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MÉRIDA INITIATIVE

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

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



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Highlights of [GAO-10-913T](#), a testimony before the Subcommittee on the Western Hemisphere, Committee on Foreign Affairs, House of Representatives

Why GAO Did This Study

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

What GAO Recommends

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

View [GAO-10-913T](#) or key components. For more information, contact Jess T. Ford at (202) 512-4268 or FordJ@gao.gov.

MÉRIDA INITIATIVE

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

What GAO Found

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

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

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

Mr. Chairman and Members of the Subcommittee:

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

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

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

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

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

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

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

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

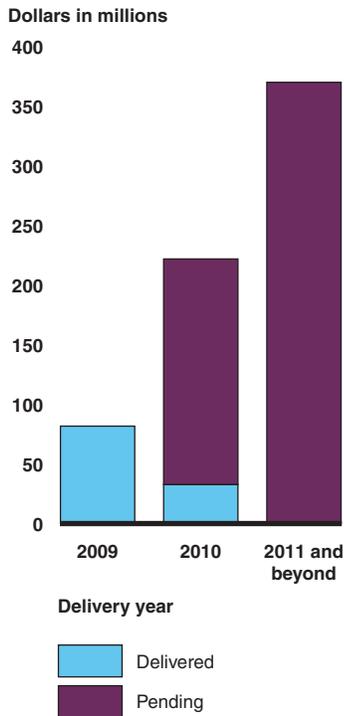
State's Strategy for Mérida Is Missing Elements That Would Improve Accountability and Management

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

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

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

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



Source: GAO, based on Department of State data.

State Has Primary Responsibility for Coordinating the Mérida Initiative

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

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

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

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

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

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

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

**GAO Contact and
Staff
Acknowledgments**

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

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