Mexico: Background and U.S. Relations

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Mexico, the 10th most populous country and 15th largest economy in the world, is bound to the United States by geography and strong economic, cultural, and historical ties. In addition to sharing a nearly 2,000-mile border with the United States, Mexico is among the top U.S. trade partners and a major U.S. energy supplier. These ties frequently manifest themselves in legislative activity and interest across a wide spectrum of issues in Congress.

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. President López Obrador has remained popular (54% approval in February 2022), likely as a result of his delivery on social programs and ability to connect with voters, even as his government has struggled to address organized crime-related violence, corruption, and the Coronavirus Disease 2019 (COVID-19) pandemic. According to the International Monetary Fund (IMF), Mexico’s economy contracted by 8.2% in 2020. The economy expanded 5.3% in 2021, but the IMF predicts 2.8% growth this year.

U.S. Policy

U.S.-Mexico relations have remained generally cordial, with Mexico playing a key role in helping control U.S.-bound irregular migration. Tensions have emerged, however, over trade policy and tariffs, border security issues, and U.S. arrests of high-level former officials on drug trafficking and related charges. President Joe Biden and President López Obrador held bilateral and trilateral (with Canadian Prime Minister Justin Trudeau) meetings during the North American Leaders summit in November 2021. U.S. policymakers remain concerned about synthetic drug flows from Mexico, implementation of the U.S.-Mexico-Canada Free Trade Agreement (USMCA), and a range of human rights issues, including recent killings of Mexican journalists and enforced disappearances. Key issues of congressional interest discussed in this report include the following:

- **Security Cooperation:** Members of Congress may continue to fund and oversee bilateral efforts to combat cross-border crime, improve law enforcement cooperation, and strengthen the rule of law in Mexico under the new Bicentennial Framework security partnership signed in October 2021.

- **Irregular Immigration:** Congress may continue to monitor efforts to reduce irregular U.S.-bound migration, including policies that require bilateral cooperation, such as the Migrant Protection Protocols (MPP) initiative.

- **Human Rights:** Members of Congress may continue to support Mexico’s effort to address human rights challenges, including violence against journalists and human rights defenders for whom homicide rates in Mexico are extremely elevated.

- **USMCA:** Congress may closely monitor both countries’ adherence to the USMCA, with particular interest in labor conditions in Mexico and a proposed reform of Mexico’s electricity sector that may violate key provisions of the agreement.

- **Border Environmental Concerns:** Members of Congress may continue to conduct oversight on attempts to resolve long-standing transboundary pollution issues and water sharing on the southwest border and may consider funding for infrastructure improvements to address such problems.

Legislative Action

Congress has appropriated foreign assistance for Mexico and has overseen bilateral efforts to address U.S.-bound unauthorized migration, illegal drug flows, the COVID-19 pandemic, and USMCA implementation. Congress is considering the Biden Administration’s FY2022 foreign assistance request for Mexico of $116.5 million, which is nearly 27% lower than the estimated FY2021 appropriation of $158.9 million. The House-passed version of the FY2022 foreign aid appropriations bill (H.R. 4373, H.Rept. 117-117) would provide $158.9 million for assistance to Mexico, with several reporting requirements. The FY2022 foreign aid bill introduced in the Senate (S. 3075) would not stipulate a total funding level for Mexico. Other legislation that would affect U.S. relations with Mexico includes H.R. 3524 reported by the House Committee on Foreign Affairs in July 2021. The bill would require a report on how the United States, Mexico, and Canada could work together to reduce methane and other emissions and implement Article 23.6 of the USMCA, which prohibits importation of goods produced by forced labor. S. 1201, introduced in the Senate in April 2021, contains similar provisions.
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Introduction

Congress has maintained interest in Mexico, a neighboring country and top trading partner with which the United States has a close but complex relationship (see Figure 1). In recent decades, bilateral relations improved as the U.S. and Mexican economies became more integrated and the countries worked together to address crime, migration, and other issues of shared concern. Disagreements on these issues have emerged on occasion. In addition, the history of U.S. military and diplomatic intervention in Mexico has periodically provoked tension.1

Congress remains concerned about the effects of organized crime-related violence in Mexico on U.S. security interests and about U.S. citizens’ safety in Mexico. It has increased oversight of U.S.-Mexican security cooperation and may continue to do so as the two nations implement the US-Mexico Bicentennial Framework agreement.2 Congress has continued to appropriate foreign assistance for Mexico and oversee bilateral efforts to address illegal drug flows, unauthorized migration, environmental issues, and the Coronavirus Disease 2019 (COVID-19) pandemic. Implementation of the United States-Mexico-Canada Free Trade Agreement (USMCA) and its labor commitments, Mexico’s treatment of U.S. energy firms, and border environmental and water issues may receive oversight attention.

This report provides an overview of political and economic conditions in Mexico, followed by overviews of selected issues of congressional interest in Mexico—security and foreign aid; extraditions; human rights, trade; migration; energy; and border environmental, water, and health concerns.

Background

Over the past two decades, Mexico has transitioned from a centralized political system dominated by the Institutional Revolutionary Party (PRI), which controlled the presidency from 1929-2000, to a true multiparty democracy.3 Since the 1990s, presidential power has become more balanced with that of Mexico’s Congress and Supreme Court. Partially as a result of these new constraints on executive power, the country’s first two presidents from the conservative National Action Party (PAN)—Vicente Fox (2000-2006) and Felipe Calderón (2006-2012)—struggled to enact some of the reforms designed to address Mexico’s economic and security challenges.

The Calderón government pursued an aggressive anticrime strategy and increased security cooperation with the United States. Mexico extradited many drug kingpins, but some 60,000 people died due to organized crime-related violence. Security challenges overshadowed the government’s achievements, including its economic stewardship during the global financial crisis, health care expansion and management of the H1N1 pandemic, and efforts on climate change.

In 2012, the PRI regained control of the presidency after 12 years in the opposition with a victory by Enrique Peña Nieto over Andrés Manuel López Obrador, then standing for the leftist Democratic Revolutionary Party (PRD). In 2013, Peña Nieto shepherded reforms addressing energy, education, access to finance, and politics through the legislature by forming an agreement among the PRI, PAN, and PRD. The energy reform opened Mexico’s energy sector to private

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3 Emily Edmonds Poli and David A. Shirk, Contemporary Mexican Politics. 4th ed. (Lanham, MD: Rowman & Littlefield, 2020).
investment, prompting foreign companies to pledge hundreds of billions of dollars of new investment in the country. During Peña Nieto’s term, Mexico continued to contend with high levels of homicides, moderate economic growth (averaging 2% annually), and pervasive corruption and impunity.

**Figure 1. Mexico at a Glance**

<table>
<thead>
<tr>
<th>Source: Created by CRS using data from CIA World Factbook (CIA), Mexico’s National Council for the Evaluation of Social Development Policy (CONEVAL), the International Monetary Fund (IMF), Mexico’s National Institute of Statistics and Geography (INEGI), and the Trade Data Monitor (TDM).</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key Trading Partners:</strong> U.S. 60.8%, China 10.1%, unidentified 3.9%, Canada 2.4% (2020, total trade, TDM)</td>
</tr>
<tr>
<td><strong>Exports</strong></td>
</tr>
<tr>
<td>Top export products: vehicles and parts, automatic data processing machines, electrical machinery (2020, TDM)</td>
</tr>
<tr>
<td>Top export partners: U.S. 79%, unidentified 3.6%, Canada 2.7%, China 1.9% (2020, TDM)</td>
</tr>
<tr>
<td><strong>Imports</strong></td>
</tr>
<tr>
<td>Top import products: electrical machinery, machinery and parts, vehicles and parts (2020, TDM)</td>
</tr>
<tr>
<td>Top import partners: U.S. 41%, China 19%, unidentified 4.1%, South Korea 3.8% (2020, TDM)</td>
</tr>
</tbody>
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**Mexico at a Glance**

| Size: 15th largest country in the world, almost three times the size of Texas |
| Population: 129 million (2021, IMF est.) |
| Ethnic minorities: 2% Afro-descendant; 6.1% speak an Indigenous language (INEGI, 2020) |
| Gross domestic product (GDP): $1.3 trillion (2021, current prices, IMF est.) |
| Real GDP Growth: -8.3% in 2020, 6.2% in 2021 (constant prices, IMF est.) |
| GDP per Capita: $9,967 (2021, current prices, IMF est.) |
| Population below Poverty Line: 52.8% (2020 est., CONEVAL) |

**Notes:** Mexico’s 2020 census did not include ethnicity; two questions asked people whether they self-identify as Indigenous language speakers (6.1% of the population) or as Afro-Mexican or Afro-descendant (2% of the population). See the National Institute of Statistics and Geography, *Así Se Contó México*, 2021.
Political and Economic Environment

On July 1, 2018, Mexican voters gave Andrés Manuel López Obrador and MORENA a mandate to change the course of Mexico’s domestic policies. After campaigning on a platform pledging to root out corruption while lifting up the poor, López Obrador and his MORENA coalition dominated Mexico’s presidential and legislative elections. Originally from the southern state of Tabasco, López Obrador, a former mayor of Mexico City (2000-2005), had run for president in the past two elections. After his 2012 loss, he left the center-left PRD and founded MORENA.

MORENA, a leftist party, ran in coalition with the socially conservative Social Encounter Party (PES) and the leftist Labor Party (PT). López Obrador won 53.2% of the presidential vote, more than 30 percentage points ahead of his nearest rival. López Obrador won in 31 of 32 states, demonstrating that he had broadened his support from his base in southern Mexico.

Four years into his term, President López Obrador has proven adept at connecting with his constituents but has struggled to adjust his priorities, even as Mexico has yet to reduce organized crime-related violence and recover from the COVID-19 pandemic. López Obrador has shaped daily news coverage by convening early morning press conferences and traveling throughout the country to attend large, campaign-style rallies. He has attempted to take advantage of electoral processes to increase his political capital; his MORENA party pushed to hold a costly presidential recall election in April 2022 to demonstrate his broad popularity. Mexico’s independent electoral body has maintained it lacks adequate funding for the referendum. Until a recent corruption scandal involving his son, President López Obrador had an approval rating of 64% (January 2022), likely due to his delivery on social programs.

President López Obrador has criticized media outlets that question his policies and reduced funding for independent government entities and regulators that could check his presidential power, alarming democracy experts. López Obrador’s administration has cut public sector salaries and ministry budgets, especially those of autonomous institutions that he proposes to eliminate or merge into existing bureaucracies. Leadership for some independent institutions has been replaced in favor of those with ties to the president.

On June 6, 2021, Mexico held local, state, and midterm legislative elections that many analysts framed as a referendum on President López Obrador and his policies halfway through his six-year presidential term. The PRI, PAN, and PRD formed an opposition coalition to challenge López Obrador and MORENA. MORENA candidates dominated the gubernatorial elections, winning 11 of 15 governorships. In legislative elections, López Obrador’s party lost its simple majority and the absolute majority it held with allied parties. López Obrador received less support from the middle class than he did when he won the presidency but more support from poorer voters who

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4 A recall election is a procedure by which voters can remove an elected official from office (in this case the president) through a referendum before that official’s term of office has ended.

5 “Mexico: SCJN Rejects INE’s Suspension of Recall Vote,” Latin News Daily, December 23, 2021. Budget cuts to the National Electoral Institute (INE), Mexico’s independent electoral management body, prompted its leadership to suspend a presidential recall election scheduled for April 2022 until the Mexican Supreme Court overturned INE’s decision, leading some to question the court’s independence from the administration.


