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MEMORANDUM

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From: Adam Isacson and Eric Stoner, Center for International Policy

Re: **Highlights of the Bush Administration's 2005 Latin America aid request**

On February 10, the State Department made public its foreign aid budget request for 2005. This lengthy document is available online at <http://www.state.gov/m/rm/rls/cbj/2005/>.

For the most part, the Bush administration does not appear to be planning any major departures from current assistance to Latin America and the Caribbean. A few items in the aid proposal stand out sharply, however:

1. **Economic aid is set to decline in both 2004 and 2005.** Funding for development and humanitarian-assistance programs to Latin America is expected to decline by ten percent from 2003 to 2005. The aid request envisions a sharp drop in funding for Child Survival and Health programs, from \$163.3 million to \$130.3 million; and in Development Assistance, from \$260.6 million to \$241.7 million.

In all, we estimate an economic-aid package of \$1.027 billion in 2003, \$938 million in 2004, and \$921 million in 2005.

By contrast, **military aid is slowly increasing – it is now nearly equal to total economic aid.** Including defense-budget counter-drug aid, which does not appear in the State Department request, military and police aid to the hemisphere will grow from an estimated \$862 million in 2003 and 2004 to \$889 million in 2005. Colombia leads the region in both economic-social and military-police assistance (see chart and tables at the end of this memo).

2. Though only Colombia and Peru have groups on the State Department's list of foreign terrorist organizations, **the word "terrorism" appears frequently** in the aid request's description of U.S. programs in each country:
 - o **"Argentina** understands the importance of cooperation against terrorism. U.S. Antiterrorist Assistance programs brought Argentine officials to the United States for valuable counter-terrorism briefings and training."
 - o "Principal U.S. interests in **The Bahamas** include: combating...financial support for terrorism."
 - o "In order to ensure that **Bolivia** does not become an active transit point for international terrorism, we have also stepped up cooperation with the Bolivian military, customs, immigration, financial institutions, police and other organizations to ensure better Bolivian control over its long, sparsely inhabited borders."
 - o "The government of **Brazil**, along with those of **Argentina, Paraguay**, and the United States, has formed a working group to combat the threat of terrorism in the tri-border area."
 - o "Recognizing the increasingly intertwined nature of narcotics trafficking and terrorism, the Congress approved expanded authorities to allow United States support for **Colombia's** unified campaign against both of these scourges."
 - o "FMF [Foreign Military Financing] will train **Dominican** forces capable of responding to terrorist threats."

- “The principal U.S. interests in the seven countries of the **Eastern Caribbean**...are preventing and combating transnational criminal activity against the United States, including terrorism.”
- Foreign aid will help the government of **Ecuador** with the “disruption and interdiction of narcotics trafficking and terrorism.”
- International Military Education and Training (IMET) funding will enhance the **Honduran** military’s “capabilities in the war on terrorism.”
- FMF funds in **Nicaragua** will provide equipment that will “improve the Army’s capability to conduct counternarcotics, counterterrorism, disaster relief, and search-and-rescue missions.”
- FMF in **Panama** will “augment the GOP’s counter-terrorism, security programs and maritime interdiction.”
- “The primary U.S. national interests in **Paraguay** are the consolidation and strengthening of democracy and fortifying the open market system, along with anti-corruption and counter-terrorism efforts.”
- Programs in **Peru** “will lower the risk of instability in areas facing the quadruple threat of increased coca cultivation, narco-trafficking, terrorism and minimal central government presence. Challenges to this effort will be the budding alliance between the narco-traffickers and the Shining Path.”
- One of the “principal U.S. interests in **Suriname**” is “stemming the flow of illegal drugs and migrants to the United States, transnational crime, and international terrorism”; “Transfer of grant EDA [Excess Defense Articles]... will assist the Surinamese military in developing and sustaining regional inter-operability and a viable counter-drug capability, as well as in combating terrorism.”
- IMET funding will “send **Trinidad and Tobago** Defense Force personnel to U.S. military training courses to support counterterrorism.”
- “None of **Venezuela’s** challenges -strengthening democracy, fostering economic development, combating narcotics trafficking, or fighting terrorism-can be addressed in isolation.” The United States will use its “diplomatic resources... to press for Venezuelan action against narcoterrorism.”

