021 through FY2015, included monitoring and reporting requirements for the CBSI, and would require the State Department to prioritize efforts to increase disaster response and resilience by carrying out such programs in beneficiary countries.

Congress has also continued to provide funding for the CESI, appropriating $2 million in FY2019 (P.L. 116-6) and $3 million in FY2020 (P.L. 116-94). For FY2021, House-passed H.R. 7608 would provide $3 million for the CESI.

More broadly, a provision in the House-passed version of the FY2021 NDAA, Section 1283 of H.R. 6395, approved by the House by July 21, 2020, would express the sense of Congress supporting the strengthening of engagement with the Caribbean.

For additional information, see CRS In Focus IF10789, *Caribbean Basin Security Initiative*, by Mark P. Sullivan; CRS In Focus IF10666, *The Bahamas: An Overview*, by Mark P. Sullivan; CRS Insight IN11171, *Bahamas: Response to Hurricane Dorian*, by Rhoda Margesson and Mark P. Sullivan; CRS In Focus IF10407, *Dominican Republic*, by Clare Ribando Seelke; CRS In Focus

[61] The exception in the region, Guyana, is forecast to have a 53% because of its new oil wealth. See IMF, *World Economic Outlook Database*, April 2020, and "Outlook for Latin America and the Caribbean: An Intensifying Pandemic," *IMF Blog*, June 26, 2020.

[62] "Feature Q&A, Can the Caribbean Tourism Industry Withstand COVI-19?" *Latin America Advisor*, Inter-American Dialogue, March 23, 2020.

[63] Johns Hopkins University School of Medicine, Coronavirus Resource Center, Mortality Analyses, September 2, 2020, updated daily at https://coronavirus.jhu.edu/data/mortality.

[64] For FY2020, the report to the Department of State, Foreign Operations, and Related Programs appropriations bill, H.Rept. 116-178 to H.R. 2839, directed that bilateral economic assistance be made available to strengthen resilience to emergencies and disasters in the Caribbean. (Division G of the explanatory statement to P.L. 116-94 provided that federal departments and agencies were directed to comply with the directives, reporting requirements, and instructions contained in H.Rept. 116-78 accompanying H.R. 2839 and S.Rept. 116-126 accompanying S. 2583, unless specifically directed to the contrary.)

IF11381, *Guyana: An Overview*, by Mark P. Sullivan; CRS In Focus IF10912, *Jamaica*, by Mark P. Sullivan; and CRS In Focus IF10914, *Trinidad and Tobago*, by Mark P. Sullivan.

Cuba

Political and economic developments in Cuba, a one-party authoritarian state with a poor human rights record, frequently have been the subject of intense congressional concern since the 1959 Cuban revolution. Current Cuban President Miguel Díaz-Canel succeeded Raúl Castro in April 2018, but Castro continues to head Cuba's Communist Party. A new constitution took effect in 2019 that introduced some political and economic reforms but maintained the state sector's dominance over the economy and the Communist Party's predominant role. Over the past decade, Cuba has implemented gradual market-oriented economic policy changes, but it has not taken enough action to foster sustainable economic growth.

The Cuban economy is being hard hit by Venezuela's economic crisis, which has reduced Venezuela's support for Cuba; increased U.S. economic sanctions; and the economic decline associated with the COVID-19 pandemic. The Economist Intelligence Unit is forecasting an 8.3% economic contraction in 2020.[65]

Since the early 1960s, the centerpiece of U.S. policy toward Cuba has been economic sanctions aimed at isolating the Cuban government. Congress has played an active role in shaping policy toward Cuba, including by enacting legislation strengthening, and at times easing, U.S. economic sanctions. In 2014, the Obama Administration initiated a policy shift away from sanctions and toward a policy of engagement. This shift included the restoration of diplomatic relations (July 2015); the rescission of Cuba's designation as a state sponsor of international terrorism (May 2015); and an increase in travel, commerce, and the flow of information to Cuba implemented through regulatory changes.

President Trump unveiled a new policy toward Cuba in 2017, rolling back some efforts to normalize relations and introducing new sanctions. These included restrictions on transactions with entities controlled by the Cuban military, intelligence, and security services. The State Department issued a list of "restricted entities" in 2017, which has been updated several times and now includes almost 230 Cuban entities. In September 2017, the State Department reduced the staff of the U.S. Embassy by about two-thirds in response to unexplained health injuries of members of the U.S. diplomatic community in Havana. The reduction affected embassy operations, especially visa processing.

By 2019, the Trump Administration had largely abandoned engagement by increasing economic sanctions significantly to pressure the Cuban government for its human rights record and support for the government of Nicolás Maduro in Venezuela. The Administration has tightened restrictions on travel to Cuba, eliminating people-to-people educational travel, prohibiting cruise ship travel from the United States, and limiting flights between the United States and Cuba to Havana flights only. The Administration also has taken actions to allow lawsuits against those trafficking in property confiscated by the Cuban government (as provided for in the 1996 LIBERTAD Act, P.L. 104-114), imposed sanctions targeting Venezuela's oil exports to Cuba, and imposed a series of other trade and financial sanctions. In addition, the Administration has increased efforts to call attention to alleged coercive labor practices in Cuba's foreign medical missions. In May 2020, the State Department added Cuba to its annual list of countries certified as *not cooperating fully* with U.S. antiterrorism efforts, the first such certification for Cuba since 2015.

[65] EIU, *Cuba Country Report*, August 2020.

Cuba's public health response to the COVID-19 pandemic appears to have been effective. As of September 2, 2020, the country registered 4,065 confirmed cases and 95 deaths, with a mortality rate of 0.84 per 100,000 people, according to Johns Hopkins University. Cuba has provided international assistance to respond to the pandemic by sending over 3,700 medical professionals to almost 40 countries worldwide, including in Europe, Africa, and Latin America and the Caribbean. The pandemic led to increased calls, including by United Nations officials, for the United States to ease sanctions to make it less difficult for Cuba to acquire needed equipment, supplies, and medicines to confront the health crisis. U.S. officials responded by maintaining that U.S. sanctions allow for such exports providing humanitarian relief and assistance to the Cuban people.

Congressional Action: The 116th Congress has continued to fund democracy assistance for Cuba and U.S. government-sponsored broadcasting to Cuba: $20 million for democracy programs and $29.1 million for broadcasting in FY2019 (P.L. 116-6) and $20 million for democracy programs and $20.973 million for broadcasting in FY2020 (P.L. 116-94, Division G). P.L. 116-94 (Division J) included benefits for U.S. government employees and dependents injured while stationed in Cuba. For FY2021, the Administration requested $10 million for democracy programs and $12.973 million for broadcasting. The House-passed version of the FY2021 foreign aid appropriations bill, Division A of H.R. 7608 (H.Rept. 116-444), approved July 24, 2020, would provide $20 million for democracy programs and would fully fund the broadcasting request. In other legislative action, the Senate approved S.Res. 454 in June 2020, calling for the release of democracy activist José Daniel Ferrer and all members of the Patriotic Union of Cuba who have been arbitrarily imprisoned.

Among other introduced bills, several would ease or lift U.S. sanctions: H.R. 213 (baseball); S. 428 (trade); H.R. 1898/S. 1447 (U.S. agricultural exports); H.R. 2404 (overall embargo); and H.R. 3960/S. 2303 (travel). H.R. 4884 would direct the Administration to reinstate the Cuban Family Reunification Program. S. 3977 would require the State Department to report on countries contracting with Cuba for medical missions. Several introduced resolutions would address Cuba's medical missions (S.Res. 14/H.Res. 136); U.S. fugitives from justice in Cuba (H.Res. 92/S.Res. 232); religious/political freedom in Cuba (S.Res. 215); the release of José Daniel Ferrer (H.Res. 774); *Las Damas de Blanco* human rights organization, (S.Res. 531); and the 35th anniversary of broadcasting to Cuba (H.Res. 971/S.Res. 637). In September 2019, the House Subcommittee on the Western Hemisphere, Civilian Security, and Trade (House Western Hemisphere Subcommittee) held a hearing on the human rights situation in Cuba (see **Appendix**).

For additional information, see CRS In Focus IF10045, *Cuba: U.S. Policy Overview*, by Mark P. Sullivan; CRS Report R45657, *Cuba: U.S. Policy in the 116th Congress*, by Mark P. Sullivan; and CRS Report RL31139, *Cuba: U.S. Restrictions on Travel and Remittances*, by Mark P. Sullivan.

Haiti

During the administration of President Jovenel Moïse, who began a five-year term in February 2017, Haiti has been experiencing political and social unrest, high inflation, and resurgent gang violence. The Haitian judiciary is conducting investigations into Moïse's possible involvement in money laundering, irregular loans, and embezzlement; the president denies these allegations. He

has dismissed some officials looking into corruption.[66] Because Haiti failed to hold legislative elections, Moïse is now ruling by decree.