8 Francesco Manetto, “Del INE al Banco de México: la Tensión con los Órganos Autónomos Marca un año Clave para López Obrador,” El País, January 9, 2022
have benefitted from his administration’s social welfare policies. Despite violence throughout the electoral process, the elections themselves reportedly ran smoothly, with no protests, evidence of fraud, or challenges to the results.10

Figure 2. Composition of the Mexican Congress by Party, as of March 2022

As of March 2022, MORENA controlled 60 of 128 seats in the senate and 202 of 500 seats in the chamber (See Figure 2). The MORENA-led coalition, which is ad hoc but often includes the PT, PES, and Green Party (PVEM), controls 277 seats in the chamber and 74 seats in the senate, short of the two thirds majority needed to make constitutional amendments. This may pose challenges for López Obrador’s plans to make constitutional reforms during the second half of his term. Those reforms include a proposed energy reform that would severely limit private sector involvement in the electricity sector. The government also plans to place the National Guard, a military-led federal law enforcement body it created, under the authority of the defense ministry and restructure the electoral authority.11

Security Conditions

From 2015 to 2018, the homicide rate in Mexico surged some 71%, reaching a record 29 homicides per 100,000 people.12 Homicides in Mexico have remained near those record-setting levels, even during the COVID-19 pandemic.13 For over a decade, high levels of homicides have been driven, in part, by increasing organized crime-related violence (see Figure 3).14

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9 Maria Verza, “Head of Mexico’s Governing Party Cites Middle Class Failings,” AP, June 11, 2021.
11 Economist Intelligence Unit (EIU), “AMLO Outlines Three Constitutional Reforms,” June 22, 2021
14 Infighting among criminal groups has intensified since the rise of the Jalisco New Generation, or CJNG, cartel. See CRS Report R41576, Mexico: Organized Crime and Drug Trafficking Organizations, by June S. Beittel.
Femicides (targeted killing of women) and disappearances have increased in recent years. Mexico recorded over 940 femicides each year in 2019 and 2020, an increase of approximately 129% from 2015 levels. In November 2021, the U.N. Committee on Enforced Disappearances conducted a fact-finding mission in Mexico and announced that more than 95,000 people had been reported missing.

U.S. drug demand, as well as bulk cash smuggling and weapons smuggling into Mexico from the United States, have fueled drug trafficking-related violence in Mexico for over a decade. Recent violence may be attributable to competition for the production and trafficking of synthetic opioids. In November 2019, drug traffickers killed nine women and children from an extended family of dual U.S.-Mexican citizens in Sonora, prompting significant U.S. concern.

President López Obrador has rejected calls for a “war” on transnational criminal organizations. Instead, his administration’s security strategy includes a focus on addressing the socioeconomic drivers of violent crime and other novel policies. The administration launched a program that provides scholarships to youth to attend university or complete internships. No one has evaluated the program’s effects on youth employability or crime prevention, and auditors have uncovered irregularities in the program’s implementation. Mexico’s senate passed legislation to

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15 Calderón et al., Organized Crime and Violence in Mexico, 2021.
decriminalize marijuana production and distribution to comply with a Mexican Supreme Court ruling; it is before the chamber.23

At the same time, President López Obrador abandoned a key campaign promise by expanding, rather than limiting, the military’s role in public security and in a broad array of other public sector tasks.24 In 2019, López Obrador backed constitutional reforms that created a National Guard, and in May 2020 he signed a decree to allow military involvement in public security to continue for five more years, under civilian supervision.25 Mexico’s National Guard (composed mostly of military police units of the army and navy, as well as former federal police) has been tasked with reasserting territorial control in high-crime areas, border and immigration enforcement, and communications interception.26 However, military and law enforcement forces reportedly have been prohibited from undertaking operations that involve a visible show of force in an effort to reduce civilian deaths caused by firefight between security forces and organized crime.27 Reports suggest that as federal operations have declined, criminal organizations have begun to use increasingly lethal technology, such as drone-mounted bombs, to expand their territory.28 State and local police forces charged with investigating most crimes, including homicides, have received less federal support from the López Obrador government than they received under prior administrations.29

Addressing Corruption and Impunity

Corruption is an issue at all levels of government and among all political parties in Mexico. At least 20 former governors (many from former president Peña Nieto’s PRI party) are under investigation for corruption. In December 2019, Genaro García Luna, who served as public security minister during the PAN administration of President Calderón, was arrested in the United States on charges of accepting millions of dollars in bribes from the Sinaloa Cartel; he is pending trial in New York.30 In October 2020, the U.S. arrest of former Mexican Defense Minister Salvador Cienfuegos (2012-2018) on drug and money-laundering charges surprised and angered the Mexican government. Responding to Mexican pressure, the United States agreed to drop the case and allow Cienfuegos to return to Mexico, where he was exonerated of all charges.31

President López Obrador has taken steps to combat corruption, but the key institutions to detect and address corrupt offenses—such as the new criminal justice system, the Prosecutor General’s Office, and the National Anti-corruption System—remain underfunded. President López Obrador

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24 Craig Deare, Militarization a la AMLO: How Bad Can It Get?, Wilson Center, September 2021.
25 Those reforms contradict a 2018 Mexico Supreme Court ruling that prolonged military involvement in public security violated the Mexican Constitution.
28 Felbab-Brown, op. cit.
29 Maureen Meyer, Police Reform and Security Strategies in Mexico in the Context of the war on Drugs and U.S. Support of These Efforts, WOLA, July 2020.
has been unwilling to allow prosecutors to investigate allegations involving his family and allies. His focus on reducing government expenditures and his administration’s efforts to punish tax evaders have won praise from some citizens, while others have dismissed them as symbolic actions. Many observers worry cuts in public sector salaries have made officials more susceptible to bribes.

Key Institutions for Strengthening the Rule of Law

New Criminal Justice System. By the mid-2000s, most Mexican legal experts had concluded that reforming Mexico’s corrupt and inefficient criminal justice system was crucial for combating criminality and strengthening the rule of law. In June 2008, Mexico implemented constitutional reforms mandating that by 2016, trial procedures at the federal and state levels had to move from a closed-door process based on written arguments presented to a judge to an adversarial public trial system, with oral arguments and the presumption of innocence. These changes aimed to create a new, more transparent, impartial, and efficient criminal justice system.

Under then-President Enrique Peña Nieto, Mexico technically met the June 2016 deadline for adopting the new system, with states that received technical assistance from the United States showing, on average, better results than others. Nevertheless, problems in implementation occurred and public opinion turned against the system, as judges released criminals due to flawed police investigations or weak cases presented by prosecutors. According to the World Justice Project, the new system has produced better courtroom infrastructure, more capable judges, and faster case resolution than the old system, but more training for police and prosecutors is needed.

President López Obrador has not dedicated significant resources to strengthening the justice system. His administration attempted to implement some reforms, including mandatory pre-trial detention for more crimes, which would have contradicted the new system’s goals. Mexico’s Supreme Court struck down those reforms.

Building an Independent Prosecutor General’s Office. Analysts who study Mexico’s legal system have long highlighted the inefficiency of the attorney general’s office (known as the PGR). The PGR struggled with limited resources, corruption, and a lack of political will to resolve high-profile cases, including those involving corruption or human rights abuses. Many civil society groups that pushed for the new criminal justice system also lobbied the Mexican Congress to create an independent prosecutor’s office. Amid petitions from civil society organizations, Mexico’s Senate was to appoint an independent individual to lead the new prosecutor general’s office for a nine-year term under 2014 constitutional reforms.

President López Obrador downplayed the importance of the new office during his campaign, but Mexico’s Congress established the office, now known as the Prosecutor General’s Office (FGR), after López Obrador’s inauguration. In January 2019, Mexico’s Senate named Dr. Alejandro Gertz Manero, a close associate and former security adviser to López Obrador, as prosecutor general. Gertz Manero directed prosecutors to focus on emblematic cases, but few have progressed. Critics maintain Gertz Manero has been slow to implement the reforms enacted by the Mexican Congress to strengthen the FGR.

National Anti-corruption System. In July 2016, Mexico’s Congress approved legislation that contained several proposals put forth by civil society to fully implement the National Anti-corruption System (NAS) created by a 2015 constitutional reform. The legislation gave the NAS investigative and prosecutorial powers and a civilian board of directors; increased administrative and criminal penalties for corruption; and required three declarations (taxes, assets, and conflicts of interest) from public officials and contractors. Under the Peña Nieto government, federal implementation of the NAS lagged and state-level implementation varied.

In February 2019, Prosecutor General Gertz Manero named a special anti-corruption prosecutor, who received a significant budget for 2020 and 2021 amid generalized budget cuts for the institution. Cases involving corruption in the social development ministry and corrupt payments from the Brazilian construction company Odebrecht to the head of Petróleos de México (Pemex) during the Peña Nieto administration are moving forward. However, some 500 reports of corruption referred to the FGR by the Ministry of Public Administration in the current administration have yet to be presented before a judge. In January 2022, the López Obrador administration proposed to eliminate NAS’s technical support arm charged with evaluating the country’s anti-corruption activities as part of a larger consolidation strategy to reduce public spending.

Sources: Octavio Rodríguez Ferreira and David Shirkl, Criminal Procedure Reform in Mexico, 2008-2016: The Final Countdown to Implementation, Justice in Mexico, October 2015; World Justice Project México, Mexico’s New Criminal Justice System: Substantial Progress and Persistent Challenges, June 2018; “AMLO Asegura que Respetará Decisión de Prisión Preventiva Oficiosa por Defraudación Fiscal,” El Economista, October 26, 2021;

In December 2020, the Mexican Congress passed and President López Obrador signed a law to limit foreign law enforcement activity in Mexico, including the work of the U.S. Drug Enforcement Administration (DEA). Drafted in response to the U.S. investigation of General Cienfuegos, the law originally required foreign law enforcement officials to share with Mexican officials any information obtained on Mexican soil and local officials to report any interactions with foreign agents. U.S. concerns that the new law would impede U.S.-Mexico security cooperation led the Mexican government to soften the rule with respect to some sensitive information; reportedly, cooperation still suffered.33

Human Rights

Criminal groups, sometimes in collusion with state actors, have continued to commit serious human rights violations against civilians in Mexico.34 The vast majority of those abuses have gone unpunished, whether they were prosecuted in the military or civilian justice systems. Under Mexico’s new justice system, judges have had to let many defendants go free, even if they may have been guilty, due to police misconduct in gathering evidence.35 The government continues to receive criticism for not protecting journalists, human rights defenders, migrants, and others.36 Critics of President López Obrador have accused him of promoting an environment of intimidation and media self-censorship by continuing to attack journalists verbally.37

For years, human rights groups and the U.S. State Department’s Country Reports on Human Rights Practices have chronicled cases of Mexican security officials’ involvement in extrajudicial killings, torture, and “enforced disappearances.”38 The unresolved case of 43 missing students who disappeared in Iguala, Guerrero, in September 2014—which allegedly involved the local police and federal authorities—galvanized global protests. Experts from the Inter-American Commission on Human Rights disproved much of the attorney general’s investigation, and in 2018, a federal judge dismissed that investigation as biased. President López Obrador established a truth commission, and Prosecutor General Gertz Manero created a special prosecutor’s office to focus on the case. By January 2021, trials had begun for two former federal security officials


37 “IAPA asks López Obrador to ‘Immediately Suspend’ his attacks on Journalists,” Voz de América, February 17, 2022.

38 U.S. Department of State, 2020 Country Report, March 2021. According to the United Nations, enforced disappearances occur when “persons are arrested, detained or abducted against their will or otherwise deprived of their liberty by officials of different branches or levels of Government, or by organized groups or private individuals acting on behalf of, or with the support, direct or indirect, consent or acquiescence of the Government.” See http://www.un.org/en/events/disappearancesday/background.shtml.
accused of involvement in the disappearances.\textsuperscript{39} As of February 2022, prosecutors have yet to secure any convictions.