3. In addition to continued support for herbicide fumigation and other drug-war programs in **Colombia**, the request lists non-drug military aid:

- We will provide operational support (training, supplies, repair parts maintenance and infrastructure) and specialized equipment, including weapons, night vision goggles and communications, to the Army. The focus of this support will be on the elite mobile brigades, the Rapid Reaction brigade (known by the Spanish acronym FUDRA) and the Commando and Lancero Battalions.
- The 5th and 18th Colombian Army Brigades, trained in 2003 to provide protection to the Cano Limon-Covenas pipeline, a key element of Colombia’s economic infrastructure, will receive additional munitions, equipment and training.
- Support will also include establishing a national training center and developing an automated logistical system.
- FMF funding will also support the Colombian Navy and Air Force and include the provision of interdiction boats, additional combat aircraft, training and infrastructure improvements, maintenance and operational support for Colombia’s C-130 transportation fleet.
- Our request includes funds to purchase battlefield medical treatment, CSAR [combat search and rescue] and medevac-related equipment and training for Army and Air Force units.
- FMF also supports naval interdiction programs by providing secure communications equipment, spare parts, and assistance to establish an operations center.
- Riverine forces will benefit from spare parts and other logistic support.
- The AKI [Anti-Kidnapping Initiative] provides tactical and investigative training and equipment to the Colombian Government’s military and police anti-kidnapping units (Unified Action Groups for Personal Liberty -Spanish acronym “GAULA”.) It is also assisting in the establishment of an interagency anti-kidnapping Joint Task Force, developing an interagency database to collect, analyze and disseminate information on kidnappings and assist in upgrading Colombian facilities. Three GAULA units have completed training.

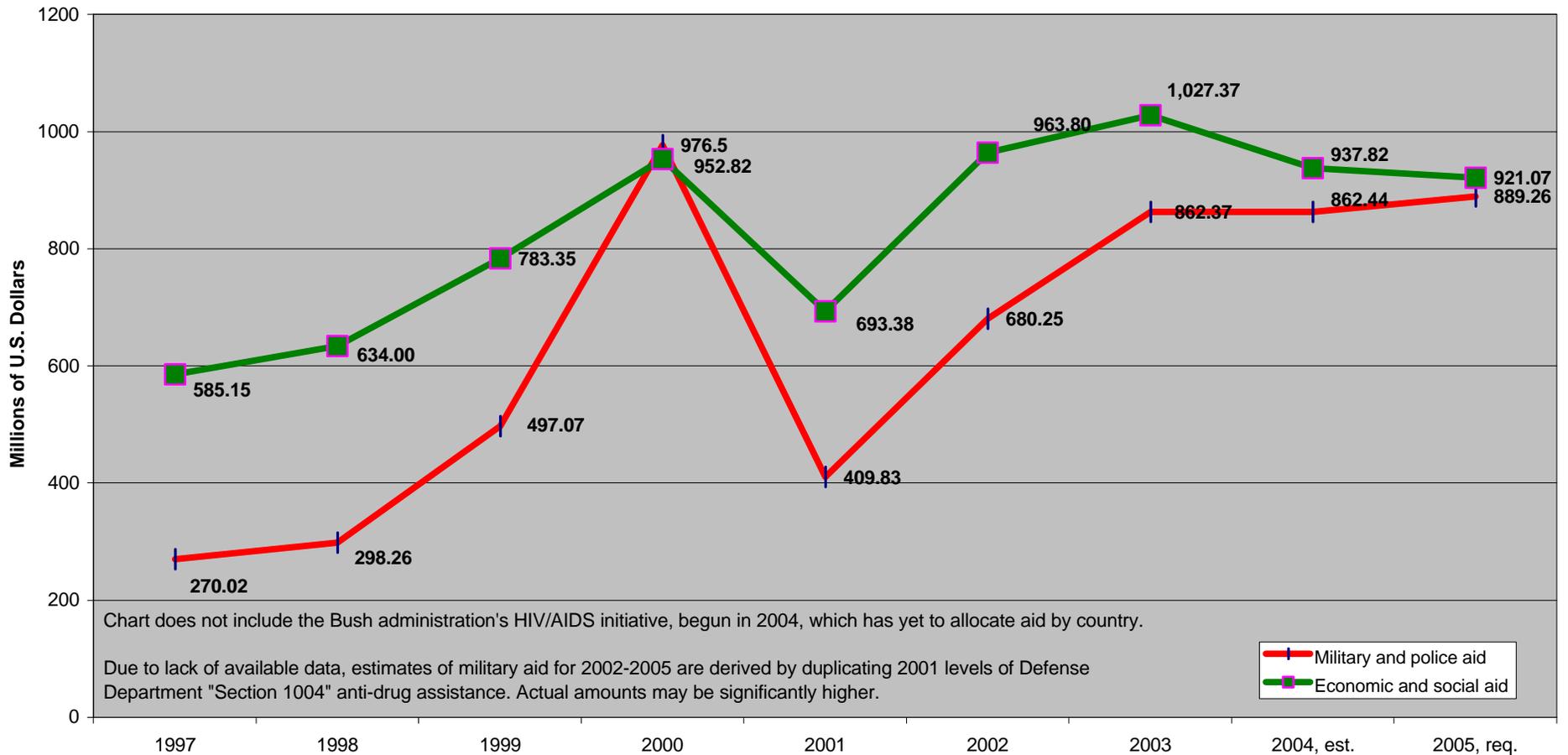
6. Though it is commonly believed that **Guatemala's military** receives no U.S. aid, the request makes clear that International Narcotics Control and Law Enforcement (INCLE) funds for Guatemala will provide "training and equipment for ... specific military units that are responsible for interdiction and eradication."