In mid-2018, Moïse decided to end oil subsidies, which, coupled with deteriorating economic conditions, sparked massive protests. Government instability heightened after May 2019, when the Superior Court of Auditors delivered a report to the Haitian Senate alleging Moïse had embezzled millions of dollars. Mass demonstrations have called for an end to corruption, the provision of government services, and Moïse's resignation. Nevertheless, a legislative motion to impeach the president did not pass. Moïse has said that he will not resign.

Haiti's elected officials exacerbated the ongoing instability by not forming a government. After the first two prime ministers under Moïse resigned, the Haitian legislature did not confirm the president's subsequent two nominees for prime minister, who serves as head of government. Because the legislature also did not pass an elections law, parliamentary elections scheduled for October 2019 were postponed indefinitely. On January 13, 2020, the terms of the entire lower Chamber of Deputies and two-thirds of the Senate expired, as did the terms of all local government posts, without newly elected officials to take their place. Currently, there is no functioning legislature.

Since January 2020, the U.N., the OAS, and others have supported a dialogue among the government, opposition, civil society, and private sector to establish a functioning government, develop a plan for reform, create a constitutional revision process, and set an electoral calendar.[67] Early talks stalled without producing a national unity government. The Trump Administration supports the efforts to break the political impasse but states that "while constitutional reforms are necessary and welcome, they must not become a pretext to delay elections."[68]

President Moïse appointed a new cabinet and prime minister, Joseph Jouthe, and replaced elected mayors with his own nominees, all by decree. Although creating some stability, the appointments also served to solidify his political control. Moïse has little public support. Armed gangs have proliferated in recent years and have targeted low-income neighborhoods where citizens held anti-government protests. Moïse fired a justice minister after he criticized the government's response to the rise in gangs and violent crime as inadequate. Haitian politicians historically have used gangs for political benefits, and some observers raise concerns that pro-government gangs could bolster Moïse's position.

Some observers are concerned Moïse will use decrees to advance constitutional reforms he advocates, including changes to strengthen Haiti's presidency and executive branch and possibly a provision to allow presidential reelection, setting himself up for a second consecutive term, which Haiti's current constitution prohibits. Moïse likely will schedule legislative elections to coincide with the presidential election, due to be held in 2021. Some observers argue that by continuing to support Moïse, the United Nations, the United States, and other international partners are facilitating Moïse's apparent effort to rule by decree as long as possible.[69]

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[66] Bureau des Avocats Internationaux and Institute for Justice and Democracy in Haiti, "Hearing Before Regional Human Rights Body Leads to Request for Site Visit to Haiti," October 4, 2019, p. 2; and EIU, *Haiti Country Report*, 3rd Quarter 2020.

[67] U.N. Security Council, Report of the Secretary General, S/2020/123, "United Nations Integrated Office in Haiti," February 13, 2020, p. 3.

[68] U.S. Mission to the U.N., "Remarks at a UN Security Council Briefing on the Situation in Haiti, Ambassador Cherith Norman-Chalet," February 20, 2020.

[69] Jacques Létang, "Annex II: Statement by the President of the Haitian Bars Federation, Jacques Létang," United Nations Security Council, "Letter dated 23 June 2020 from the President of the Security Council addressed to the

Haiti has received high levels of U.S. assistance for many years given its proximity to the United States and its status as the poorest country in the hemisphere. In recent years, it was the second-largest recipient of U.S. aid in the region, after Colombia. Since a peak in 2010, the year a massive earthquake hit the country, aid to Haiti has been declining steadily. Since 2014, a prolonged drought and a hurricane have severely affected Haiti's food supply. U.N. peacekeepers inadvertently introduced cholera in Haiti in 2010. After nine years, Haiti has contained the epidemic, having zero laboratory-confirmed cases of cholera since January 2019.[70]

The U.N. has had a continuous presence in Haiti since 2004, recently shifting from peacekeeping missions to a political office, and authorized its Integrated Office in Haiti for an initial one-year period scheduled to expire on October 16, 2020. The office's mandate is to protect and promote human rights and to advise the government of Haiti on strengthening political stability and good governance through support for an inclusive inter-Haitian national dialogue.

With the support of U.N. forces and U.S. and other international assistance, the Haitian National Police (HNP) force became increasingly professional and took on responsibility for domestic security. New police stations have given more Haitians access to security services, but with 14,000-15,000 officers, the HNP's size remains below international standards for the country's population. It is also underfunded. Members of the HNP have been protesting their low pay and unsafe working conditions; their protests have repeatedly turned violent. According to the U.N., the HNP has committed human rights abuses, including extrajudicial killings.[71]

The COVID-19 pandemic adds an additional challenge to governance. The government has limited resources to treat the disease and prevent its spread. A panel of Haitian health experts called for Moïse to suspend U.S. deportations of Haitians held in U.S. prisons to Haiti because they pose a high risk of introducing COVID-19 in Haiti.[72] Conditions are such that the disease is likely to spread rapidly and result in a high death rate, and it could provoke more social unrest. As of September 2, 2020, Haiti reported 8,230 confirmed cases and 203 deaths.[73] The government also is not well equipped to deal with the pandemic's economic impact; Haiti's economy is expected to contract by at least 4% in 2020.[74] Despite the recent surge in cases, Moïse reopened borders in July, hoping to increase economic activity but raising concerns that imported transmission of the virus also will occur.

Congressional Action: The Trump Administration's FY2020 aid request for Haiti totaled $145.5 million, which would have been 25% reduction from FY2019; ultimately, an estimated $172.5 million for FY2020 is being provided through the Further Consolidated Appropriations Act, 2020 (P.L. 116-94). The act requires that aid to Haiti be provided only through the regular notification procedures. Under the act, economic assistance for Haiti may not be made available for assistance to the Haitian central government unless the Secretary of State certifies and reports to the Committees on Appropriations that the government is taking effective steps to strengthen the rule of law, combat corruption, increase government revenues, and resolve commercial disputes. The

Secretary-General and the Permanent Representatives of the members of the Security Council," S/2020/568, June 23, 2020, pp. 5-6; and EIU, *Haiti Country Report*, 3rd Quarter 2020.

[70] The World Bank, "Haiti: Overview," May 1, 2020.

[71] Marta Hurtado, "Press briefing note on Haiti unrest," Office of the U.N. High Commissioner for Human Rights, November 1, 2019.

[72] Jacqueline Charles and Monique O. Madan, "Haiti coronavirus panel demands that ICE halt deportations until pandemic is controlled," *Miami Herald*, May 10, 2020.

[73] Johns Hopkins University School of Medicine, Coronavirus Resource Center, Mortality Analyses, September 2, 2020, updated daily at https://coronavirus.jhu.edu/data/mortality; and Kevin Sieff, "Haiti, Spared A Major Coronavirus Outbreak So Far, Now a 'Tinderbox' Set to 'Explode,'" *Washington Post*, May 15, 2020.

[74] International Monetary Fund, World Economic Outlook Database, April 2020.

act provides budget authority for $51 million in development assistance; it also provides $10 million in International Narcotics Control and Law Enforcement funds for prison assistance, prioritizing improvements to meet basic sanitation, medical, nutritional, and safety needs at Haiti's National Penitentiary. The measure also prohibits the provision of appropriated funds for assistance to Haiti's armed forces.

The Administration's FY2021 request for Haiti totals $128.2 million, almost a 26% cut compared with estimated assistance being provided in FY2020. The House-passed version of the FY2021 foreign aid appropriations bill (Division A of H.R. 7608, H.Rept. 116-444), approved July 24, 2020, would, among its provisions on Haiti, extend the certification requirement contained in P.L. 116-94, provide budget authority for $51 million in development assistance, make the Haitian government eligible to purchase defense articles and services for the Coast Guard, and prohibit funding under the act for assistance to Haiti's armed forces.

As of August 2020, the State Department said the United States was providing $13.2 million in previously announced health and humanitarian assistance for Haiti to support efforts to respond to the COVID-19 pandemic, including aid to support risk communication, improve water and sanitation, prevent infections in health facilities, manage COVID-19 cases, and strengthen laboratories.[75]

The CBTPA, which extends certain trade preferences to Haiti and several other Caribbean nations, is due to expire September 30, 2020 (see "Trade Policy" section, above.) H.R. 991 and S. 2473 would extend the CBTPA through September 2030.

The House Western Hemisphere Subcommittee held a hearing on U.S. policy toward Haiti in December 2019 (see **Appendix**).

For background, see CRS Report R45034, *Haiti's Political and Economic Conditions*, by Maureen Taft-Morales.