Among the human rights challenges facing Mexico, President López Obrador has prioritized enforced disappearances.\textsuperscript{40} His administration has met regularly with families of the missing, launched an online portal for reporting missing persons, registered thousands of clandestine graves, and increased the budget for Mexico’s national search commission. The government has sought international assistance to identify tens of thousands of bodies that have been exhumed. Still, in November 2021, the U.N. Committee on Enforced Disappearances criticized the “structural impunity” that continues for perpetrators of disappearances and the involvement of public officials from all levels of government in such crimes.\textsuperscript{41}

Human rights organizations have urged the López Obrador administration to fully enact the country’s 2017 law against torture, investigate and punish cases of torture, and take steps to ensure that state agents do not commit acts of torture. After an April 2019 review of Mexico, the U.N. Committee against Torture welcomed the passage of the 2017 law, but stated that torture by state agents occurred in a “generalized manner” and found torture to be “endemic” in detention centers.\textsuperscript{42} López Obrador has spoken out against torture, but his government has yet to develop a system to track statistics on torture cases as required by the 2017 law.

Analysts maintain that efforts to protect journalists, human rights defenders, and migrants remain insufficient and, in some cases, have worsened under López Obrador.\textsuperscript{43} Some 150 journalists and media workers have been killed in Mexico since 2000, including seven in 2021 and seven through early March 2022.\textsuperscript{44} Mexico ranks among the top 10 countries globally with the highest rates of unsolved journalist murders as a percentage of population, according to the nongovernmental Committee to Protect Journalists’ 2021 Global Impunity Index.

Mexico is also a dangerous country for human rights defenders. In 2021, an estimated 42 human rights defenders were killed.\textsuperscript{45} As politicians discredited some human rights groups and questioned their sources of funding, police periodically used excessive force against human rights defenders protesting against femicide and other issues.\textsuperscript{46} The López Obrador government has not strengthened the mechanism intended to protect human rights defenders and journalists nor ensured an adequate budget for prosecutors charged with investigating those crimes.

Migrants in Mexico are vulnerable to abuse by criminal groups and corrupt officials, including human trafficking, extortion, kidnapping, and murder. In January 2021, U.S.-trained state police reportedly killed 18 migrants in Tamaulipas, Mexico.\textsuperscript{47} Between January 2019 and January 2021, the Migrant Protection Protocols (MPP) program, an initiative started during the Trump

\begin{footnotesize}
\begin{itemize}
\item[]\textsuperscript{40} CRS In Focus IF11669, Human Rights Challenges in Mexico: Addressing Enforced Disappearances, by Clare Ribando Seelke and Rachel L. Martin.
\item[]\textsuperscript{41} “Mexico: Over 95,000 Registered as Disappeared, Impunity ‘Almost Absolute,’” U.N. News, November 29, 2021.
\item[]\textsuperscript{43} Human Rights Watch, World Report 2022: Mexico.
\item[]\textsuperscript{44} Article 19, “Periodistas Asesinados en México,” accessed on February 17, 2022, available at https://articulo19.org/periodistasasesinosados/; and “Journalist Killed in Mexico, 7th Slain So Far This Year,” Associated Press, March 5, 2022.
\item[]\textsuperscript{45} Frontline Defenders, Global Analysis 2021, February 2022.
\item[]\textsuperscript{46} Ibid.
\end{itemize}
\end{footnotesize}
Administration, required many asylum-seekers to wait in Mexico while U.S. immigration courts processed their cases; migrants’ rights advocates documented 1,500 cases of migrants returned to northern Mexico under this program who had been raped, kidnapped, or attacked as of January 2021.48

Economic and Social Conditions

Beginning in the late 1980s, Mexico transitioned from a closed, state-led economy to an open market economy that has entered into free trade agreements with 50 countries.49 The transition accelerated after the North American Free Trade Agreement (NAFTA) entered into force in 1994. Since NAFTA, Mexico has increasingly become an export-oriented economy, with the value of exports equaling 40% of Mexico’s gross domestic product (GDP) in 2020, up from 12% of GDP in 1993.50 Mexico remains a U.S. crude oil supplier, but its top exports to the United States are vehicles and auto parts, electrical machinery and equipment, and machinery and mechanical appliances.51

From 2010 to 2019, Mexico recorded an average annual economic growth rate of 2.7%, but its economy contracted 8.2% in 2020.52 Although the global pandemic was the principle cause for the 2020 contraction, Mexico’s economy also shrunk by 0.2% in 2019.53 Increased U.S. demand for goods and services and reopening of businesses after the pandemic powered a strong economic recovery of 5.3% in 2021.54 Nevertheless, concerns about tightening monetary policy and a reduction in U.S. growth projections led the IMF to lower its 2022 growth forecast for Mexico to 2.8%.55

Mexico’s future growth projections are mixed. According to the Organisation for Economic Cooperation and Development (OECD), financial exclusion, a lack of competitiveness, employment in the informal sector, corruption, and low female participation in the workplace are impediments to Mexico’s medium-term economic performance.56 Linger ing pandemic-related effects, energy sector reforms that discourage foreign investment, and new challenges related to technological innovation and climate change also could hinder long-term growth.57 Experts have posited that Mexico’s traditional economic assets—plentiful natural resources, a relatively young labor force, and proximity and preferential access to markets in the United States—strategically

54 IMF, World Economic Outlook Update, January 2022, p. 6.  
55 IMF, World Economic Outlook Update, January 2022, p. 6.  
position it to take advantage of potential nearshoring opportunities as policymakers from the United States and other countries seek to diversify supply chains away from Chinese markets.\textsuperscript{58} Despite attempts to diversify its economic ties and build its domestic economy, Mexico remains heavily dependent on the United States as an export market (roughly 78% of Mexico’s exports in 2021 were U.S.-bound) and as a source of remittances, tourism revenues, and investment.\textsuperscript{59} Remittances reached a record of nearly $52 billion in 2021, defying experts’ predictions that they would fall due to the pandemic.\textsuperscript{60} Total U.S. foreign direct investment in Mexico stood at $100.9 billion in 2019, a 12% decrease from 2018; the United States remained Mexico’s top source of foreign direct investment, accounting for 39.1% of all (stock) inflows.\textsuperscript{61}

**López Obrador Government’s Economic and Energy Policies**

President López Obrador promised to govern austerity and bolster economic growth, but a lack of public investment hurt Mexico’s pre-pandemic growth rate and the government’s limited fiscal response to the pandemic worsened its economic impact on Mexico. López Obrador worked with the Trump Administration to renegotiate the USMCA, which updated and modernized the NAFTA agreement, assuaging some investor concerns about López Obrador’s economic policies. However, his handling of other policy measures with significant economic implications, particularly in the energy sector, have caused concerns. In the second year of the pandemic, the government increased budget allocations for education and public investment but otherwise maintained the fiscally conservative approach it had previously taken, refraining from providing as much budgetary support to its population as some other nations.\textsuperscript{62}

Reduced spending on public administration and several tax settlements with large companies since October 2019 have allowed the López Obrador government to devote significant resources to social programs and major infrastructure projects without adding to public debt.\textsuperscript{63} Many of those infrastructure projects have proven costly for the country. Upon assuming the presidency, López Obrador paid $1.8 billion to cancel the construction of a new airport outside of Mexico City, opting to build in a different location at an estimated cost of $2.6 billion.\textsuperscript{64} His government has continued to construct the Maya Train, a $9.7 billion railroad line to promote tourism in five southeastern states, despite criticism that it would damage the environment and opposition from indigenous groups in the area.\textsuperscript{65} His government devoted $8 billion to build the Dos Bocas coal-powered refinery in Tabasco, but cost overruns, worker strikes, and operational setbacks have derailed the project’s budget and timeline.\textsuperscript{66}

\begin{itemize}
  \item \textsuperscript{58} Daniel Zega, Alessandra Ortiz, “Mexico At the Cusp of Recovery,” Deloitte Insights, December 10, 2021
  \item \textsuperscript{59} Trade Data Monitor, “Mexico Exports to the World, All Commodities, November, 2019-2021,” accessed February 14, 2022.
  \item \textsuperscript{60} Banco de México, Sistema de Información Económica, accessed February 14, 2022.
  \item \textsuperscript{61} U.S. Department of State, 2021 Investment Climate Statements: Mexico, at https://www.state.gov/reports/2021-investment-climate-statements/mexico/.
  \item \textsuperscript{62} IMF, Mexico: Article IV Consultation-Press Release; and Staff Report, Country Report 2021/240, November 2021.
  \item \textsuperscript{63} Javier Martínez, Leonardo Núñez, “Análisis del Paquete Económico 2022: El Presupuesto de un Solo Hombre,” Mexicanos Contra la Corrupción, September 13, 2021; OECD, OECD Economic Outlook, May 2021.
  \item \textsuperscript{64} Sonia Corona, “El Nuevo Aeropuerto de México, a Punto del Despegue,” El País, February 12, 2022.
  \item \textsuperscript{65} “El Tren Maya de López Obrador Arranca el Año Con Tropiezos y Dudas,” Los Angeles Times, February 4, 2022.
\end{itemize}
Proposed Energy Reform

In October 2021, President López Obrador submitted a proposal to amend the Mexican constitution to reduce private sector participation in the power sector and eliminate some independent regulatory agencies. The reform would affect the electricity market by cancelling existing contracts with private generators, awarding the Federal Electricity Commission (CFE) 56% of power generation contracts, and cancelling long-term energy supply contracts and clean energy preferential buying programs. As written, the reform also would eliminate several independent regulatory agencies. Outside of the electricity market, the upstream oil and gas regulator National Hydrocarbon Commission (CNH) would be absorbed into the Secretariat of Energy, causing uncertainty around the permitting process for future private oil and gas projects. The reform also includes provisions to prevent foreign companies from exploiting the country’s lithium deposits by labeling them a “strategic” mineral.

Observers have criticized the initiative on economic, environmental, and legal terms. While López Obrador has been adamant that the reform will lower energy prices for Mexicans, skeptics maintain that less private sector participation in an industry that requires significant capital investment will increase rates. Experts contend that the reform will inhibit Mexico from reaching its climate mitigation commitments by prioritizing CFE power generation—64% of which is nonrenewable—and discouraging privately funded clean energy projects from entering the market; a U.S. Department of Energy analysis estimates that annual CO₂ emissions would increase between 26% and 65%. International observers have questioned the reform’s compliance with the USMCA, as it appears to give advantages to state companies and undermine existing investments.


COVID-19

Health experts have criticized the López Obrador government’s failure to coordinate “a coherent and unified national response” to the COVID-19 pandemic. Mexico waited several weeks after the U.S.-Mexico border had closed to nonessential travel before declaring a public health emergency on March 30, 2020. While the government implemented some measures to ameliorate the economic impacts caused by the virus, including sending advance payments of pensions to senior citizens, observers have characterized Mexico’s fiscal response to the pandemic as “modest.” Throughout the pandemic, President López Obrador has downplayed the threat posed by COVID-19, flouting public health guidelines in his own behavior. His administration’s budget cuts reduced public health system personnel, testing availability, and hospital capacity. As of March 7, 2022, Mexico reported roughly 320,000 COVID-19 deaths; the actual total is likely higher since there were an estimated 650,000 “excess deaths” from unidentified causes in Mexico from 2020 through October 2021. Mexico had fully vaccinated some 62% of its population as of March 7, 2022. Mexico has been both a recipient and

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benefactor of vaccine diplomacy; the country has received vaccines from the United States, Russia, and others, while more recently donating vaccines to smaller countries.

