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Latin America and the Caribbean: U.S. Policy Overview

The United States maintains strong linkages with neighboring Latin America and the Caribbean (LAC) based on geographic proximity and diverse U.S. interests, including economic, political, and security concerns. The United States is a major trading partner and source of foreign investment for many of the 33 countries in LAC, with free-trade agreements enhancing economic linkages with 11 countries. The region is a large source of U.S. immigration, both authorized and irregular; major factors driving migration include proximity, economic and security conditions, natural disasters, and familial ties. Curbing the flow of illicit drugs has been a long-standing component of relations, involving close cooperation with Mexico, Colombia, Central America, and the Caribbean. U.S. Administrations have long expressed support for democracy and human rights in the region, especially in Cuba, Nicaragua, and Venezuela, and have raised corruption and human rights concerns in other countries.

Increasing Challenges in the Region

Over the past several years, the quality of democracy has eroded in a number of countries in LAC, along with public satisfaction with how democracy is working. In addition to Venezuela, Cuba, and Nicaragua—all ruled by authoritarian governments repressing the political opposition—human rights groups have expressed concerns about democratic backsliding in several other countries. Many countries in LAC experienced social unrest in 2019 fueled by such political factors as weak democratic institutions, politicized judicial systems, corruption scandals, and high levels of crime and violence and by such economic factors as declining or stagnant growth rates and high levels of income inequality and poverty.

Since 2020, the Coronavirus Disease 2019 (COVID-19) pandemic has had widespread public health, economic, and political effects in LAC. As of November 23, 2021, the region reported over 1.5 million deaths (almost 30% of deaths worldwide). The rollout of vaccines in LAC has varied considerably. According to the Pan American Health Organization, 50% of the region's population was fully vaccinated as of November 17, although coverage was significantly lower in almost half of LAC countries. The International Monetary Fund (IMF) reports a regional economic decline of 7% in 2020, with almost every country in recession. As a result, poverty and inequality have increased throughout LAC.

Most of the region's countries are projected to begin economic recovery in 2021, with the IMF projecting a regional growth rate of 6.3%, but many countries may struggle with protracted recoveries. The economic setback associated with the pandemic contributed to increased protests in LAC in 2020 and 2021. Regional economic

decline, along with difficult security and political conditions, has helped fuel increased migration.

LAC faces numerous political challenges. In Venezuela, the ongoing political and humanitarian crisis under the government of Nicolás Maduro has resulted in an estimated 5.7 million migrants and is a challenge for the entire hemisphere. Haiti remains in turmoil after the assassination of President Jovenel Moïse in July, contending with uncertainty over the future of national elections, a surge in gang violence, and the aftermath of a severe earthquake that struck in August. In Nicaragua, President Daniel Ortega's government escalated repression by arresting opposition figures and banning major opposition parties from participating in the country's November 7 elections, in which Ortega claimed victory. The Cuban government responded to widespread anti-government protests on July 11 with mass arrests and detentions and suppressed plans for a nationwide peaceful "civic march for change" on November 15.

Biden Administration Policy

In the Biden Administration's initial months, much of its focus in LAC was on immigration and Central America. President Biden ended some of the Trump Administration's restrictive immigration policies, while contending with a large increase in the number of undocumented Central American and other migrants seeking to enter the United States. In July 2021, the Administration released two new strategies to address the underlying causes that push Central Americans to migrate and to collaboratively manage migration in the region. The Administration also imposed targeted sanctions against dozens of current and former officials of the governments of Central America's Northern Triangle countries (El Salvador, Guatemala, and Honduras), for corruption or obstructing investigations into corruption.

The Biden Administration's FY2022 budget request for foreign assistance to LAC amounts to almost \$2.1 billion, nearly 16% over estimated FY2021 appropriations. The request includes almost \$861 million to Central America to address the root causes of irregular migration.

On the pandemic, the Administration committed to provide 1.2 billion COVID-19 vaccines globally, including to LAC. As of November 17, the United States had delivered almost 51 million vaccine doses to 29 LAC countries and the State Department and U.S. Agency for International Development had provided more than \$614 million to support the pandemic response in the region.

The Biden Administration continues to pressure the Maduro government in Venezuela through sanctions and states it is committed to work multilaterally to press for a return to democracy. The Administration also continues to provide

humanitarian support to Venezuelans inside and outside the country. In March 2021, the Secretary of Homeland Security granted temporary protected status (TPS) to Venezuelans in the United States.

On Cuba, as the human rights situation has deteriorated, the Biden Administration has imposed targeted sanctions against Cuban security officials and entities involved in the repression.