Mexico and Central America

Mexico

Congress has demonstrated renewed interest in Mexico, a neighboring country and top trading partner with which the United States has a close but complicated relationship. In recent decades, U.S.-Mexican relations have improved, as the countries have become close trade partners and worked to address crime and other issues of shared concern. Nevertheless, the history of U.S. military and diplomatic intervention in Mexico and the asymmetry in the relationship continue to provoke periodic tension.

The United States-Mexico-Canada Free Trade Agreement (USMCA), approved by Congress in January 2020, entered into force on July 1, 2020, and its implementation is likely to receive congressional attention. Congress remains concerned about the effects of organized-crime-related violence in Mexico on U.S. security interests and U.S. citizens' safety in Mexico and has increased oversight of U.S.-Mexican security cooperation. Congress may appropriate foreign assistance for Mexico and oversee bilateral efforts to address U.S.-bound unauthorized migration, illegal drug flows, and the COVID-19 pandemic.

Andrés Manuel López Obrador, the populist leader of the National Regeneration Movement (MORENA) party, which he created in 2014, took office for a six-year term in December 2018.

[75] U.S. Department of State, Office of the Spokesperson, "Update: The United States Is Continuing To Lead the Response to COVID-19," fact sheet, August 21, 2020.

He is the first Mexican president in over two decades to enjoy majorities in both legislative chambers. In addition to combating corruption, he pledged to build infrastructure in southern Mexico, revive the poor-performing state oil company, address citizen security through social programs, and adopt a non-interventionist foreign policy.

President López Obrador's approval ratings have remained relatively high (58% in July 2020), even as his government has struggled to address organized crime-related violence, the COVID-19 pandemic, and a deep recession. In 2019, most Mexicans approved of the López Obrador government's new social programs and minimum wage increases, but some viewed the cuts to government expenditures as shortsighted. After several high-profile massacres and record homicide levels, the López Obrador government came under pressure to improve its security strategy. Mexico's economy recorded zero growth in 2019, and the IMF estimates that it may contract 10.5% in 2020. Nevertheless, President López Obrador has been slow to implement economic policies and public health measures to mitigate the impact of COVID-19, which had caused 65,241 reported deaths as of September 2, 2020.[76]

Despite some predictions to the contrary, U.S.-Mexico relations under the López Obrador government have remained cordial thus far. Nevertheless, tensions have emerged over several issues, including trade disputes and tariffs, immigration and border security issues, and U.S. citizens killed in Mexico. Security cooperation under the Mérida Initiative has continued, including efforts to address the production and trafficking of opioids and methamphetamine, but the Administration has pushed Mexico to improve its antidrug efforts. The López Obrador's administration has accommodated most of the Trump Administration's border and asylum policy changes that have shifted the burden of interdicting migrants and offering asylum to Mexico. After enacting labor reforms and raising wages, the López Obrador administration achieved a key foreign policy goal: U.S. congressional approval of implementing legislation for the USMCA. On July 8, 2020, President López Obrador traveled to Washington, DC, to meet with President Trump to mark the agreement's entry into force and to sign a joint declaration on goals for bilateral relations.[77]

Congressional Action: The 116th Congress closely followed the Trump Administration's efforts to renegotiate NAFTA and recommended modifications to the proposed USMCA (on labor, the environment, and dispute settlement, among other topics) that led to the three countries signing an amendment to the agreement on December 10, 2019. The House approved the implementing legislation for the proposed USMCA in December 2019, and the Senate followed suit in January 16, 2020 (P.L. 116-113). Both houses have taken action on H.R. 133, the United States-Mexico Economic Partnership Act (H.R. 133), which directs the Secretary of State to enhance economic cooperation and educational and professional exchanges with Mexico; the House approved the measure in January 2019, and the Senate approved an amended version in January 2020. The FY2020 NDAA (P.L. 116-92) requires a classified assessment of drug trafficking, human trafficking, and alien smuggling in Mexico.

Regarding foreign aid, Congress provided $162.5 million in foreign assistance to Mexico in FY2019 (P.L. 116-6) and an estimated $157.9 million in FY2020 (P.L. 116-94). For FY2021, the Administration requested $63.8 million for Mexico, a decline of almost 60% compared with that provided in FY2020. The House-passed version of the FY2021 foreign aid appropriations bill, Division A of H.R. 7608, would provide $159.9 million for Mexico. H.Rept. 116-444, the report

[76] Johns Hopkins University School of Medicine, Coronavirus Resource Center, Mortality Analyses, September 2, 2020, updated daily at https://coronavirus.jhu.edu/data/mortality.

[77] The White House, "Remarks by President Trump and President López Obrador of the United Mexican States in Signing of a Joint Declaration," July 8, 2020.

accompanying the measure, would require a comprehensive strategy on the Mérida Initiative, as well as reports on (1) steps Mexico is taking to meet human rights standards, (2) how Mexico is addressing highway crimes, and (3) the challenges facing U.S. citizen minors in Mexico.

Additional House-passed bills with provisions on Mexico that have not yet received Senate consideration include H.R. 951, the United States-Mexico Tourism Improvement Act of 2019, approved by the House in April 2019, which would require the State Department to develop a strategy to improve bilateral tourism. More recently, the FY2021 House-passed NDAA (H.R. 6395) would require a report on Mexican security forces. The House-passed FY2018-FY2020 Intelligence Authorization Act (H.R. 3494) would require intelligence assessments of drug trafficking, human smuggling, and human smuggling in Mexico (and the Northern Triangle) and a review of intelligence community collection efforts in that region.

In the wake of recent high-profile massacres in Mexico, congressional concerns about the efficacy of U.S.-Mexican security cooperation and calls for oversight have increased. Other oversight issues may include bilateral public health, immigration, and economic responses to COVID-19, as well as the entry into force of the USMCA.

For additional information, see CRS Report R42917, *Mexico: Background and U.S. Relations*, by Clare Ribando Seelke; CRS Report RL32934, *U.S.-Mexico Economic Relations: Trends, Issues, and Implications*, by M. Angeles Villarreal; CRS In Focus IF10997, *U.S.-Mexico-Canada (USMCA) Trade Agreement*, by M. Angeles Villarreal and Ian F. Fergusson; CRS In Focus IF10578, *Mexico: Evolution of the Mérida Initiative, 2007-2020*, by Clare Ribando Seelke; CRS Report R41576, *Mexico: Organized Crime and Drug Trafficking Organizations*, by June S. Beittel; CRS In Focus IF10215, *Mexico's Immigration Control Efforts*, by Clare Ribando Seelke; and CRS In Focus IF10400, *Trends in Mexican Opioid Trafficking and Implications for U.S.-Mexico Security Cooperation*, by Liana W. Rosen and Clare Ribando Seelke.

Central America's Northern Triangle

The Northern Triangle region of Central America (see **Figure 3**) has received renewed attention from U.S. policymakers in recent years, as it has become a major transit corridor for illicit drugs and has surpassed Mexico as the largest source of irregular migration to the United States. In FY2019, U.S. authorities apprehended nearly 608,000 unauthorized migrants from El Salvador, Guatemala, and Honduras at the southwest border; 81% of those apprehended were families or unaccompanied minors, many of whom were seeking asylum.[78] These narcotics and migrant flows are the latest symptoms of deep-rooted challenges in the region, including widespread insecurity, fragile political and judicial systems, and high levels of poverty. The COVID-19 pandemic has exacerbated these challenges, as the sharp economic downturn has led to increased unemployment and food insecurity, and some governments have used the crisis to curtail civil liberties and engage in corruption.

The Obama Administration determined it was in the national security interests of the United States to work with Central American countries to improve security, strengthen governance, and promote prosperity in the region. Accordingly, the Obama Administration launched a whole-of-government U.S. Strategy for Engagement in Central America and requested a significant increase in foreign assistance for the region to support the strategy's implementation. Since FY2016, Congress has appropriated more than $3.1 billion of aid for Central America, allocating most of the funds to El Salvador, Guatemala, and Honduras. Annual appropriations measures have required a portion of the aid to be withheld, however, until the Northern Triangle

[78] CBP, "U.S. Border Patrol Southwest Border Apprehensions by Sector Fiscal Year 2019," October 29, 2019.

governments take steps to improve border security, combat corruption, protect human rights, and address other congressional concerns.

Figure 3. Map of Central America

Source: CRS Graphics.

Notes: Belize, although located in Central America, is considered a Caribbean country and belongs to the Caribbean Community (CARICOM).