Social Conditions

Mexico has long had relatively high poverty rates for its level of economic development, a problem exacerbated by the pandemic. Experts estimate nearly 10 million Mexicans fell into poverty in 2020, widening the poverty rate to 43.9%.\(^{72}\) Traditionally, poverty has been most acute among those in southern Mexico’s rural regions, indigenous populations, and those employed in subsistence agriculture or in the informal sector.\(^{73}\) Despite predictions to the contrary, poor and working class household incomes have been supported by continued remittances sent from family members abroad. Even amid the pandemic, remittances sent to Mexico have reached record levels, increasing by 11% from 2019 to 2020 and 27% from 2020 to 2021.\(^{74}\)

Mexico also has experienced high levels of income inequality. According to the 2022 *World Inequality Report*, 57% of Mexico’s wealth was concentrated in 10% of the population, a figure that has stayed between 55% and 60% over the past century. Inequality has historically been due, in part, to the country’s regressive tax system, oligopolies that dominate particular industries, a relatively low minimum wage, and a lack of targeting in some social programs.\(^{75}\)

Economists have asserted that reducing the untaxed and unregulated informal sector, in which workers lack job protections and benefits, is crucial for addressing poverty, while also expanding Mexico’s low tax base. Under the Peña Nieto administration, a financial sector reform aimed to increase access to credit for small and medium size businesses (SMEs), which employ a majority of Mexican workers. A fiscal reform also sought to incentivize SMEs’ participation in the formal economy. Barriers to formalization remain, however, including complex and sometimes costly state and local regulations.\(^{76}\)

López Obrador has improved many Mexicans’ socioeconomic conditions amid the deepest recession in decades by increasing pensions for the elderly and raising the minimum wage by 95%, in nominal terms, over the first three years of his administration.\(^{77}\) His program to provide monthly payments to youth aged 18-29 to attend school or complete internships has enrolled over 300,000 individuals, despite reported administrative and financial irregularities.\(^{78}\) However, he has ended *Prospera*, Mexico’s largest social program, which had won international praise for targeting those most in need.\(^{79}\)

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\(^{73}\) This figure is from Mexico’s National Council for the Evaluation of Social Development Policy (CONEVAL) and is available in Spanish at https://www.coneval.org.mx/Medicion/MP/Paginas/Pobreza-2018.aspx.

\(^{74}\) Banco de México, Sistema de Información Económica, accessed February 14, 2022.

\(^{75}\) Gerardo Esquivel Hernandez, *Concentration of Economic and Political Power*, Oxfam Mexico, 2015.


Foreign Policy

In contrast to his predecessor, President López Obrador generally has maintained that the best foreign policy is a strong domestic policy. He has rarely traveled outside the country since assuming office. He did meet in Washington, DC, with President Trump in July 2020 and with President Biden and Canadian Prime Minister Justin Trudeau for the North American Leaders Summit in November 2021.

Foreign Minister Marcelo Ebrard (former mayor of Mexico City) has represented Mexico in global fora and led a return to Mexico’s historic noninterventionist and independent approach to foreign policy (the so-called “Estrada doctrine”). The current administration reversed Mexico’s recognition of Juan Guaidó as Interim President of Venezuela but then hosted Norway-led negotiations between officials representing Nicolás Maduro and the political opposition in August-September 2021. The López Obrador government also granted temporary asylum to ousted Bolivian President Evo Morales and has established closer relations with Cuba. Some observers have questioned the López Obrador government’s decision not to endorse Organization of American States resolutions criticizing human rights abuses by the Daniel Ortega government in Nicaragua.80

Despite these changes, Mexico continues to participate in multilateral institutions and support development in Central America. Mexico held a seat on the U.N. Security Council for 2021-2022. In addition to working within trade fora, such as the Pacific Alliance, Mexico continues to promote its exports and seek new trade partners.81 The López Obrador administration shares the view of prior Mexican governments that the best way to stop illegal immigration from the Northern Triangle of Central America (Guatemala, El Salvador, and Honduras) is to address the lack of opportunity and insecurity in that region. In 2019, Mexico proposed a $100 million program focused on promoting sustainable development in the Northern Triangle.82 In December 2021, the United States and Mexico jointly announced Sembrando Oportunidades, a new effort to coordinate development projects in the Northern Triangle.83

U.S.-Mexican Relations and Issues for Congress

Mexican-U.S. relations generally have grown closer over the past two decades. A range of bilateral mechanisms and institutions have helped the Mexican and U.S. federal governments—as well as stakeholders in border states, the private sector, and nongovernmental organizations—find common ground on difficult issues, such as migration and water management. In 2021, the Biden and López Obrador governments restarted the U.S.-Mexico High-Level Economic Dialogue (HLED), the High-Level Security Dialogue (HLSD), and the North American Leaders Summit (NALS) with Canada. Those meetings did not occur during the Trump Administration.

Congressional interest in Mexico has focused on encouraging economic linkages; cooperating on managing migration flows to the United States; combating illicit flows of people, weapons, drugs, and currency; targeting assistance to Mexico on addressing corruption and human rights abuses; and managing environmental resources, particularly at the border. The U.S.-Mexico

80 “OAS Assembly Condemns Nicaragua’s Election as ‘Not Free,’” AP, November 12, 2021.
Interparliamentary Group (IPG), first convened in 1961, has provided a forum through which legislators from both countries can address issues such as trade, migration, and security. The House of Representatives met with their Mexican counterparts virtually in July 2020; the Senate has not met with Mexican senators since 2013.

U.S.-Mexican relations under the López Obrador administration generally have remained cordial. Nevertheless, periodic tensions have emerged over trade disputes and tariffs; immigration and border security issues, including President Trump’s decision to construct a border wall; and U.S. investigations of Mexican officials. Mexico has accommodated changing U.S. immigration and border security policies, worked with the United States on pandemic recovery, and relaunched security cooperation under a new framework. Mexico’s proposed energy reform and U.S. concerns about the killings of journalists in Mexico have prompted congressional offices to send several letters to the Biden Administration that voice concerns and have caused some strain in relations.84 (See “Outlook,” below.)

Counternarcotics, Security Cooperation, and U.S. Foreign Aid85

Mexico is a long-time recipient of U.S. counterdrug assistance, but cooperation was limited between the mid-1980s and mid-2000s due to U.S. distrust of Mexican officials and Mexican sensitivity about U.S. involvement in the country’s internal affairs. Close cooperation resumed in 2007, when then-President George W. Bush requested, and Congress appropriated, increased counterdrug assistance for Mexico. Although initial U.S. funding for what ultimately would be known as the “Mérida Initiative” focused heavily on training and equipping Mexican security forces, Congress shifted the emphasis of bilateral efforts over time to strengthening Mexican institutions under four broad pillars. Until FY2016, Congress withheld some U.S. security assistance provided through the Mérida Initiative until certain human rights withholding requirements were met (see “Human Rights,” below). In compliance with Leahy Law vetting requirements (22 U.S.C. 2378d),86 U.S. agencies continue to vet individuals and units for potential human rights abuses prior to delivering training and/or equipment.

Congress has funded and overseen the Mérida Initiative, which has accounted for the majority of U.S. foreign assistance to Mexico since FY2008. Congress maintained level funding for the Mérida Initiative even as the Trump Administration requested less support (See Table 1 for recent U.S. assistance to Mexico and Table A-1 for Mérida Initiative funding). Nevertheless, elevated organized crime-related violence in Mexico and drug overdose deaths in the United States have led many to question the Mérida Initiative’s efficacy.87 Mexican transnational criminal organizations (chiefly, the Sinaloa Cartel and the Jalisco New Generation Cartel, or CJNG) have established Mexico as the primary source and transit point for illicit fentanyl into the United States.88 In its February 2022 final report, the Commission on Combating Synthetic Opioid Trafficking established by Section 7221 of P.L. 116-92 assessed that “cooperation with foreign

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85 See also CRS In Focus IF10578, Mexico: Evolution of the Mérida Initiative, FY2008-FY2022; CRS Insight IN11859, New U.S.-Mexico Security Strategy: Issues for Congressional Consideration.
88 As the Chinese government has placed strict controls on fentanyl, Mexican drug trafficking organizations are increasingly involved in supplying the U.S. market. U.S. Drug Enforcement Administration, Fentanyl Flow to the United States, March 6, 2020.
law enforcement officials in Mexico to eradicate the fentanyl threat has been insufficient to date.” In oversight hearings, Members of Congress have repeatedly expressed concerns about the lack of metrics for measuring the Mérida Initiative’s success; these concerns also prompted Members to request several Government Accountability Office reports on similar topics.89

On January 31, 2022, the U.S. and Mexican governments published an action plan for implementing the U.S-Mexico Bicentennial Framework for Security, Public Health, and Safe Communities. Launched at the October 2021 HLSD, the framework is a replacement for the Mérida Initiative. The framework’s action plan has three broad pillars (see Figure 4) that Congress could influence, particularly through the appropriations process. The extent to which the framework helps disrupt the illicit production and trafficking of U.S.-bound synthetic opioids, a key U.S. priority, may determine congressional perceptions of the framework’s success.

Figure 4. U.S.-Mexican Security Cooperation Frameworks

![Figure 4](image)

Source: U.S. Department of State.

The Biden Administration requested $116.8 million for Mexico for FY2022 (see Table 1). The House-passed version of the FY2022 foreign aid appropriations bill (H.R. 4373, H.Rept. 117-84) would provide $158.9 million for Mexico, the same amount as in FY2021. H.Rept. 117-84 would prohibit funding to support Mexican military participation in public security efforts. It would require a comprehensive review of funds provided through the Mérida Initiative and a report on any funds appropriated to Mexican agencies involved in migration management within 90 days of the bill’s enactment. H.Rept. 117-84 also would require reports on plans to improve data collection on synthetic drug trafficking; the adequacy of Mexico’s efforts to combat human rights abuses, such as torture and enforced disappearances; crimes committed along Mexico’s northern highways; efforts to combat fentanyl flows; and the efficacy of U.S. drug policy. The Senate-introduced version of the FY2022 foreign aid bill (S. 3075) does not stipulate a total funding level for Mexico. It would provide $80 million in International Narcotics Control and Law Enforcement funds.

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Table 1. U.S. Assistance to Mexico: FY2018-FY2022
(appropriations in millions of current dollars)

<table>
<thead>
<tr>
<th>Foreign Assistance Account</th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2020</th>
<th>FY2021 (enacted)</th>
<th>FY2022 request</th>
</tr>
</thead>
<tbody>
<tr>
<td>Development Assistance (DA)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Economic Support Fund (ESF)</td>
<td>45.0</td>
<td>45.0</td>
<td>50.0</td>
<td>50.0</td>
<td>50.0</td>
</tr>
<tr>
<td>International Narcotics Control and Law Enforcement (INCLE)</td>
<td>100.0</td>
<td>110.0</td>
<td>100.0</td>
<td>100.0</td>
<td>64.0</td>
</tr>
<tr>
<td>Foreign Military Financing (FMF)</td>
<td>5.0</td>
<td>5.0</td>
<td>5.0</td>
<td>6.0</td>
<td>0.0</td>
</tr>
<tr>
<td>International Military Education and Training (IMET)</td>
<td>1.5</td>
<td>1.3</td>
<td>1.8</td>
<td>1.8</td>
<td>1.6</td>
</tr>
<tr>
<td>Non-proliferation, Antiterrorism, Demining, and Related Programs (NADR)</td>
<td>1.2</td>
<td>1.2</td>
<td>1.2</td>
<td>1.2</td>
<td>1.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>152.7</strong></td>
<td><strong>162.5</strong></td>
<td><strong>158.0</strong></td>
<td><strong>159.0</strong></td>
<td><strong>116.8</strong></td>
</tr>
</tbody>
</table>


The Department of Defense (DOD) is not providing assistance through Mérida accounts, nor is the agency mentioned in the Bicentennial Framework. However, DOD has overseen the procurement and delivery of equipment provided through the Foreign Military Financing (FMF) account. Some DOD equipment programs are funded by annual State Department appropriations for FMF, which totaled $6.0 million in FY2021 but were not requested for FY2022. International Military Education and Training (IMET) funds, which totaled $1.8 million in FY2021, support training programs for the Mexican military, including courses in the United States. DOD also provides additional training, equipping, and other logistical support to Mexico that complements the Mérida Initiative through its own authorities including, but not limited to, Section 333 Building Partner Capacity and Section 284 Counter-drug and Activities to Counter Transnational Organized Crime (both authorized under Title 10 of the *U.S. Code*). Through 22 U.S.C. 2416, Congress requires an annual report on Foreign Military Training by DOD and the State Department; the agencies submitted the most recent version of that report to relevant committees in February 2022.

Bilateral military cooperation deepened along with Mérida-related law enforcement cooperation. According Northern Command officials, current bilateral goals focus on “improving regional security, strengthening military ties with regional partners, and expanding force interoperability through the Defense Strategic Framework and the Bilateral Military Cooperation Roundtable.” Mexico is scheduled to host the next bilateral roundtable in May 2022.