On Nicaragua, the Administration has imposed targeted sanctions on officials involved in undermining democracy, including a new round of sanctions in the wake of the country's "sham election." It also has worked with partners and multilaterally to denounce Nicaragua's human rights violations and anti-democratic actions.

On Haiti, the Administration is working to support conditions for free and fair elections, including support to restore security and address gang violence. The Administration has contributed personnel and resources to efforts to return American and Canadian missionaries kidnapped by a Haitian gang in October 2021.

Among other issues, the Biden Administration has reincorporated cooperation on climate change into the U.S. policy approach toward LAC. The next Summit of the Americas (to be hosted by the United States in 2022) could be an opportunity for the Administration to further articulate its policy agenda for the region and strengthen engagement with hemispheric leaders.

Congressional Action in the 117th Congress

Congress traditionally has played an active role in policy toward LAC in terms of both legislation and oversight. Since 2020, Congress has appropriated some \$17 billion in international affairs funding to respond to COVID-19 globally. In the 117th Congress, this funding included \$10.8 billion appropriated in the American Rescue Plan Act of 2021 (P.L. 117-2), enacted in March 2021. The funding has supported contributions to multilateral efforts and health interventions, humanitarian assistance, and donation of COVID-19 vaccine doses worldwide, including to LAC.

In March 2021, the House approved H.R. 6, which would provide a pathway to citizenship for those brought to the United States as children and those from countries with TPS designations (including El Salvador, Haiti, Honduras, Nicaragua, and Venezuela).

In June 2021, the Senate passed S. 1260, the United States Innovation and Competition Act of 2021, which seeks to improve the United States' ability to compete with China worldwide. Among its LAC provisions, the bill would require strategies to increase exports of U.S. goods and services and to strengthen U.S. economic competitiveness and promote good governance, human rights, and the rule of law. It also would require a report assessing China's engagement in international organizations and the defense sector in LAC; authorize a capital increase for the Inter-American Development Bank (similar to S. 616); support U.S. defense cooperation; and increase engagement with civil society regarding accountability, human rights, and the

risks of pervasive surveillance technologies. In the House, H.R. 3524, the Ensuring American Global Leadership and Engagement Act, ordered reported by the House Foreign Affairs Committee in July, has some of the same LAC provisions as S. 1260 and includes provisions to strengthen U.S. engagement with the Caribbean. On November 17, the Speaker and the Senate Majority Leader issued a statement that the House and Senate would go to conference to reconcile the two chambers' legislative proposals.

In June 2021, the House passed H.R. 2471, the Haiti Development, Accountability, and Institutional Transparency Initiative Act, which would promote the sustainable rebuilding and development of Haiti and prioritize U.S. support for anti-corruption efforts and human rights. The Senate Foreign Relations Committee reported its version of the bill, S. 1104, in October 2021.

In July 2021, the House approved its version of the FY2022 foreign aid appropriations bill, H.R. 4373 (H.Rept. 117-84). As passed, the bill would provide assistance to several key countries and programs in LAC for FY2022 at levels either matching or exceeding the Administration's budget request, including aid to Central America, Colombia, Mexico, and regional assistance to the Caribbean. The Senate Appropriations Committee introduced its version (S. 3075) in October 2021. The Senate bill and its explanatory statement would provide slightly more assistance than requested for Colombia and the Caribbean but over \$200 million less than that requested for Central America.

In November 2021, Congress enacted the Reinforcing Nicaragua's Adherence to Conditions for Electoral Reform Act of 2021 (RENACER Act; P.L. 117-54). Among its provisions, the bill directs the Administration to use diplomatic tools and targeted sanctions to advance democratic elections and combat corruption.

In September 2021, the House passed its version of the National Defense Authorization Act (NDAA) for FY2022, H.R. 4350 (H.Rept. 117-118), with a provision that would require a report on efforts by China to expand its presence and influence in LAC; the report to the bill would require a report on the activities of U.S. Special Operations Forces in LAC. The Senate Armed Services Committee reported its version, S. 2792, in September, with a provision that would require a plan for enhancing security cooperation and advancing U.S. strategic interests in the Western Hemisphere. The Senate is expected to return to floor consideration of the NDAA in late November.

The House and Senate have separately approved several resolutions on U.S. relations with the region. On the human rights situation in Cuba, the House approved H.Res. 760 in November and the Senate approved S.Res. 37, S.Res. 81, and S.Res. 310 from April to July. The Senate also approved S.Res. 22 on Ecuador in April and S.Res. 120, on the forthcoming Summit of the Americas.

Also see CRS In Focus IF11581, *Latin America and the Caribbean: Impact of COVID-19*; and CRS Report R46781, *Latin America and the Caribbean: U.S. Policy and Key Issues in the 117th Congress*.

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