The Trump Administration has maintained the U.S. Strategy for Engagement in Central America but suspended most aid for the Northern Triangle in March 2019 due to the continued northward flow of migrants and asylum seekers from the region. The aid suspension forced U.S. agencies to close some projects prematurely and cancel some planned activities. Although Administration officials acknowledged that U.S. foreign aid programs had been "producing the results [they] were intended to produce" with regard to security, governance, and economic development in the region, they argued that, "the only metric that matters is the question of what the migration situation looks like on the southern border" of the United States.[79]

Over the course of 2019, the Trump Administration reprogrammed approximately $405 million of aid appropriated for the Northern Triangle to other foreign policy priorities while negotiating a series of migration agreements with Guatemala, Honduras, and El Salvador. Under a *safe third country* agreement (also known as an *asylum cooperative agreement*), the United States sent nearly 1,000 Hondurans and Salvadorans to Guatemala between November 2019 and March 2020, requiring them to apply for protection there rather than in the United States.[80] Guatemala suspended that agreement in March 2020 due to the COVID-19 pandemic; similar agreements with Honduras and El Salvador that had yet to be implemented also were suspended. Although U.S. deportations to all three countries have continued, Guatemala has suspended repatriation flights on multiple occasions due to nearly 200 deportees reportedly testing positive for COVID-19 after arriving in Guatemala.[81]

[79] Remarks of Michael G. Kozak, Acting Assistant Secretary of State for the Bureau of Western Hemisphere Affairs and Kirsten D. Madison, Acting Assistant Secretary of State for the Bureau of Narcotics and Law Enforcement Affairs, "Senate Foreign Relations Committee Holds Hearing on U.S. Policy in Mexico and Central America," *CQ Congressional Transcripts*, September 25, 2019.

[80] Instituto Guatemalteco de Migración, "Traslados Acuerdo de Cooperación de Asilo –ACA," data provided to CRS in April 2020.

[81] "Guatemala Says 8 Minors of 60 Deported Were COVID-19 Positive," Associated Press, August 25, 2020.

In October 2019, following the conclusion of the migration agreements, the Administration announced it would begin restoring targeted aid to the region. As of mid-June 2020, the Administration was in the process of obligating the last of the previously suspended assistance. For FY2021, the Administration has requested almost $377 million for Central America, based on the assumption that countries in the region will continue to take action to stem unauthorized migration to the United States. The request does not include any foreign aid specifically for El Salvador, Guatemala, or Honduras, but the Administration asserts that those countries could receive a portion of the assistance requested for CARSI and the USAID Latin America and Caribbean Regional Program.

Congressional Action: The 116th Congress has demonstrated continued support for the U.S. Strategy for Engagement in Central America but has reduced annual funding for the initiative. The Consolidated Appropriations Act, 2019 (P.L. 116-6) provided $527.6 million for the Central America strategy, which is about $92 million more than the Trump Administration requested. The Further Consolidated Appropriations Act, 2020 (P.L. 116-94), provided $519.9 million for the initiative, which is about $75 million more than the Trump Administration requested.[82] For FY2021, the House-passed foreign aid appropriations bill (H.R. 7608, H.Rept. 116-444) would again provide $519.9 million for Central America, which is $143 million more than the Administration requested. The bill would maintain conditions on U.S. assistance to the governments of the Northern Triangle.

Congress has also sought to improve the effectiveness of the Central America strategy. The Senate Foreign Relations Committee, House Foreign Affairs Committee, and House Western Hemisphere Subcommittee each held oversight hearings to assess U.S. policy and foreign assistance in Central America (see **Appendix**). The United States-Northern Triangle Enhanced Engagement Act (H.R. 2615), passed by the House in July 2019, would authorize assistance for Central America and require the State Department, in coordination with other agencies, to develop five-year strategies to support inclusive economic growth, combat corruption, strengthen democratic institutions, and improve security conditions in the Northern Triangle. Many of those same provisions are included in the House-passed FY2021 NDAA (H.R. 6395). Other measures introduced in the 116th Congress that would authorize certain types of assistance and guide U.S. policy in the region include the Central America Reform and Enforcement Act (S. 1445), the Northern Triangle and Border Stabilization Act (H.R. 3524), and the Central American Women and Children Protection Act (H.R. 2836/S. 1781).

Congress has continued to express concerns about corruption and human rights abuses in the region. P.L. 116-94 provides $45 million for offices of attorneys general and other entities and activities to combat corruption and impunity in Central America in FY2020. That act also includes $20 million for combating sexual and gender-based violence in the region, as well as a total of $3 million for the offices of the U.N. High Commissioner for Human Rights in Guatemala and Honduras and El Salvador's National Commission for the Search of Persons Disappeared in the Context of the Armed Conflict. H.R. 7608 would maintain the same funding levels for those priorities in FY2021. H.Rept. 116-444 would direct the Secretary of State, in consultation with the Secretary of the Treasury, to report the names of Northern Triangle officials known to have engaged in corruption and the steps that have been taken to impose sanctions on those individuals.

Several other legislative measures also include provisions intended to address corruption and human rights abuses in the Northern Triangle. The FY2020 NDAA (P.L. 116-92) requires DOD to

[82] Final allocations have differed slightly from enacted levels, with funding for the strategy totaling approximately $525 million in FY2019 and an estimated $533 million in FY2020.

enter into an agreement with an independent institution to conduct an analysis of the human rights situation in Honduras. The act also requires DOD to certify, prior to the transfer of any vehicles to the Guatemalan government, that the government has made a credible commitment to use such equipment only as intended. A provision in the House-passed FY2021 NDAA, H.R. 6395, would extend the certification for assistance for Guatemala for another year. Other initiatives introduced in the 116th Congress addressing corruption and human rights include the Guatemala Rule of Law Accountability Act (H.R. 1630/S. 716) and the Berta Caceres Human Rights in Honduras Act (H.R. 1945).

For additional information, see CRS Report R44812, *U.S. Strategy for Engagement in Central America: Policy Issues for Congress*, by Peter J. Meyer; CRS Report R43616, *El Salvador: Background and U.S. Relations*, by Clare Ribando Seelke; CRS Report R42580, *Guatemala: Political and Socioeconomic Conditions and U.S. Relations*, by Maureen Taft-Morales; CRS Report RL34027, *Honduras: Background and U.S. Relations*, by Peter J. Meyer; and CRS Legal Sidebar LSB10402, *Safe Third Country Agreements with Northern Triangle Countries: Background and Legal Issues*, by Ben Harrington.

Nicaragua

President Daniel Ortega, who will turn 75 in November 2020, has been suppressing popular unrest in Nicaragua in a manner reminiscent of Anastasio Somoza, the dictator he helped overthrow in 1979 as a leader of the leftist Sandinista National Liberation Front (FSLN). Ortega served as president from 1985 to 1990, during which time the United States backed right-wing insurgents known as *contras* in an attempt to overthrow the Sandinista government. In the early 1990s, Nicaragua began to establish democratic governance. Democratic space has narrowed as the FSLN and Ortega have consolidated control over the country's institutions, including while Ortega served as an opposition leader in the legislature from 1990 until 2006. Ortega reclaimed the presidency in 2007 and has served as president for the past 13 years, becoming increasingly authoritarian. Until recently, for many Nicaraguans, Ortega's populist social welfare programs that improved their standard of living outweighed his authoritarian tendencies and self-enrichment. Similarly, for many in the international community, the relative stability in Nicaragua outweighed Ortega's antidemocratic actions.

Ortega's long-term strategy to retain control of the government began to unravel in 2018 when his proposal to reduce social security benefits triggered protests led by a wide range of Nicaraguans. The government's repressive response led to an estimated 325-600 extrajudicial killings, torture, political imprisonment, suppression of the press, and thousands of citizens going into exile.[83] The government says it was defending itself from coup attempts. Such suppression has continued. The crisis undermined economic growth in the hemisphere's second poorest country, and the COVID-19 pandemic is expected to make it worse. Nicaragua's economy contracted by almost 4% in 2019; in April 2020, the IMF estimated it would contract by 6% in 2020, with unemployment nearly doubling from 6% to 11%.[84]

The international community has sought to hold the Ortega government accountable for human rights abuses and facilitate the reestablishment of democracy in Nicaragua. An Inter-American Commission on Human Rights team concluded in July 2018 that the Nicaraguan security forces' actions could be considered crimes against humanity. In November 2019, the OAS High Level

[83] Organization of American States, *Report of the High-Level Commission on Nicaragua of the Organization of American States*, November 19, 2019.

[84] IMF, World Economic Outlook Database, April 2020.

Commission on Nicaragua concluded that the government's actions "make the democratic functioning of the country impossible," in violation of Nicaragua's obligations under Article 1 of the Inter-American Democratic Charter. Many OAS members reportedly are urging that Nicaragua be suspended from the organization.[85] The Nicaragua Human Rights and Anticorruption Act of 2018 (P.L. 115-335), effectively blocks access to new multilateral lending to Nicaragua. The Trump Administration has imposed targeted sanctions against multiple high-level officials, including Vice President and First Lady Rosario Murillo. In March 2020, the Trump Administration imposed sanctions against the Nicaraguan National Police for its role in serious human rights abuses. On July 17, 2020, the Treasury Department sanctioned Juan Carlos Ortega Murillo, the third son of the president to be sanctioned.