Congress may seek to influence how the Biden Administration balances U.S. foreign assistance priorities in Mexico; monitor the efficacy of U.S.-funded efforts; and recommend ways to respond to challenges posed by evolving criminal activities and changes in Mexico’s policies.

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Law Enforcement Cooperation and Extraditions

In hearings and in letters, the 117th Congress has expressed concerns about friction in U.S.-Mexican security cooperation. Congressional oversight attention may focus on the Bicentennial Framework’s progress in restarting bilateral law enforcement cooperation. The framework’s action plan envisions a joint objective of building on past cooperation to investigate and prosecute corrupt actors through the disruption of criminal financial networks, as well as increasing cooperation in extradition matters.92 However, bilateral law enforcement cooperation on all criminal matters, especially those pertaining to corruption cases, remains a source of friction between the countries.93 Should that cooperation not improve, Members have introduced legislation (H.R. 2600) that would require the State Department to declare certain Mexican DTOs as foreign terrorist organizations, a move that Mexico likely would oppose.94

During the Calderón government (2006-2012), Mexico extradited an average of 98 people per year to the United States, a significant increase over the prior administration. When President Peña Nieto took office, extraditions fell to 54 in 2013 but rose to an administration high of 76 in 2016 (see Figure 5). In January 2017, Mexico’s decision to extradite Joaquín “El Chapo” Guzmán, leader of the Sinaloa Cartel and one of the DEA’s top global targets, was a high point in bilateral cooperation that was praised by many Members of Congress. Extraditions remained relatively level during the first two years of the López Obrador government, before hitting a 15-year low in 2021.

![Figure 5. Extraditions from Mexico to the United States: 1999-2021](image)

Source: CRS based on data from U.S. Department of Justice and U.S. Department of State.

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94 CRS Insight IN11205, *Designating Mexican Drug Cartels as Foreign Terrorists: Policy Implications*, coordinated by Liana W. Rosen.
Human Rights

The U.S. Congress has expressed ongoing concerns about human rights conditions in Mexico through conditions on appropriations, support for human rights programming, oversight hearings, and letters to, and visits with, successive U.S. and Mexican administrations. Recent attention has focused on violence against journalists in Mexico. Congress has continued to monitor adherence to the Leahy vetting requirements that must be met under the Foreign Assistance Act (FAA) of 1961, as amended (22 U.S.C. 2378d), which pertains to State Department aid, and 10 U.S.C. 2249e, which guides DOD funding. DOD suspended assistance to a brigade based in Tlatlaya, Mexico, due to concerns about the brigade’s potential involvement in extrajudicial killings but has also worked with Mexico to rehabilitate units once suspended from receiving U.S. assistance. Congressional concerns about labor conditions in Mexico and the government’s ability to implement USMCA commitments prompted the inclusion of $210 million in funds for the U.S. Department of Labor’s Bureau of International Labor Affairs (ILAB) technical assistance programs in the USCMA’s implementing legislation (P.L. 116-113).

From FY2008 to FY2015, Congress made conditional 15% of U.S. assistance to the Mexican military and police until the State Department sent a report to appropriators verifying that Mexico was taking steps to comply with certain human rights standards. In FY2014, Mexico lost $5.5 million in funding due to human rights concerns. For FY2016-FY2021, human rights reporting requirements applied to FMF rather than to Mérida Initiative accounts. In recent years, human rights reporting requirements have been in explanatory statements rather than the legislation. The State Department reportedly has not sent human rights reports to Congress since FY2017, as the agency maintains it is not legally obligated to do so.

U.S. assistance to Mexico has supported the Mexican government’s efforts to reform its judicial system and improve human rights conditions in the country. Congress has provided funding to support Mexico’s transition from an inquisitorial justice system to an oral, adversarial, and accusatorial system that aims to strengthen due process and human rights protections for victims and the accused. The State Department established a high-level human rights dialogue with Mexico, although the dialogue has not yet convened under the López Obrador government. Top

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95 See also: CRS Report R45199, Violence Against Journalists in Mexico: In Brief; CRS In Focus IF11669, Human Rights Challenges in Mexico: Addressing Enforced Disappearances.
98 The purpose of the funding is for ILAB to administer technical assistance grants to support worker-focused capacity building and efforts to reduce workplace discrimination, child labor, forced labor, human trafficking, child exploitation and other efforts related to implementation of Mexico’s labor commitments.
99 As a result of the State Department’s decision not to submit a report for Mexico, some $5 million in FY2014 International Narcotics Control and Law Enforcement (INCLE) assistance was reprogrammed by the State Department to Peru. Mexico lost close to $500,000 in Foreign Military Financing (FMF), as well.
100 CRS interview with State Department official, March 20, 2020.
102 While DOJ has supported reform efforts at the federal level, USAID programs have been at the state level since 2016. See USAID, “Mexico: Rule of Law,” September 2020, available at https://www.usaid.gov/mexico/rule-of-law.
U.S. officials have issued statements on specific human rights concerns, including a recent tweet by Secretary of State Antony Blinken expressing concern violence against journalists. Protecting human rights and “vulnerable populations” is included under the first pillar of the new Bicentennial Framework (see Figure 4). The State Department engages with human rights and freedom of expression organizations in Mexico and ensures U.S. training programs for police and criminal justice sector actors have units on protecting human rights.

The U.S. Agency for International Development (USAID) provides technical assistance to the Mexican federal and state governments as well as complementary support to think tanks and civil society organizations on human rights issues. USAID’s human rights programming includes a new $24 million initiative to support national and state implementation of laws against torture and enforced disappearances and to provide forensic assistance to address unidentified remains. Other ongoing initiatives seek to better protect journalists and human rights defenders, as well as to address enforced disappearances, femicides, and torture in selected states. In December 2020, USAID published its five-year strategy for Mexico, which integrates these efforts into a broader strategy to help state and local governments committed to addressing impunity and violence. USAID continues to support organizations that have received criticism for their anti-corruption and human rights advocacy from President López Obrador and his party.

Congress is likely to continue monitoring human rights conditions in Mexico, including compliance with conditions included in the explanatory statement to the FY2021 Consolidated Appropriations Act (H.R. 133) and commitments to improve labor conditions made under USMCA. Some Members of Congress have written letters to U.S. and Mexican officials regarding human rights concerns, including allegations of extrajudicial killings by security forces, violence against journalists and human rights defenders, and abuses of migrants.

Congress may monitor how the López Obrador administration moves to punish past human rights abusers; how Mexico’s National Guard, along with other security and judicial actors, is or is not respecting human rights; what mechanisms exist to address allegations of abuse and wrongdoing by such actors; and the adequacy of victims’ assistance. Congress also may question how the

103 Secretary Antony Blinken (@SecBlinken), “The high number of journalists killed in Mexico this year and the ongoing threats they face are concerning. I join those calling for greater accountability and protections for Mexican journalists,” Twitter, February 22, 2022, 8:47 p.m.
107 Those conditions maintain that of the funds available for assistance for Mexico under the FMF heading, 25 percent shall be withheld from obligation until the Secretary of State determines and reports to the Committee that the Government of Mexico is: (1) thoroughly and credibly investigating and prosecuting violations of human rights in civilian courts; (2) vigorously enforcing prohibitions against torture and the use of testimony obtained through torture; and (3) searching for victims of forced disappearances and credibly investigating and prosecuting those responsible for such crimes.” In addition, the State Department must withhold those funds until the Secretary of State determines that “the Government of Mexico is implementing credible counternarcotics and law enforcement strategies in cooperation with the United States that reflect the input of civil society, have realistic goals, and are consistent with the right of due process and protection of human rights.

State Department and USAID can provide support to emerging human rights priorities, as well as the effects of ILAB technical assistance programs on labor conditions in Mexico.

**Migration and Border Issues**

Immigration and border security are perennial issues of interest to Congress, which has enacted piecemeal stand-alone legislation but has failed to enact comprehensive immigration reform for several decades. President Biden’s proposed comprehensive immigration reform bill, introduced in 2021 as the U.S. Citizenship Act (S. 348/H.R. 1177, has yet to receive congressional consideration. Whereas some Members of Congress favor strong border security measures and restrictions on asylum, others oppose restrictive immigration policies. Amid record encounters (apprehensions and expulsions) in FY2021, Members of Congress are also closely following the role Mexico is playing in interdicting irregular migrants and in offering asylum to those eligible.

President Trump’s rhetoric and shifts in U.S. immigration policies tested U.S.-Mexican relations during the Peña Nieto government. In E.O. 13678 (2017), the Trump Administration broadened the categories of unauthorized immigrants prioritized for removal (deportation). Since Mexicans comprise the vast majority of individuals removed from the United States each year, this disproportionately affected Mexicans. In September 2017, the Administration rescinded the Deferred Action for Childhood Arrival (DACA) initiative through a process the U.S. Supreme Court subsequently ruled in June 2020 did not follow proper procedures and had to be vacated. This attempt to rescind DACA also would have affected Mexicans more than other nationalities, as Mexicans comprise a majority of those who have received relief from removal through the initiative.

Under President López Obrador, Mexico has accommodated U.S. policy changes that have shifted more of the burden of sheltering and offering asylum to non-Mexican migrants from the United States to Mexico. At the same time, Mexico’s apprehensions of migrants totaled a record 307,679 in 2021, including some 232,500 from Northern Triangle countries (El Salvador, Guatemala, and Honduras). Asylum requests in Mexico reached a record 131,448 in 2021, with Haitians comprising 39.4% of those requests (see Figure 6, below).

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110 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. See CRS Report R45995, *Unauthorized Childhood Arrivals, DACA, and Related Legislation*, by Andorra Bruno; and CRS Legal Sidebar LSB10497, *Supreme Court: DACA Rescission Violated the APA*, by Ben Harrington.


Figure 6. Mexico: Apprehensions and Asylum Applications Received

Source: CRS, based on information from Mexico’s Secretary of the Interior.

Migrant Protection Protocols

In December 2018, the López Obrador government offered basic services and jobs to non-Mexicans enrolled in a new U.S. Department of Homeland Security (DHS) program, the Migrant Protection Protocols (MPP). The MPP program required more than 70,000 asylum-seekers to wait in Mexico while U.S. immigration courts processed their cases between January 2019 and January 2021, when the program was initially suspended. DHS first piloted MPP in the El Paso sector but gradually expanded the program across the border as part of a June 2019 U.S.-Mexico migration agreement. In June 2021, the Biden Administration terminated new MPP enrollments but, after a lawsuit challenging the termination, a federal judge ordered DHS to reinstate the program in August 2021. After losing a Supreme Court appeal, DHS announced the reimplemention of MPP with new implementation guidance on December 2, 2021.113 The Supreme Court has agreed to hear the Biden Administration’s appeal of the lower court decision this term.114 In the meantime, Members of Congress have conducted oversight trips and have held a hearing on the reinstated MPP policy.115

Title 42

In response to the pandemic, DHS largely suspended asylum processing at the U.S.-Mexico border in March 2020 under a Centers for Disease Control and Prevention public health order (referred to as Title 42).116 The Trump Administration then expelled most migrants without valid

113 Department of Homeland Security (DHS) pledged to help Migrant Protection Protocols (MPP) enrollees access shelter, counsel, COVID-19 vaccines, and transport to their hearings. Mexico promised temporary legal status and work authorizations for those in MPP. Any adult or family unit from any Western Hemisphere country other than Mexico now may be subject to MPP.
116 CRS Legal Sidebar LSB10439, Entry Restrictions at the Northern and Southern Borders in Response to COVID-19.
travel documents into Mexico or returned them to their home countries without asylum hearings. Mexico has struggled to absorb those migrants. The Biden Administration ended the use of Title 42 for unaccompanied children and curtailed the policy for family units but left the policy in place for single adults. During FY2020 and FY2021, nearly 1.2 million migrants were expelled, the majority to Mexico. On March 4, 2022, a circuit court ruled that Title 42 may still be used, but only in cases where a migrant does not express a fear of persecution or torture.