5. There is some mention of U.S. aid for the creation of **new military and police units**:
 - o "The [**Bolivia**] request also includes equipment and training for the Bolivian Army's new Counter-Terrorism Unit."
 - o Support for **Colombia** will "include establishing a national training center and developing an automated logistical system."
 - o The **Honduran** Government is creating a "new combined military-police unit that should benefit from EDA boats, vehicles, and helicopters."
 - o In **Peru**, Andean Counter-Drug Initiative funds for 2005 will "support the planned Anti-Narcotics Coordination Center, a non-lethal refinement of the past Airbridge Denial Program." The Airbridge Denial program, which seeks to detect and force down aircraft suspected of trafficking drugs, has been suspended in Peru since April 2001, when the Peruvian air force accidentally downed a planeload of U.S. missionaries.

6. Throughout the hemisphere, the aid request sees **imminent narcotics threats**, naming nearly every country as an ideal "transshipment" point for illegal drugs bound for the United States:
 - o "The tri-border area and **Argentina's** northern border with **Bolivia** are transshipment routes for illegal drugs bound for the United States."
 - o "Only 50 miles from the United States at its closest point, the **Bahamian** archipelago is a major transshipment point for illegal narcotics and migrants bound for the United States."
 - o "Because of its proximity to the United States and its position linking Central America and Caribbean states, **Belize** is an ideal transit point for illicit drugs headed for the United States."
 - o While **Chile** is not a "center for the production or transportation of illegal drugs...the picture may be evolving as producers look to Chile as a source of precursor chemicals and as a country through which to ship drugs en route to Europe and the United States."
 - o **Ecuador** has a "strategic position for the transshipment of narcotics, precursor chemicals, and arms."
 - o "**El Salvador** is a transit point for illegal immigration and drugs to the United States."
 - o "**Guatemala's** strategic location makes it a significant transit point for narcotics flows destined for the United States."
 - o "**Guyana** is increasingly a transit point for narcotics destined for the United States and Europe."
 - o "**Jamaica** is a major Caribbean transit point for South American cocaine en route to the United States."
 - o "**Mexico** remains the major transit country for cocaine entering the United States."
 - o "**Paraguay** is a transshipment point for an estimated 40-60 metric tons of cocaine per year, some of which reaches the United States."
 - o **Suriname** is "a favorite transshipment country for weapons traffickers and alien smugglers," as well as drugs.
 - o "**Trinidad and Tobago's** proximity to South America makes it a convenient transshipment point for narcotics headed to the United States."
 - o "**Venezuela** is a major transshipment route for illegal drugs destined for the United States."

7. According to the request's aid estimates, nearly every country that receives non-drug military aid through FMF or IMET will either see no increase or a drop in funding from 2004 to 2005. **A handful of Central American and Caribbean countries** (Bahamas, Panama, Dominican Republic, El Salvador, Honduras) will see some increase; the latter three are among the few Latin American countries that have supported the U.S. invasion and occupation of Iraq.

Narrowing the Gap: U.S. Military and Economic Aid to Latin America and the Caribbean, 1997-2004



Military and Police Assistance – top recipients

	2003	2004	2005	Total
Colombia	\$605.1	\$546.8	\$569.6	\$1,721.4
Peru	\$68.4	\$75.7	\$70.6	\$214.7
Bolivia	\$57.2	\$59.6	\$58.5	\$175.3
Mexico	\$29.3	\$54.0	\$59.7	\$143.0
Ecuador	\$33.1	\$44.1	\$29.8	\$107.0

Economic and Social Assistance – top recipients

	2003	2004	2005	Total
Colombia	\$149.2	\$150.0	\$150.0	\$449.2
Peru	\$143.0	\$102.1	\$104.8	\$350.0
Bolivia	\$109.0	\$102.3	\$107.7	\$318.9
Haiti	\$71.4	\$54.0	\$53.6	\$179.0
Nicaragua	\$52.2	\$43.0	\$48.7	\$143.8