Dialogue between the government and the opposition collapsed in 2019 and has not resumed. Two wings of protest groups united into the National Coalition, hoping to present a unified candidate in 2021 general elections. Sandinista-controlled state institutions are likely to impede such efforts, however.

Although Nicaragua announced its first case of COVID-19 on March 18, 2020, as of May 12, the Sandinista government had maintained the position it established in February, that "Nicaragua has not and will not establish any type of quarantine." Although the Health Ministry reportedly told hospital directors and health officials in late April to prepare for the pandemic, Nicaragua has not taken other internationally recommended preventive measures against the COVID-19 virus, and has encouraged large gatherings. Experts and observers are concerned that the government is now concealing the disease's spread. While the government reports low numbers (4,668 cases and 141 deaths as of September 2, 2020), health specialists and non-governmental organizations estimate the number of cases to be much higher, and some observers say the government is burying patients suspected of dying of COVID-19 within hours and concealing the cause of death from families.[86]

Congressional Action: The 116th Congress remains concerned about the erosion of democracy and human rights abuses in Nicaragua. The Further Consolidated Appropriations Act, 2020 (P.L. 116-94) appropriates $10 million for foreign assistance programs to promote democracy and the rule of law in Nicaragua. For FY2021, the Administration has requested $10 million for democracy and civil society programs in Nicaragua; the House-passed foreign aid appropriations measure (Division A of H.R. 7608, H.Rept. 116-444) would fully the Administration's request.

In March 2020, the House approved H.Res. 754, a resolution expressing the sense of the House of Representatives that the United States should continue to support the people of Nicaragua in their peaceful efforts to promote democracy and human rights and to use the tools under U.S. law to increase political and financial pressure on the Ortega government. In June 2020, the Senate agreed to a similar resolution, S.Res. 525. In June 2019, the House Western Hemisphere Subcommittee held a hearing on the Nicaraguan government's repression of dissent (see **Appendix**).

[85] EIU, *Nicaragua Country Report*, August 2020.

[86] Alfredo Zuniga, "Quick burials in Nicaragua hint at a coronavirus crisis that officials say doesn't exist," Associated Press, May 12, 2020. Nicaragua's COVID-19 cases are from: Johns Hopkins University School of Medicine, Coronavirus Resource Center, Mortality Analyses, September 2, 2020, updated daily at https://coronavirus.jhu.edu/data/mortality.

South America

Argentina

Current President Alberto Fernández of the center-left Peronist *Frente de Todos* (FdT, Front for All) ticket won the October 2019 presidential election and was inaugurated to a four-year term in December 2019. He defeated incumbent President Mauricio Macri of the center-right *Juntos por el Cambio* (JC, Together for Change) coalition by a solid margin of 48.1% to 40.4% but by significantly less than the 15 to 20 percentage points predicted by polls. The election also returned to government former leftist Peronist President Cristina Fernández de Kirchner (2007-2015), who ran on the FdT ticket as vice president.

Argentina's economic decline in 2018 and 2019, with high inflation and increasing poverty, was the major factor in Macri's electoral defeat. Macri had ushered in economic policy changes in 2016-2017 that lifted currency controls, reduced or eliminated agricultural export taxes, and reduced electricity, water, and heating subsidies. In 2018, as the economy faced pressure from a severe drought and large budget deficits, the IMF supported the government with a $57 billion program. Macri's economic reforms and IMF support were not enough to stem Argentina's economic decline, and the government reimposed currency controls and took other measures to stabilize the economy.

Even before the onset of the COVID-19 pandemic, President Fernández faced an economy in crisis, with a recession expected to extend into 2020, high poverty, and a high level of unsustainable public debt requiring restructuring. He pledged to restructure Argentina's debt by the end of March 2020, and opened talks with bondholders and other creditors, including the IMF. Fernández also rolled out several measures, including a food program and price controls on basic goods, aimed at helping low-income Argentines cope with inflation and increased poverty. By August 2020, the government announced it had reached an agreement with private bondholders for a $66 billion restructuring agreement and requested negotiations with the IMF to replace its previous $57 billion program.[87]

The Fernández government's swift action imposing strict quarantine measures to respond to the COVID-19 pandemic in mid-March 2020 appears to have had a significant effect in keeping death rates low initially. However, by July 2020, the number of confirmed cases and deaths began to increase significantly (almost 9,000 deaths as of September 2, 2020).[88] With the economic shutdown because of the pandemic, the IMF forecast in April 2020 an economic contraction of 5.7% in 2020; in June 2020, the IMF revised its forecast to an economic contraction of 9.9%.[89]

U.S. relations with Argentina were strong under the Macri government, marked by increasing engagement on a range of bilateral, regional, and global issues. After Argentina's 2019 presidential race, Secretary of State Mike Pompeo said that the United States looked forward to working with the Fernández administration to promote regional security, prosperity, and the rule of law. One point of contention in relations could be Argentina's stance on Venezuela. Under Macri, Argentina was strongly critical of the antidemocratic actions of the Maduro regime. The country joined with other regional countries in 2017 to form the Lima Group seeking a

[87] "Argentina: Gov't and Bondholders Reach Agreement," *LatinNews Daily*, August 4, 2020; and Patrick Gillespie and Jorgelina Do Rosario, "Argentina Asks for New IMF Plan to Replace $57 Billion Deal," Bloomberg, August 26, 2020.

[88] Johns Hopkins University School of Medicine, Coronavirus Resource Center, Mortality Analyses, September 2, 2020, updated daily at https://coronavirus.jhu.edu/data/mortality.

[89] IMF, World Economic Outlook Database, April 2020, and "Outlook for Latin America and the Caribbean: An Intensifying Pandemic," *IMF Blog*, June 26, 2020.

democratic resolution, and in 2019, recognized the head of Venezuela's National Assembly, Juan Guaidó, as the country's interim president. In contrast, the Fernández government does not recognize Guaidó as Venezuela's interim president.

Congressional Action: Argentina has not traditionally received much U.S. foreign aid because of its relatively high per capita income level, but for each of FY2018-FY2020, Congress has appropriated $2.5 million in International Narcotics Control and Law Enforcement assistance to support Argentina's counterterrorism, counternarcotics, and law enforcement capabilities.

Congress has expressed concern over the years about progress in bringing to justice those responsible for the July 1994 bombing of the Argentine-Israeli Mutual Association (AMIA) in Buenos Aires that killed 85 people. Both Iran and Hezbollah (the radical Lebanon-based Islamic group) allegedly are linked to the attack, as well as to the 1992 bombing of the Israeli Embassy in Buenos Aires that killed 29 people. As the 25th anniversary of the AMIA bombing approached in July 2019, the House approved H.Res. 441, reiterating condemnation of the attack and expressing strong support for accountability; the Senate followed suit in October 2019 when it approved S.Res. 277.

For additional information, see CRS In Focus IF10932, *Argentina: An Overview*, by Mark P. Sullivan; CRS In Focus IF10991, *Argentina's Economic Crisis and Default*, by Rebecca M. Nelson; and CRS Insight IN11184, *Argentina's 2019 Elections*, by Mark P. Sullivan and Angel Carrasquillo Benoit.

Bolivia

Bolivia experienced relative stability and prosperity from 2006 to 2019, but as governance standards weakened, relations with the United States deteriorated under populist President Evo Morales. Morales was the country's first indigenous president and leader of the Movement Toward Socialism (MAS) party. On November 10, 2019, President Morales resigned and sought protection abroad (first in Mexico and then in Argentina) after weeks of protests alleging fraud in the October 20, 2019, election in which he had sought a fourth term. After three individuals in line to succeed Morales also resigned, opposition Senator Jeanine Áñez, formerly second vice president of the senate, declared herself senate president and then interim president on November 12. Bolivia's constitutional court recognized her succession. In late November, the MAS-led Congress unanimously approved an electoral law to annul the October elections and select a new electoral tribunal. On January 3, 2020, the reconstituted tribunal scheduled new presidential and legislative elections for May 3, 2020, but then postponed them twice due to the COVID-19 pandemic and national quarantine. With protests mounting about the delays, electoral authorities established October 18, 2020, as the first-round election date.

The situation in Bolivia remains volatile. On January 24, 2020, Interim President Áñez announced her intention to run in the May presidential election, abandoning her earlier pledge to preside over a caretaker government focused on convening credible elections. Even before she announced her candidacy, observers had criticized Áñez for exceeding her mandate by using excessive force against protesters, reversing several MAS foreign policy positions, and bringing charges of sedition and terrorism against Morales and other former MAS officials.