Mexican border cities, some of which have high rates of violent crime, have been sheltering tens of thousands of migrants since 2019 due to MPP, Title 42, and another policy known as metering. Among the concerns raised by human rights organizations is that the rapid expulsions reportedly have led to cursory medical screenings and few qualifying for existing humanitarian exceptions from expulsion. With many shelters limiting new arrivals due to COVID-19, some migrants have experienced precarious living situations and some have been attacked by criminal groups.

Congress may continue to provide funding and oversight to address migration, border security, and related humanitarian and health issues on the U.S.-Mexican border and within Mexico. U.S. funds appropriated for the Mérida Initiative have supported Mexico’s immigration control efforts and global funds provided through the Migration and Refugee Assistance program to improve asylum processing, shelters, and assistance to migrants in Mexico.

Economic and Trade Relations and the U.S.-Mexico-Canada Agreement

The United States and Mexico have a strong economic and trade relationship that was bolstered through NAFTA. From 1994 through the USMCA’s entry into force on July 1, 2020, NAFTA had removed virtually all tariff and nontariff trade and investment barriers among partner countries and provided a rules-based mechanism to govern North American trade. Most economic studies concluded the net economic effect of NAFTA on the United States and Mexico was small but positive, though there were adjustment costs to some sectors in both countries.

Recent U.S. Administrations have worked with Mexico to coordinate economic issues. The Obama Administration worked with Mexico to balance border security while facilitating

by Kelsey Y. Santamaria and Ben Harrington.

120 Even before the pandemic, U.S. Customs and Border Protection (CBP) had been limiting the number of asylum seekers processed each day at designated ports of entry along the U.S. southern border. Migrants affected by this policy generally had not yet reached the U.S. border and were required to remain in Mexico until CBP decided it could process them. This policy—known as metering—sought to address an “unprecedented rise in asylum requests,” as well as safety and health concerns resulting from overcrowding at ports of entry. The policy has led to long wait times and overcrowded conditions on the Mexican side of the border.
122 Human Rights First, Delivered to Danger, February 19, 2021.
123 This section is drawn from CRS Report RL32934, U.S.-Mexico Economic Relations: Trends, Issues, and Implications, by M. Angeles Villarreal.
legitimate trade and travel, promoting competitiveness, and pursuing greater energy integration through a cabinet-level High-Level Economic Dialogue (HLED) chaired by Vice President Biden. The High-Level Regulatory Cooperation Council helped align regulatory principles. Trilateral (with Canada) cooperation occurred under the aegis of the North American Leadership Summits (NALS).

Under the Trump Administration, neither the HLED nor the NALS took place. However, the Executive Steering Committee (ESC)—which guided efforts along the border during the Obama Administration—expanded to focus on boosting competitiveness. The U.S.-Mexican CEO Dialogue also continued to convene biannual meetings and issue recommendations for both governments. As previously mentioned, the Biden Administration has restarted both the HLED and the NALS.

**Modernizing the U.S.-Mexican Border**

Congress has long expressed concerns about delays and unpredictable wait times at the U.S.-Mexico border. The majority of U.S.-Mexican trade passes through a port of entry along the southwestern border, often more than once, due to the increasing integration of manufacturing processes in the United States and Mexico. Past bilateral efforts have contributed to reductions in wait times at some points of entry, but infrastructure and staffing issues remain on both the U.S. and Mexican sides of the border. While Congress has enacted (P.L. 114-279) legislation to allow public-private partnerships to address some border infrastructure issues, staffing issues remain challenging.

In May 2010, the United States and Mexico declared their intent to collaborate on enhancing the U.S.-Mexican border. A Twenty-First Century Border Bilateral ESC has met since then, most recently in December 2021, to develop binational action plans and oversee implementation of those plans. In 2021, the ESC reviewed the completion of a three-phased modernization of the San Isidro port of entry, the one of the world’s busiest border crossings. The ESC sets goals within broad objectives: coordinating infrastructure development, expanding trusted traveler and shipment programs, establishing pilot projects for cargo preclearance, improving cross-border commerce and ties, and bolstering information sharing among law enforcement agencies.

The COVID-19 pandemic posed several challenge for U.S., Mexican, and Canadian officials that Congress has examined via several oversight hearings. Officials initially struggled to maintain the integrity of supply chains for industries deemed essential during the pandemic while protecting the health of workers employed in those sectors. Officials have communicated on a weekly basis to try to minimize the effects of border travel restrictions and to determine when current trade and travel restrictions can be safely lifted. Congress may monitor how the Biden Administration balances trade and infrastructure issues with other priorities along the southwestern border.

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125 The Executive Steering Committee (ESC) coordinates efforts with Mexico in three areas: infrastructure, secure flows, and law enforcement/security. See U.S. Department of State, United States-Mexico Bilateral Executive Steering Committee of the 21st Century Border Management Process, December 10, 2021.

U.S.-Mexico-Canada Agreement

Congress played a key role in modifying, considering, and approving implementing legislation for the USMCA, which entered into force on July 1, 2020. Congress is actively overseeing the USMCA’s implementation and USMCA-related trade disputes. In May 2017, the Trump Administration sent a 90-day notification to Congress of its intent to begin talks with Canada and Mexico to renegotiate and modernize NAFTA, as required by the 2015 Trade Promotion Authority (TPA). Negotiations began on August 16, 2017, and were concluded on September 30, 2018. USMCA was signed on November 30, 2018. The House Democratic leadership recommended modifications to USMCA (on labor, the environment, and dispute settlement, among other topics) that led to changes to the agreement and a subsequent negotiation with Mexico and Canada on a USMCA protocol of amendment on December 10, 2019. The House approved USMCA implementing legislation in December 2019, and the Senate followed suit in January 2020 (P.L. 116-113).

On April 24, 2020, the U.S. Trade Representative notified Congress that Canada and Mexico had taken the legal and regulatory steps necessary to implement the USCMA and that the agreement would enter into force on July 1, 2020. On July 8, 2020, President Trump hosted President López Obrador at the White House to commemorate the USMCA’s entry into force. Canadian Prime Minister Justin Trudeau did not attend due to the COVID-19 pandemic.

USMCA, composed of 34 chapters and 12 side letters, retains most of NAFTA’s free-trade provisions and other measures, but it makes notable changes to auto rules of origin, dispute settlement provisions, government procurement, investment, and intellectual property right (IPR) protection. It also modernizes provisions in services, labor, and the environment and addresses new trade issues, such as digital trade, state-owned enterprises, anti-corruption, and currency misalignment. Key issues for Congress in the debate surrounding USMCA included workers’ rights protection in Mexico, IPR provisions and access to medicine, the enforceability of labor and environmental provisions, and the constitutional authority of Congress over international trade and its role in revising, approving, or withdrawing from the agreement.

Congress included $180 million over four years in the USCMA’s implementing legislation (P.L. 116-113) for technical assistance projects related to the agreement and $30 million to pay for labor attachés and other staff to monitor Mexico’s USMCA compliance. The goals of recent assistance have been to ensure enforcement of Mexican labor laws and legitimate collective bargaining rights; increase measures to mitigate COVID-19 among workers; and address child labor and forced labor in Mexico’s supply chains, including in agriculture. Some Members of Congress have praised two recent votes by Mexican workers in favor of establishing independent unions at their automotive plants as steps toward improving workers’ rights and representation.

Now that USMCA is in the implementation phase, Congress may wish to consider various issues regarding the agreement. These issues include how the new importing requirements under USMCA are being phased in; whether the new rules of origin for the motor vehicle industry are

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127 This section is drawn from the summary of CRS Report R44981, *The United States-Mexico-Canada Agreement (USMCA)*, by M. Angeles Villarreal.


being implemented as planned; how the more stringent requirements are affecting the North American motor vehicle industry; how well Mexico is implementing labor law reforms to provide more workers’ rights protection; how well the funding provided by USMCA legislation is ensuring effective implementation of Mexico’s labor reforms; how well the new labor enforcement measures, including the rapid response mechanism, are working; and the extent to which USMCA’s updated dispute resolution procedures are improving the enforcement of the agreement’s provisions, among other issues.

Selected CRS Products on the U.S.-Mexico-Canada Agreement

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Energy

Congress has expressed ongoing interest in the future of energy production in Mexico, as it is important for Mexico’s economic growth and for the U.S. energy sector. Mexico has considerable oil and gas resources, but its state oil company (Pemex), has struggled to counter declining production and postponed needed investments due to fiscal challenges. Many Members of Congress praised Mexico’s 2013 constitutional reforms on energy that opened up oil, electricity, gas, transmission, production, and sales to private and foreign investment while keeping ownership of Mexico’s hydrocarbons under state control. Members of Congress have expressed serious concerns about the López Obrador administration’s treatment of U.S. energy companies, as well as its proposed electricity reform.132

The 2013 reforms created opportunities for U.S. businesses in exploration, pipeline construction and ownership, natural gas production, and commercial gasoline sales. Although the reforms did not privatize Pemex, they did expose the company to competition and hastened its entrance into joint ventures. Because of the reforms, Mexico received more than $160 billion in promised investment.133 However, the reforms ended subsidies that kept gasoline prices low for Mexican consumers and failed to reverse production declines and problems within Pemex. While analysts still predict that the reforms will bring long-term benefits to the country, the Peña Nieto administration oversold their short-term impacts, which has emboldened those within the López Obrador government who have sought to curtail private involvement in the sector.134

The United States sought to cement Mexico’s energy reforms through the NAFTA renegotiations. NAFTA included some reservations for investment in Mexico’s energy sector. USMCA reinforces Mexico’s 2013 constitutional reforms and the current legal framework for private energy projects


133 Duncan Wood and John Padilla, Mexico’s new Hydrocarbons Model: a Critical Assessment Four Years Later, Wilson Center & IPD Latin America.

134 Ibid; Duncan Wood et al., Changing the Guard in Mexico: AMLO’s Opportunities and Challenges, July 2018.
in Mexico. It includes investor-state dispute settlement mechanisms similar to those that existed in NAFTA for the oil and gas, infrastructure, and other energy sectors, even as those mechanisms were limited for other sectors. In addition, the free trade agreement maintains tariff-free exports of U.S. natural gas to Mexico, which have increased significantly since the 2013 reforms.

Private sector trade, innovation, and investment have created a North American energy market that is interdependent and multidirectional, with cross-border gas pipelines and liquefied natural gas (LNG) shipments from the United States to Mexico surging. In 2019, the value of U.S. petroleum products exports to Mexico totaled nearly $30 billion, more than double the value of U.S. energy imports from Mexico ($13 billion). Many experts have argued that deepened energy cooperation with Mexico could give North America an industrial advantage.

López Obrador’s energy policies have concerned energy investors and U.S. companies with large parts of their supply chains in Mexico. The government’s decisions to halt new auctions in the oil and gas sector, as well as in wind and solar energy projects, stunned investors and put hundreds of existing projects in limbo. Private sector actors are lobbying for adjustments in the proposed electricity reform that would enable Mexico to keep its Paris climate agreement pledges and respect private investment while still strengthening the CFE.

Opportunities exist for continued U.S.-Mexican energy cooperation in the energy sector, but the future of those efforts may depend on the outcome of López Obrador’s proposed reforms. The Biden Administration has engaged Mexico in several high-level meetings to express concern over the proposal, citing concerns that it could hinder U.S.-Mexico cooperation on clean energy initiatives and violate the USMCA. Bilateral efforts to accelerate Mexican action on renewable energy development and other policies to reduce greenhouse gas emissions could continue through a newly created U.S.-Mexico Climate and Clean Energy Working Group.

In addition to monitoring López Obrador’s proposed energy reform as it pertains to USMCA, congressional oversight may involve broader issues related to the fairness of policies adopted by the López Obrador government toward foreign energy companies and investors.