The Trump Administration has sought to bolster ties with the Áñez government while expressing support for "free, fair, transparent, and inclusive elections."[90] U.S. officials have praised the Áñez

[90] U.S. Department of State, U.S. Embassy in Bolivia, "Secretary Pompeo's Meeting with Bolivian Foreign Minister Longaric," readout, January 20, 2020.

government for expelling Cuban officials and recognizing Venezuela's Guaidó government. In January 2020, President Trump waived restrictions on U.S. assistance to Bolivia.[91] USAID has provided $3 million in support for the upcoming elections, and, as of August 2020, the State Department said it was providing $900,000 to help Bolivia respond to the COVID-19 pandemic. U.S. officials have not commented on reports by the U.N. High Commissioner for Human Rights and other institutions on human rights abuses committed by the Áñez government or criticized that government's corruption scandals.[92]

Congressional Action: Members of the 116th Congress have expressed concerns about the situation in Bolivia in resolutions and letters to the Administration. S.Res. 35, approved in April 2019, expressed concern over Morales's efforts to circumvent term limits in Bolivia and called on his government to allow electoral bodies to administer the October 2019 elections in accordance with international norms. Although some Members condemned the ouster of Morales as a "coup," most have focused on ensuring a democratic transition. In January 2020, the Senate agreed by unanimous consent to S.Res. 447, expressing concerns about election irregularities and violence in Bolivia, urging the Bolivian government to protect human rights and promptly convene new elections, and encouraging the U.S. State Department and the OAS to help ensure the integrity of the electoral process.

For more information, see CRS Insight IN11198, *Bolivia: Elections Postponed to October*, by Clare Ribando Seelke and CRS In Focus IF11325, *Bolivia: An Overview*, by Clare Ribando Seelke.

Brazil

Occupying almost half of South America, Brazil is the fifth-largest and fifth-most-populous country in the world. Given its size and tremendous natural resources, Brazil has long had the potential to become a world power and periodically has been the focal point of U.S. policy in Latin America. Brazil's rise to prominence has been hindered, however, by uneven economic performance and political instability. After a period of strong economic growth and increased international influence during the first decade of the 21st century, Brazil has struggled with a series of domestic crises in recent years. Since 2014, the country has experienced a deep recession, record-high homicide rate, and massive corruption scandal. Those combined crises contributed to the controversial impeachment and removal from office of President Dilma Rousseff (2011-2016). They also discredited much of Brazil's political class, paving the way for right-wing populist Jair Bolsonaro to win the presidency in October 2018.

Since taking office in January 2019, President Bolsonaro has begun to implement economic and regulatory reforms favored by international investors and Brazilian businesses and has proposed hardline security policies intended to reduce crime and violence. Rather than building a broad-based coalition to advance his agenda, Bolsonaro has sought to keep his political base mobilized by taking socially conservative stands on cultural issues and verbally attacking perceived enemies, such as the press, nongovernmental organizations, and other branches of government. This confrontational approach to governance has alienated potential allies within the conservative-leaning congress and hindered Brazil's ability to address serious challenges, such as the COVID-19 pandemic and accelerating deforestation in the Brazilian Amazon. It also has

[91] White House, Office of the Press Secretary, "Presidential Determination on Waiving a Restriction on United States Assistance to Bolivia," presidential memorandum, January 6, 2020.

[92] U.N. Office of the High Commissioner for Human Rights, *The Human Rights Situation in the Aftermath of the October 20, 2019 General Elections in Bolivia,* August 2020; "Bolivian Health Minister Held For Suspected Corruption," Agence France Presse, May 20, 2020.

placed additional stress on the country's already strained democratic institutions. With COVID-19 continuing to spread throughout the country and the economy projected to contract 9.1% in 2020, Brazilian public opinion toward Bolsonaro remains polarized.

In international affairs, the Bolsonaro Administration has moved away from Brazil's traditional commitment to autonomy and toward alignment with the United States. Bolsonaro has coordinated closely with the Trump Administration on regional challenges, such as the crisis in Venezuela. On other matters, such as commercial ties with China, Bolsonaro generally has taken a pragmatic approach intended to ensure continued access to Brazil's major export markets. The Trump Administration has welcomed Bolsonaro's rapprochement and sought to strengthen U.S.-Brazilian relations. In 2019, the Trump Administration took steps to bolster bilateral cooperation on counternarcotics and counterterrorism efforts and designated Brazil as a major non-NATO ally for the purposes of the Foreign Assistance Act of 1961, as amended (22 U.S.C. 2321k) and the Arms Export Control Act (22 U.S.C. 2751 et seq.). The United States and Brazil also have agreed to lower some agricultural trade barriers and have begun negotiating additional accords on customs administration, e-commerce rules, regulatory practices, and anti-corruption measures.

Congressional Action: The 116th Congress has continued long-standing U.S. support for environmental conservation efforts in Brazil. In September 2019, the House Western Hemisphere Subcommittee held an oversight hearing on preserving the Amazon rainforest that focused on the surge of fires and deforestation in the region (see **Appendix**). Congress ultimately appropriated $15 million for foreign assistance programs in the Brazilian Amazon, including $5 million to address fires in the region, in the Further Consolidated Appropriations Act, 2020 (P.L. 116-94). That amount is $4 million more than Congress appropriated for environmental programs in the Brazilian Amazon in the Consolidated Appropriations Act, 2019 (P.L. 116-6). The House-passed FY2021 foreign aid appropriations bill (H.R. 7608, H.Rept. 116-444) would again provide $15 million for conservation efforts in the Brazilian Amazon.

Members of Congress have introduced several other legislative proposals intended to protect the Brazilian Amazon. A Senate resolution (S.Res. 337) would express concern about fires and illegal deforestation in the Amazon, call on the Brazilian government to strengthen environmental enforcement, and support continued U.S. assistance to the Brazilian government and NGOs. The Act for the Amazon Act (H.R. 4263) would take a more punitive approach. The act would ban the importation of certain fossil fuels and agricultural products from Brazil, prohibit certain types of military-to-military engagement and security assistance to Brazil, and forbid U.S. agencies from entering into free trade negotiations with Brazil.

Congress also has expressed concerns about the state of democracy and human rights in Brazil. A provision of the FY2020 NDAA (P.L. 116-92) directs the Secretary of Defense, in coordination with the Secretary of State, to submit a report to Congress regarding the human rights climate in Brazil and U.S.-Brazilian security cooperation. A provision in the House-passed FY2021 NDAA (H.R. 6395) would prohibit the use of any federal funds to provide assistance to Brazilian security forces to involuntarily relocate indigenous or Quilombola communities. Some Members have called for more far-reaching changes to U.S.-Brazilian security cooperation. A resolution introduced in September 2019 expressing profound concerns about threats to human rights, the rule of law, democracy, and the environment in Brazil (H.Res. 594) would call for the United States to rescind Brazil's designation as a major non-NATO ally and suspend assistance to Brazilian security forces, among other actions.

For additional information, see CRS Report R46236, *Brazil: Background and U.S. Relations*, by Peter J. Meyer; and CRS In Focus IF11306, *Fire and Deforestation in the Brazilian Amazon*, by Pervaze A. Sheikh et al.

Colombia

Colombia is a key U.S. ally in Latin America. Because of the country's prominence in illegal drug production, the United States and Colombia have forged a close relationship over the past two decades. "Plan Colombia," a program focused initially on counternarcotics and later counterterrorism, laid the foundation for an enduring security partnership. President Juan Manuel Santos (2010-2018) made concluding a peace accord with the Revolutionary Armed Forces of Colombia (FARC)—the country's largest leftist guerrilla organization at the time—his government's primary focus. Following four years of formal peace negotiations, Colombia's Congress ratified the FARC-government peace accord in November 2016. During a U.N.-monitored demobilization effort in 2017, approximately 13,200 FARC disarmed, demobilized, and began the process of reintegration.

Iván Duque, a former senator from the conservative Democratic Center party, won the 2018 presidential election and was inaugurated to a four-year term in August 2018. Duque campaigned as a critic of the peace accord and quickly suspended peace talks with the National Liberation Army (ELN), Colombia's current largest leftist guerrilla group. President Duque's approval ratings slipped early in his presidency, and his government faced weeks of protests and strikes in late 2019 focused on several administration policies, including what many Colombians viewed as a halting approach to peace accord implementation.

According to polling in spring of 2020, President Duque's approval ratings rose from 23% in February to 52% in April—the highest of his tenure. Although the rise likely was linked to Duque's management of the COVID-19 pandemic, Colombian respondents rated corruption as their top concern, followed by unemployment and the coronavirus.[93] The Duque administration took early measures to contain the virus, including a national lockdown beginning March 24, 2020, which was fitfully lifted between May and August. However, by September 2, 2020, Colombia surpassed 20,000 COVID-19 deaths (40 deaths per 100,000).[94] As of August 21, 2020, the U.S. State Department announced some $23.6 million in pandemic-related response assistance, including humanitarian assistance to reach Colombia's most vulnerable populations.[95]

Along with the global pandemic, Colombia continues to face major challenges. These include a spike in coca cultivation and cocaine production; vulnerability to a mass migration of Venezuelans fleeing the authoritarian government of Maduro; violence against human rights defenders and social activists, including recent massacres of youth and those leading peace programs; and challenges enacting the ambitious peace accord commitments while controlling crime and violence by armed groups.

In August 2019, a FARC splinter faction announced its return to arms. Neighboring Venezuela appears to be sheltering and perhaps collaborating with FARC dissidents and ELN guerrilla forces. Some 3,000-4,000 former FARC fighters are estimated to have returned to armed struggle. The majority of demobilized FARC members remain committed to the peace process, but face numerous risks, with more than 200 former fighters and demobilized FARC killed since 2016.

[93] "Coronavirus Response Boosts Approval for Colombia's Duque," Reuters News, April 30, 2020.

[94] Data from the Johns Hopkins University School of Medicine, Coronavirus Resource Center, Mortality Analyses, September 2, 2020, updated daily at https://coronavirus.jhu.edu/data/mortality.

[95] U.S. State Department, "Update: The United States is Continuing to Lead the Response to COVID-19," Fact Sheet, August 21, 2020. The support included 200 ventilators provided by the United States in June 2020.

In February 2020, 1.8 million Venezuelans were residing in Colombia, having fled their homes. The pandemic, however, has sharply strained the Duque government's approach to receiving the exodus of Venezuelan migrants and refugees, with some opting to return to Venezuela as a result.

Senator and former President Álvaro Uribe (2002-2010), credited with bringing the conflict with Colombia's insurgencies under control, was ordered into house arrest by the Colombian Supreme Court during its investigation of witness tampering charges early in August 2020. Later that month, he was asked to testify in another Supreme Court probe about three massacres that occurred during the 1990s when he served as a state governor of Antioquia. In a separate development in August 2020, the Duque government requested the extradition of a Colombian paramilitary leader who had served a 12-year prison sentence for drug trafficking in the United States and was wanted in Colombia on charges of crimes against humanity; at the end of August, press reports indicated the Trump Administration would, pending legal challenges, move to deport the paramilitary leader to Colombia.[96]

Colombia has set records in cocaine production in recent years. In 2019, according to U.S. estimates, the country's cocaine production reached 951 metric tons of pure cocaine. In 2019, President Duque and Secretary of State Mike Pompeo reaffirmed a March 2018 commitment to work together to lower coca crop levels and cocaine production by 50% by 2023.[97] President Duque campaigned on resuming forced aerial eradication (or spraying of coca crops) with the herbicide glyphosate, and in late August 2020, he called for a resumption of spraying while escalating other means of forced eradication, such as forced manual eradication.[98] Critics contend only voluntary eradication coupled with alternative development will reduce coca cultivation sustainably.

The United States remains Colombia's top trading partner. In April 2020, Colombia became the third Latin American country-member of the Organization of Economic Cooperation and Development. Prior to the coronavirus pandemic, the IMF forecast that Colombia's economy would exceed 3% growth in 2020; following the pandemic's outbreak and a crash in oil prices, a top Colombian export, the IMF revised its forecast in June 2020 to a contraction of 7.8%.[99] In August 2020, the Trump Administration announced a new United States-Colombia Growth Initiative, *Colombia Crece*, to harness assistance from a variety of U.S. agencies to bring investment to Colombia's rural areas and fight crime through sustainable development and growth. According to the U.S. National Security Adviser Robert O'Brien, on an official visit to Colombia in August, investment levels will reach $5 billion.[100]

Congressional Action: U.S. government assistance to Colombia over the past 20 years has totaled nearly $12 billion, with funds appropriated by Congress mainly to the U.S. Departments of State and Defense and to USAID.[101] Many Members of Congress have expressed support for Colombia's continued leadership role to assist in a democratic transition in Venezuela and to

[96] Christine Armario, "Colombia Court Calls on Uribe to Testify in Massacre Probe," Associated Press, August 23, 2020; Joshua Goodman, "Colombia Calls on U.S. to Extradite Warlord over Fears He will Escape Justice," *The Guardian*, August 21, 2020; and Joshua Goodman, "Sources: U.S. Stops Ex Colombia Warlord's Deportation to Italy," Associated Press, August 31, 2020.

[97] Office of National Drug Control Policy (ONDCP), "United States and Colombian Officials Set Bilateral Agenda to Reduce Cocaine Supply," Fact Sheet, March 5, 2020.

[98] Jake Kincaid, "Coca Eradication in Colombia Hits Post-peace-deal High During Coronavirus Pandemic," *Miami Herald*, August 19, 2020.

[99] IMF, "Outlook for Latin America and the Caribbean: An Intensifying Pandemic," *IMF Blog*, June 26, 2020.

[100] White House, "Statement by National Security Advisor Robert C. O'Brien," press release, August 17, 2020; "Colombia y Estados Unidos Lanzan Iniciativa 'Colombia Crece,'" *El Tiempo* (Colombia), August 17, 2020.

[101] "Update: The United States Is Continuing to Lead the Response to COVID-19," fact sheet, August 21, 2020.

respond to the worsening humanitarian crisis. The State Department allocated more than $400 million by late 2019 to support countries receiving Venezuelan migrants, with over half for Colombia, as the most severely affected country. (For more, see "Venezuela.")

For FY2020, Congress provided $448 million in the Further Consolidated Appropriations Act, 2020 (P.L. 116-94), for State Department- and USAID-funded programs in Colombia. For FY2021, the Administration requested $412.9 million for Colombia (about a 9% decline compared with the FY2020 aid estimate); the House-passed FY2021 foreign aid appropriations bill, Division A of H.R. 7608 (H.Rept. 116-444), would provide not less than $457.3 million. A provision in the House-passed FY2021 NDAA (Section 1298 of H.R. 6395) would require a report on possible misuse of U.S. security sector funds for illegal surveillance by Colombia's armed services and recommendations to prevent such abuse.

For additional information, see CRS Report R43813, *Colombia: Background and U.S. Relations*, by June S. Beittel; and CRS Report RL34470, *The U.S.-Colombia Free Trade Agreement: Background and Issues*, by M. Angeles Villarreal and Edward Y. Gracia.

Venezuela

Venezuela remains in a deep crisis under the authoritarian rule of Nicolás Maduro of the United Socialist Party of Venezuela. Maduro, narrowly elected in 2013 after the death of Hugo Chávez (president, 1999-2013), began a second term on January 10, 2019, that most Venezuelans and much of the international community consider illegitimate. Since January 2019, Juan Guaidó, president of Venezuela's democratically elected, opposition-controlled National Assembly, has sought to dislodge Maduro from power so that a transition government can serve until internationally observed elections can be held.

The United States and 57 other countries recognize Guaidó as interim president, but he has been unable to wrest Maduro from power and has faced increased danger since returning from an international tour in early 2020, during which he met with President Trump. Maduro has used repression to quash dissent; rewarded allies with income earned from illegal gold mining, drug trafficking, and other illicit activities; and relied on support from Russia, China, Iran, and others to subvert U.S. sanctions. The COVID-19 pandemic, low oil prices, and gasoline shortages do not appear to have weakened Maduro's grip on power. A botched raid against Maduro in early May 2020 by U.S. mercenaries and former Venezuelan soldiers weakened the Guaidó-led opposition.[102] Maduro is seeking to convene new National Assembly elections in December 2020; many observers maintain that such a vote will not meet international standards, and most opposition parties plan to boycott the vote.

Venezuela's economy has collapsed. The country is plagued by hyperinflation, severe shortages of food and medicine, and a dire humanitarian crisis that has further deteriorated in 2020 as a result of gasoline shortages, an outbreak of COVID-19, and strengthened U.S. sanctions. Maduro has blamed U.S. sanctions for the economic crisis, but many observers cite economic mismanagement and corruption as the main factors. U.N. agencies estimate that 5.1 million Venezuelans have fled the country as of August 2020, primarily to neighboring countries.