Selected Border Environmental Issues

The transboundary flow of raw sewage and industrial wastewater has been a focus of bilateral environmental dialogue since at least the U.S.-Mexico Water Treaty of 1944. Effluent, trash, and

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135 CRS In Focus IF11167, *USMCA: Investment Provisions*, by Christopher A. Casey and M. Angeles Villarreal.
139 Kate Linthicum, “For Mexico’s President, the Future Isn’t Renewable Energy—it’s Coal,” *Los Angeles Times*, April 12, 2021.
143 This section was authored by Elena Humphreys, Analyst in Environmental Policy.
sediment flowing into the United States from Mexico has caused health and environmental problems in the border region that Members of Congress have consistently raised on behalf of their constituents. Wastewater collection and treatment system capacity has not kept pace with rapid population growth in the border region. Also, the aging of existing wastewater infrastructure has led to increased maintenance issues, such as pipeline ruptures. To address border sanitation issues, Congress has appropriated funds for the International Boundary and Water Commission (IBWC), the U.S. Environmental Protection Agency (EPA), and the North American Development Bank (NADB) to construct or finance wastewater infrastructure on both sides of the border. Several sanitation facilities have been constructed, though continued transboundary flows require bilateral cooperation.

**International Boundary and Water Commission**

The IBWC, consisting of U.S. and Mexico Sections, implements boundary and water treaties between the United States and Mexico.\(^{144}\) IBWC’s activities are conducted through Minutes, which have the force of law when both the U.S. and Mexican governments provide written approval through their respective sections of the IBWC. To address the issue of transboundary effluent flows, the IBWC has taken actions under numerous Minutes.\(^{145}\) Under this authority, IBWC has constructed and operates three wastewater treatment plants, two of which treat Mexican wastewater on the U.S. side of the border. These two wastewater treatment plant are the South Bay International Wastewater Treatment Plant in San Ysidro, CA, and the Nogales Wastewater Treatment Plant in Nogales, AZ. IBWC also operates the Nuevo Laredo Wastewater Treatment Plant in Nuevo Laredo, Mexico.

Congress appropriates funds to the IBWC for construction activities through State Department appropriations. The FY2021 Consolidated Appropriations Act (P.L. 116-260) included an appropriation of $49.0 million for IBWC construction, $12.1 million above enacted FY2020 IBWC construction appropriations. Congressional appropriators have shown interest in increasing oversight regarding transboundary sewage flows. P.L. 116-260 included a requirement for the Secretary of State, in coordination with the heads of other relevant federal agencies, to submit a report to the appropriations committee on the implementation of the interagency plan developed pursuant to the Further Consolidated Appropriations Act, 2020 (P.L. 116-94), within 90 days of enactment. P.L. 116-94 directed the Secretary of State, as well as other relevant federal agencies, to develop a plan to

address the impacts of toxic transboundary flows on U.S. communities, including: (1) an explanation of the sources and impacts of such flows; (2) the delineation of responsibility between each agency and a description of necessary actions and resources for each agency to address such impacts; (3) steps that will be taken to raise the issue of transboundary flows with the Government of Mexico, including by utilizing U.S. assistance for Mexico to obtain improvements to prevent, divert, and/or treat toxic flows on the Mexican side of


\(^{145}\) These Minutes can be found at https://www.ibwc.gov/Treaties_Minutes/Minutes_ByProject.html.
Pursuant to the FY2022 Further Extending Government Funding Act (P.L. 117-70), the IBWC, along with other federal agencies, is operating under a continuing resolution at FY2021 funding levels. For FY2022, the State Department’s budget request specified that the $46.8 million, requested in construction funds, be used for strengthening the Amistad Dam; rehabilitating IBWC wastewater infrastructure in Nogales, AZ; and improving security for USIBWC facilities and critical infrastructure.146

As the 117th Congress deliberates on appropriations bills for FY2022, it has continued to pay attention to transboundary pollution issues. The report accompanying the House-passed Department of State, Foreign Operations, and Related Programs Appropriations Act, 2022 (H.R. 4373) expresses concern over the transboundary flow of effluent from Mexico into the United States and includes a requirement for the Department of State and the IBWC to submit a status report that reviews planned and completed actions to address such flows. The explanatory statement accompanying the Senate-introduced version of the Department of State, Foreign Operations, and Related Programs Appropriations Act, 2022 (S. 3075) directs the U.S. Section of the IBWC to assess the costs, benefits, and feasibility of constructing a screen for debris and drugs in a portion of a pipeline that delivers wastewater across the border to the Nogales Wastewater Treatment Plant. The explanatory statement for S. 3075 further states that should such a screen be effective, then the IBWC should include in its FY2023 request funding to construct a screen. The measure does not specify criteria to assess efficacy.

North American Development Bank

In October 1993, the United States and Mexico adopted an agreement to establish the Border Environment Cooperation Commission (BECC) and the NADB to provide financial assistance for environmental infrastructure projects in the border region. The agreement noted the need for environmental infrastructure, especially in the areas of water pollution, wastewater treatment, and municipal solid waste. The BECC is authorized to help border states and communities coordinate, design, and mobilize financing for environmental infrastructure projects, and to certify projects for financing. The NADB evaluates the financial feasibility of BECC-certified projects and provides financing as appropriate. Congress authorized U.S. participation in the BECC and NADB in legislation implementing the North America Free Trade Agreement (P.L. 103-182). Enacted in 2004, P.L. 108-215 authorized several operational reforms to the NADB. In 2017, BECC and NADB were integrated into a single institution.147

The USMCA Implementation Act (P.L. 116-113), Title VIII, Subtitle C, called for U.S. NADB board members to urge NADB to prioritize financing environmental infrastructure projects (over road or commercial projects), streamline project certification and financing procedures, and develop project performance measures. The FY2021 Consolidated Appropriations Act (P.L. 116-260), Division O, Title VI, authorized the U.S. Treasury to contribute up to $1.02 billion for U.S. shares of NADB capital stock. The 2020 NADB annual report states that, in 2020, the United States provided $225 million in paid-in capital to the NADB and that Mexico intends to provide

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matching payments. The report also indicated that $165 million of this amount depends on payments from Mexico.

### U.S. Environmental Protection Agency

Congress annually provides funding to EPA for high priority water and wastewater infrastructure projects in the U.S.-Mexican border region. In 1997, EPA and NADB entered into an agreement, under which EPA contributes much of its annual border infrastructure appropriation to NADB for grants to construct water infrastructure on both sides of the border. For FY2021, Congress provided $30 million for the Border Water Infrastructure Program (BWIP) through an EPA account in the Consolidated Appropriations Act, 2021. EPA in turn provides these funds to two programs: (1) the Project Development Assistance Program (PDAP) and (2) the Border Environment Infrastructure Fund (BEIF). The PDAP and BEIF programs are intended to identify and fund drinking water quality, wastewater management infrastructure projects, or both. Project sponsors can apply jointly to the PDAP/BEIF program through NADB, which screens for initial eligibility and prioritizes projects using EPA’s ranking methodologies. To be eligible for BEIF grants, projects located in Mexico must have a U.S. benefit and are required to provide a cost-share, as determined by the Mexican national water agency. EPA reports that BWIP has provided funding for 136 projects, 101 of which have been completed.

The USMCA Implementation Act (P.L. 116-113) includes a supplemental appropriation of $300 million for EPA to support high-priority wastewater facilities, after consultation with the appropriate border commission. The act directs EPA to carry out design, construction, operation, and maintenance activities of high-priority treatment works in the Tijuana River Valley to treat wastewater flows originating in Mexico. EPA is directed to carry out such activities in coordination with the U.S. Section of the IBWC; federal agencies, including the Department of State and the U.S. Army Corps of Engineers; and state and local partners. In July 2020, EPA convened the USMCA Interagency Consultation Group, composed of the partners identified in the act, and later announced the selection of two projects to be funded with the USMCA supplemental appropriation. Under a new memorandum of understanding with IBWC, EPA will design and construct a structure to divert 10 million gallons per day of flows to the South Bay International Wastewater Treatment Plant. EPA, working with the City of San Diego, also will

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149 Ibid, p. 33.
150 The Joint Explanatory Statement for the Consolidated Appropriations Act, 2021, Division G, states that combined stormwater runoff and raw sewage abatement projects are eligible for Border Water Infrastructure Program (BWIP).
151 Funds are divided between the Environmental Protection Agency (EPA) Region 6 (for projects in New Mexico, Texas, Chihuahua, Nueva Leon, Coahuila, and Tamaulipas) and EPA Region 9 (for projects in Arizona, California, Baja California, and Sonora).
154 The supplemental appropriation of $300 million for high priority wastewater facilities in P.L. 116-113 parallels the FY2020 BWIP appropriation, which is for “the construction of high priority water and wastewater facilities.” P.L. 116-113 §821.
develop a sediment and trash reduction strategy at the U.S.-Mexican border to mitigate such waste from going into the Pacific Ocean.\textsuperscript{157}

In May 2021, EPA completed a technical evaluation of potential projects to address transboundary pollution in the Tijuana River Valley and identified three alternatives with “the highest potential” to reduce transboundary pollution in the Tijuana River and the coastal areas.\textsuperscript{158} In November 2021, EPA stated that projects identified in one of the three alternatives are undergoing environmental review.\textsuperscript{159} These projects range from constructing a new wastewater treatment plant in Tijuana to installing a boom to control trash in the Tijuana River. EPA notes that the cost to construct all projects included in this alternative would total $627 million, exceeding the supplemental appropriation provided by P.L. 116-113.\textsuperscript{160} Accordingly, EPA intends to use a phased approach in the design and construction of the projects.\textsuperscript{161}

As discussed above, EPA, along with other federal agencies, is operating under a continuing resolution at FY2021 funding levels. The EPA FY2022 request for BWIP maintains the funding level provided by the FY2021 Consolidated Appropriations Act (P.L. 116-260) of $30 million.\textsuperscript{162} The House-passed Labor, Health and Human Services, Education, Agriculture, Rural Development, Energy and Water Development, Financial Services and General Government, Interior, Environment, Military Construction, Veterans Affairs, Transportation, and Housing and Urban Development Appropriations Act, 2022 (H.R. 4502) would increase the level of appropriations for BWIP to $35 million for FY2022. The Senate-introduced Department of the Interior, Environment, and Related Agencies Appropriations Act, 2022 (S. 3034), also would provide $35 million for BWIP.

**Water Resource Issues\textsuperscript{163}**

The United States and Mexico share the waters of the Colorado River and the Rio Grande. These shared rivers have long presented complex issues leading to cooperation and conflict in the U.S.-Mexican border region and between the United States and Mexico.


\textsuperscript{163} This section is drawn from CRS Report R45430, Sharing the Colorado River and the Rio Grande: Cooperation and Conflict with Mexico, by Nicole T. Carter, Stephen P. Mulligan, and Charles V. Stern. See also Alexandra Helfgott, Bilateral Water Management: Water Sharing between the US and Mexico along the Border, Woodrow Wilson Center’s Mexico Institute, January 4, 2021.
The U.S.-Mexico Water Treaty of 1944 and other binational agreements guide how the two governments share the flows of these rivers. The binational IBWC administers these agreements and includes a U.S. Section that operates under foreign policy guidance from the U.S. Department of State. Since 1944, the IBWC has been the principal venue for addressing river-related disputes between the United States and Mexico.

Under the U.S.-Mexico Water Treaty of 1944, the United States is required to provide Mexico annually with 1.5 million acre-feet of Colorado River water. U.S. deliveries to Mexico in the Rio Grande basin near El Paso/Ciudad Juárez occur annually under a 1906 binational convention, whereas Mexico’s deliveries downstream of Fort Quitman, TX, are established in the U.S.-Mexico Water Treaty of 1944. The 1944 treaty typically requires Mexico to deliver to the United States a minimum amount during a five-year cycle.