U.S. Policy. Since recognizing the Guaidó government in January 2019, the United States has coordinated its efforts with Interim President Guaidó. U.S. strategy has emphasized diplomatic efforts to bolster support for Guaidó; targeted sanctions and visa revocations to increase pressure on Maduro officials; broader sanctions on the state oil company, other state-controlled companies

[102] Patrick J. McDonnell, Mery Mogollan, "Maduro Buoyed, Guaidó Reeling After Failed Amphibious Raid in Venezuela," *Los Angeles Times*, May 10, 2020.

and institutions, and the government; and humanitarian aid ($534 million to countries sheltering Venezuelans and $76 million for Venezuela from FY2017 through May 2020). As of August 21, 2020, the State Department had announced $13.7 million in COVID-related humanitarian aid to Venezuela.[103] In October 2019, the USAID signed an agreement with the Guaidó government enabling the provision of development assistance, health assistance, and increased democracy assistance. In 2020, the Administration has sanctioned companies that have transported Venezuelan oil and seized Venezuela-bound ships carrying Iranian petroleum products in violation of sanctions. U.S. officials have vowed to keep "maximum pressure" on Maduro and his foreign backers until he agrees to allow a transition government to convene free and fair legislative and presidential elections.

Congressional Action: Congress has supported the Administration's efforts to support a restoration of democracy in Venezuela without U.S. military intervention in the country and to provide humanitarian support to Venezuelans, although some Members have expressed concerns about the humanitarian impact of sanctions. In December 2019, Congress enacted P.L. 116-94, which appropriated $30 million in FY2020 assistance for democracy programs in Venezuela and incorporated the Senate-reported version of the VERDAD Act (S. 1025), a comprehensive bill to address the crisis in Venezuela. The VERDAD Act incorporated House-passed measures authorizing FY2020 humanitarian aid to Venezuela (H.R. 854), restricting the export of defense articles to Venezuela (H.R. 920), and requiring a U.S. strategy to counter Russian influence in Venezuela (H.R. 1477). In December 2019, Congress also enacted P.L. 116-92, which prohibited federal contracting with persons who do business with the Maduro government. In July 2019, the House passed H.R. 549, designating Venezuela as a beneficiary country for temporary protected status; however, a Senate effort to pass H.R. 549 by unanimous consent failed.

For FY2021, the Administration requested $200 million in democracy aid aimed to support a democratic transition in Venezuela and $5 million in global health assistance; the House-passed version of the FY2021 foreign aid appropriations bill (Division A of H.R. 7608, H.Rept. 116-444) would provide $30 in democracy aid for Venezuela and would support the provision of additional aid if a democratic transition occurs. The House-passed version of the FY2021 NDAA (H.R. 6395, H.Rept. 116-442) would require a report on the crises in Venezuela and their impacts on U.S. and regional security. House and Senate committees have held hearings on the situation in Venezuela and U.S. policy (see **Appendix**).

For additional information, see CRS Report R44841, *Venezuela: Background and U.S. Relations*, coordinated by Clare Ribando Seelke; CRS In Focus IF10230, *Venezuela: Political Crisis and U.S. Policy*, by Clare Ribando Seelke; CRS Insight IN11306, *U.S. Indictment of Top Venezuelan Officials*, by Clare Ribando Seelke and Liana W. Rosen; CRS In Focus IF10715, *Venezuela: Overview of U.S. Sanctions*, by Clare Ribando Seelke; CRS In Focus IF11216, *Venezuela: International Efforts to Resolve the Political Crisis*, by Clare Ribando Seelke; CRS Report R46213, *Oil Market Effects from U.S. Economic Sanctions: Iran, Russia, Venezuela*, by Phillip Brown; and CRS In Focus IF11029, *The Venezuela Regional Humanitarian Crisis and COVID-19*, by Rhoda Margesson and Clare Ribando Seelke.

Outlook

Even before the arrival of COVID-19, the Latin American and Caribbean region was facing significant political and economic challenges—most prominently, Venezuela's ongoing political

[103] U.S. Department of State, "Update: The United States Is Continuing to Lead the Response to COVID-19," August 21, 2020.

impasse and economic and humanitarian crisis—which has resulted in over 5.1 million Venezuelan refugees and migrants. The pandemic has multiplied the region's challenges and negatively affected its future economic prospects. Instead of registering low economic growth levels, as original forecast, the region is forecast to experience a deep recession, with millions of people moving into poverty. The pandemic continues to surge in several countries in the region.

Human rights groups and other observers have expressed concerns about leaders taking advantage of the pandemic to advance their own agendas. Forthcoming presidential elections in Bolivia, postponed twice in 2020 and now scheduled for October 18, 2020, could be an important test of the country's political system in the aftermath of President Morales's October 2019. Social protests racked many Latin American countries in late 2019, and such unrest could reemerge in 2020, given that many of the underlying conditions that prompted the protests still exist or have been exacerbated by the poor economic conditions brought about by the pandemic.

As the 116th Congress winds down, these challenges and the appropriate U.S. policy responses may remain oversight issues for Congress. Final congressional action awaits on FY2021 foreign aid appropriations and the FY2021 NDAA; House-passed bills for both measures include numerous provisions on U.S. assistance and policy toward the region.

Appendix. Hearings in the 116th Congress

Table A-1. Congressional Hearings in the 116th Congress on Latin America and the Caribbean

Committee and Subcommittee	Date	Title
Senate Armed Services Committee	February 7, 2019	United States Africa Command and United States Southern Command
House Foreign Affairs Committee	February 13, 2019	Venezuela at a Crossroads
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere, Civilian Security, and Trade	February 26, 2019	Made by Maduro: The Humanitarian Crisis in Venezuela and U.S. Policy Responses
Senate Foreign Relations Committee, Subcommittee on Western Hemisphere, Transitional Crime, Civilian Security, Democracy, Human Rights, and Global Women's Issues	March 7, 2019	U.S.-Venezuela Relations and the Path to a Democratic Transition
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere, Civilian Security, and Trade	March 13, 2019	Hearing on H.R. 1004, Prohibiting Unauthorized Military Action in Venezuela Act
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere, Civilian Security, and Trade	March 26, 2019	Understanding Odebrecht: Lessons for Combatting Corruption in the Americas
House Foreign Affairs Committee	April 10, 2019	The Importance of U.S. Assistance to Central America
House Armed Services Committee	May 1, 2019	National Security Challenges and U.S. Military Activity in North and South America
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere, Civilian Security, and Trade	May 9, 2019	Dollar Diplomacy or Debt Trap? Examining China's Role in the Western Hemisphere
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere, Civilian Security, and Trade	June 11, 2019	Crushing Dissent: The Ongoing Crisis in Nicaragua
Senate Armed Services Committee, Subcommittee on Emerging Threats and Capabilities	July 9, 2019	Implementation of the National Defense Strategy in the United States Command Southern Command Area of Responsibility
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere, Civilian Security, and Trade	July 11, 2019	Human Rights in Cuba: Beyond the Veneer of Reform
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere, Civilian Security, and Trade	September 10, 2019	Preserving the Amazon: A Shared Moral Imperative
Senate Foreign Relations Committee, Subcommittee on Western Hemisphere, Transitional Crime, Civilian Security, Democracy, Human Rights, and Global Women's Issues	September 18, 2019	U.S.-Colombia Relations: New Opportunities to Reinforce and Strengthen Our Bilateral Relationship
Senate Foreign Relations Committee	September 25, 2019	U.S. Policy in Mexico and Central America: Ensuring Effective Policies to Address the Crisis at the Border

Committee and Subcommittee	Date	Title
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere, Civilian Security, and Trade	October 23, 2019	The Trump Administration's FY2020 Budget and U.S. Policy Toward Latin American and the Caribbean
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere, Civilian Security, and Trade	December 10, 2019	Haiti on the Brink: Assessing U.S. Policy Toward a Country in Crisis
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere, Civilian Security, and Trade	January 15, 2020	Strengthening Security and the Rule of Law in Mexico
Senate Armed Services Committee	January 30, 2020	United States Africa Command and United States Southern Command
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere, Civilian Security, and Trade	February 13, 2020	Assessing U.S. Security Assistance to Mexico
House Armed Services Committee	March 11, 2020	National Security Challenges and U.S. Military Activity in North and South America
House Foreign Affairs Committee, Subcommittee on the Western Hemisphere, Civilian Security, and Trade	July 01, 2020	The Trump Administration's Response to COVID-19 in Latin America and the Caribbean.
Senate Foreign Relations Committee	August 04, 2020	Venezuela in Maduro's Grasp: Assessing the Deteriorating Security and Humanitarian Situation

Source: CRS, prepared by Nese F. DeBruyne, Senior Research Librarian.

Notes: See also hearing information at House Foreign Affairs Committee at https://foreignaffairs.house.gov/hearings; Senate Foreign Relations Committee at http://www.foreign.senate.gov/hearings.

Author Information

Mark P. Sullivan, Coordinator
Specialist in Latin American Affairs

June S. Beittel
Analyst in Latin American Affairs

Peter J. Meyer
Specialist in Latin American Affairs

Clare Ribando Seelke
Specialist in Latin American Affairs

Maureen Taft-Morales
Specialist in Latin American Affairs

M. Angeles Villarreal
Specialist in International Trade and Finance

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