Recent Developments in the Colorado River Basin. The United States continues to meet its Colorado River annual delivery requirements to Mexico pursuant to the U.S.-Mexico Water Treaty of 1944. Recent IBWC actions on the Colorado River have focused on how to manage the Colorado River’s water and infrastructure to improve water availability during drought and to restore and protect riverine ecosystems. The most recent minute governing basin operations, Minute 323 (signed in September 2017), is a set of binational measures that provides for cooperative basin water management, including environmental flows to restore riverine habitat. Minute 323 also provides for Mexico to share in cutbacks during shortage conditions in the U.S. portion of the basin, including delivery reductions under drought contingency plans authorized by Congress in April 2019. In addition, Minute 323 designates a “Mexican Water Reserve” through which Mexico can delay its water deliveries from the United States and store its delayed deliveries upstream at Lake Mead, thereby increasing the lake’s elevation. For the Colorado River basin, issues before Congress may be largely related to oversight of Minute 323 implementation and water management associated with potential shortage conditions. Congress also may be interested in the upcoming 2026 expiration of Minute 323 and the negotiation of any extensions or replacement agreements in the interim.

Recent Development in the Rio Grande Basin. On multiple occasions since 1994, Mexico has not met its Rio Grande delivery obligations of 1,750,000 acre-feet within the five-year cycle established by the U.S.-Mexico Water Treaty of 1944, most recently during the five-year cycle from 2010 to 2015. Mexico avoided ending the October 2015 to October 2020 cycle with a water delivery deficit as the result of a transfer to the United States of Mexican water stored at binational IBWC dams. The October 2020 Minute 325 provided that a shortfall would be avoided through the transfer of water stored at two IBWC dams from Mexican to U.S. ownership. Minute 325 resulted in the transfer of ownership of 144,728 acre-feet of water. Minute 325 also

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164 Another example of a water resource related treaty provision is Article IV of the 1970 Treaty to Resolve Pending Boundary Differences and Maintain the Rio Grande and Colorado River as the International Boundary, U.S.-Mex.
165 Under the treaty, the United States must supply an additional 200,000 acre-feet when surplus is declared. During drought, the United States may reduce deliveries to Mexico in similar proportion to reductions of U.S. uses.
166 Drought Contingency Plans for the Upper and Lower Colorado River Basin were enacted in April 2019 in P.L. 116-14. For more information, see CRS Report R45546, Management of the Colorado River: Water Allocations, Drought, and the Federal Role, by Charles V. Stern and Pervaze A. Sheikh.
167 Lake Mead elevation is the baseline used by the United States for determining shortage conditions and associated water delivery cutbacks for the Lower Colorado River Basin states of Arizona, California, and Nevada.
168 Mexico made up for those shortfalls in subsequent five-year cycles, as authorized under the U.S.-Mexico Water Treaty of 1944.
169 Amount of the transfer is described in Letter from Jayne Harkins, Commissioner, U.S. IBWC, to Greg Abbott, Governor of Texas, November 3, 2020.
allowed for negotiation of an agreement for the potential temporary use of U.S. water for minimum municipal needs in Mexico below the Amistad Dam. In addition, Minute 325 indicated that two Rio Grande working groups would be established as part of the efforts to reach a goal of developing a minute on increased reliability and predictability of Rio Grande deliveries to water users in the United States and Mexico by December 2023. To date, Congress has been primarily involved in conducting oversight through reporting requirements for the U.S. Department of State, such as those included in P.L. 116-6 (S.Rept. 115-282). Pursuant to the various reporting requirements, reports have been delivered to various committees of Congress. As of early January 2022, Mexico’s deliveries for the first 14 months of the current five-year cycle (2020-2025) are lower than the first 14 months of delivery cycles since 1992.

U.S.-Mexican Health Cooperation

As with neighboring Canada, robust trade and migration and an extensive shared border have made health cooperation an important part of the United States’ bilateral relationship with Mexico. New challenges to border health have arisen during the COVID-19 pandemic, including how to coordinate cross-border pandemic restrictions, vaccine distribution, and protections for workers deemed essential. These and other challenges have prompted some Members of Congress to introduce legislation that would revitalize the U.S.-Mexico Border Health Commission, first authorized in 1994 but not established until 2000.

U.S.-Mexican cooperation on public health efforts developed in response to the outbreaks of SARS (2002-2004) and H1N1 (2009). Trilateral efforts intensified in 2005 and proved important for preventing the spread of H1N1 from Mexico in 2009. The United States and Mexico increased health surveillance measures through robust information-sharing, and in 2012, the countries expanded focus from avian influenza to all influenzas. The current trilateral health architecture is led by the North American Health Security Working Group (NAHSWG) under the health systems strengthening and preparedness activities laid out in the 2012 North American Plan for Animal and Pandemic Influenza. These activities include

- detecting, monitoring and controlling an outbreak;
- facilitating communication among entities in each country that need to respond to the outbreak;
- sustaining infrastructure and mitigating human, economic, and social impacts of an outbreak; and
- preventing the entry and spread of such outbreaks.

The U.S. government is represented on the NAHSWG by permanent attachés from the U.S. Department of Health and Human Services (HHS) and the CDC, among others. Mexico is one of five countries that has a permanent HHS representative tasked with leading health diplomacy, encouraging collaborative research, and serving as a key point of contact for the U.S. government in the event of an infectious disease outbreak. There is also a U.S.-Mexican technical working

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170 This paragraph draws from Andrew I. Rudman and Duncan Wood, Pandemics and Beyond: The Potential for U.S.-Mexican Cooperation in Public Health, Woodrow Wilson Center’s Mexico Institute, March 2020.


172 The other countries with HHS health attachés are Brazil, China, India, and South Africa. HHS, Office of Global Affairs, accessed April 27, 2020.
The COVID-19 pandemic demonstrated the need for closer communication and cooperation during a future pandemic or other similar emergency. On March 20, 2020, the U.S. Department of Homeland Security issued a joint statement with Mexico announcing the suspension of nonessential travel between the two countries; the suspension lasted through November 8, 2021. Early in the pandemic, the United States and Mexico had difficulty maintaining U.S. supply chain continuity (including for DOD) with differences in essential business determinations between countries and the need to keep Mexican workers safe despite a shortage of personal protective equipment. Later, U.S. hospitals struggled to serve legal permanent residents residing in Mexico and Mexicans who sought treatment for COVID-19, while Mexican cities received deportees and immigrants expelled under Title 42, some infected with the virus. The U.S. provision of 11 million vaccines to Mexico, which the Mexican government first distributed along the northern border, enabled the eventual border reopening to nonessential travel.

The difficult experiences in both Mexico and the United States with managing the COVID-19 pandemic have led some health experts to call for the reinstatement of the U.S.-Mexico Border Health Commission. Some health experts also have called for a renewal of the U.S.-Mexico Border Health Commission. Established in 2000, this binational commission received funding from HHS to finance state and local projects that address binational objectives, including infectious diseases. Funds reportedly lapsed for the commission in 2017; the Biden Administration’s plan for the U.S. Section are unclear. Legislation has been introduced, H.R. 1538, the Binational Health Strategies Act of 2021, that would amend the U.S.-Mexico Border Health Commission Act to authorize the commission to undertake an assessment of COVID-19 impact and response along the border and to mandate a binational plan on how that response could be bolstered. Related legislation, S. 2570, would require the U.S.-Mexico Border Health Commission and a similar entity with Canada to develop strategic plans to address border health issues and would authorize a total of $20 million annually for those entities to award grants to eligible entities in border areas to carry out those plans.

Other Legislative Action

Congress has appropriated foreign assistance for Mexico and has overseen bilateral efforts to address U.S.-bound unauthorized migration, illegal drug flows, the COVID-19 pandemic,
USMCA implementation, and border environmental issues, among others. Although several pieces of legislation have been introduced that would influence the issues in bilateral relations discussed in this report, appropriations legislation has been the primary vehicle through which laws and policies affecting Mexico have been enacted thus far.

Congress is considering the Biden Administration’s FY2022 foreign assistance request for Mexico of $116.5 million, which is nearly 27% lower than the estimated FY2021 appropriation of $158.9 million. The House-passed version of the FY2022 foreign aid appropriations bill (H.R. 4373, H.Rept. 117-84) would provide $158.9 million for assistance to Mexico, with several reporting requirements. The FY2022 foreign aid bill introduced in the Senate (S. 3075) would not stipulate a total funding level for Mexico. Other legislation that would affect U.S. relations with Mexico includes H.R. 3524, reported by the House Committee on Foreign Affairs in July 2021, which would require a report on how the United States, Mexico, and Canada could work together to reduce methane and other emissions and implement Article 23.6 of the USMCA, which prohibits importation of goods produced by forced labor. S. 1201, introduced in the Senate in April 2021, contains similar provisions.

Outlook

U.S.-Mexican relations are likely to be tested in 2022 by ongoing tension in security and energy relations, lingering economic and health challenges caused by the COVID-19 pandemic, and elevated levels of irregular migration. Most experts maintain the best way for both countries to address these challenges is to continue working together and with Canada to ensure the best possible outcomes for North America. A series of high-level meetings in autumn 2021 seemed to smooth over initial tensions between the Biden and López Obrador administrations. Nevertheless, recent U.S. criticism of Mexico’s inability to protect journalists and Mexican criticism of U.S. support for nongovernmental organizations investigating corruption and abuses against journalists in Mexico have caused some renewed tension. Congress is likely to maintain significant interest in Mexico, with trade, security, drug policy, migration, health, and environmental issues as probable areas of funding and oversight efforts.
Appendix. Mérida Initiative Funding

Table A-1. Estimated Mérida Initiative Funding: FY2008-FY2022

<table>
<thead>
<tr>
<th>Account</th>
<th>ESF</th>
<th>INCLE</th>
<th>FMF</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY2008</td>
<td>20.0</td>
<td>263.5</td>
<td>116.5</td>
<td>400.0</td>
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<tr>
<td>FY2009</td>
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<td>406.0</td>
<td>39.0</td>
<td>460.0</td>
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<td>FY2010</td>
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<td>365.0</td>
<td>265.2</td>
<td>639.2</td>
</tr>
<tr>
<td>FY2011</td>
<td>18.0</td>
<td>117.0</td>
<td>8.0</td>
<td>143.0</td>
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<td>FY2012</td>
<td>33.3</td>
<td>248.5</td>
<td>Not app.</td>
<td>281.8</td>
</tr>
<tr>
<td>FY2013</td>
<td>32.1</td>
<td>190.1</td>
<td>Not app.</td>
<td>222.2</td>
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<td>FY2014</td>
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<td>143.1</td>
<td>Not app.</td>
<td>178.1</td>
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<tr>
<td>FY2015</td>
<td>33.6</td>
<td>110.0</td>
<td>Not app.</td>
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<td>FY2017</td>
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<td>Not app.</td>
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<td>FY2018</td>
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<td>FY2019</td>
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<td>FY2020</td>
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<td>100.0</td>
<td>Not app.</td>
<td>133.0</td>
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<tr>
<td>FY2021</td>
<td>50.0\textsuperscript{e}</td>
<td>100.0</td>
<td>Not app.</td>
<td>150.0</td>
</tr>
<tr>
<td>Total</td>
<td>436.9</td>
<td>2,443.2</td>
<td>428.7</td>
<td>3,308.8</td>
</tr>
<tr>
<td>FY2022</td>
<td>50.0</td>
<td>64.0</td>
<td>Not app.</td>
<td></td>
</tr>
</tbody>
</table>


a. For FY2017, Mérida programs administered by the U.S. Agency for International Development (USAID) were funded through the Development Assistance account rather than ESF.

b. Of the $45 million in funds appropriated for ESF, some $6 million supported non-Mérida Initiative programs.

c. Of the $45 million in funds appropriated for ESF, some $6 million supported non-Mérida Initiative programs.

d. Of the $50 million in funds appropriated for ESF, $13 million will be used to support non-Mérida Initiative programs focused on clean energy and sustainable landscapes. USAID, CN #71, December 16, 2020.

e. Congress appropriated $50 million in ESF for Mexico in FIND, but USAID has yet to notify Congress on how much of those funds will support Mérida Initiative programs.
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