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

The United States and neighboring Latin America and the Caribbean (LAC) maintain strong linkages 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 supported democracy and human rights in the region, with a current focus on Cuba, Nicaragua, and Venezuela—all ruled by authoritarian governments repressing the political opposition—and on democratic backsliding and corruption in other countries.

Increasing Challenges in the Region

Beginning in 2020, the Coronavirus Disease 2019 (COVID-19) pandemic had widespread public health, economic, social, and political effects throughout LAC. From the start of the pandemic to November 2022, LAC countries reported more than 1.7 million COVID-19 deaths, according to data from Johns Hopkins University. The region reported over 26% of deaths worldwide despite the region accounting for about 8.4% of the world's population. As of November 2022, over 70% of the region's population had been fully vaccinated although five Caribbean countries had fully vaccinated less than 40% of their populations.

Countries throughout the region suffered sharp recessions in 2020 and increases in poverty. The International Monetary Fund (IMF) reported a 7.0% economic contraction for the region in 2020. Most LAC countries began to recover economically in 2021 and 2022 but are still contending with the lingering effects of the pandemic, China's economic slowdown, and increases in global fuel and food prices due to Russia's invasion of Ukraine. Difficult economic times have contributed to increased social protests in some countries and fueled an anti-incumbent electoral trend. IMF projections show the region's economic growth rate slowing in 2023 to below global growth prospects.

The region faces several ongoing political challenges. In Venezuela, the political and humanitarian crisis under the government of Nicolás Maduro has resulted in over 7 million migrants since 2015. Haiti remains in turmoil after the July 2021 assassination of President Jovenel Moïse, contending with surges in gang violence, uncertainty over future elections, the aftermath of a severe 2021 earthquake, and a new cholera outbreak in October 2022. In Nicaragua, President Daniel Ortega's government escalated repression

ahead of the country's 2021 elections, in which Ortega claimed victory, and has continued repressing political opponents. In Cuba, the government responded to widespread anti-government protests in July 2021 with arrests and harsh sentences for hundreds of protestors.

The region's economic decline, along with difficult security and political conditions, also has fueled irregular migration to the United States. In FY2022, Southwest border enforcement encounters (apprehensions and expulsions) reached almost 2.4 million, the highest level ever, with the largest number of migrant encounters from Mexico, Cuba, Guatemala, Honduras, Venezuela, and Nicaragua.

Biden Administration Policy

In its first year, the Biden Administration focused extensively on addressing the root causes of Central American migration. President Biden revised 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 manage migration in the region collaboratively. The Administration also has imposed targeted sanctions for corruption against dozens of current and former officials of the governments of Central America's Northern Triangle countries (El Salvador, Guatemala, and Honduras).

The Administration also has fleshed out its broader approach toward the region. In October 2022, the Administration issued its *National Security Strategy*, which laid out three broad U.S. priorities for the Western Hemisphere—expanding economic opportunities, strengthening democracy, and building security—that reflect long-standing continuity with U.S. policy for the region. In its strategy, the Biden Administration acknowledged the considerable challenges confronting the Western Hemisphere, remarking that the COVID-19 pandemic and resultant recession exacerbated long-standing structural challenges, fueled political and social unrest, undermined faith in democracy's ability to deliver, and spurred unprecedented levels of irregular migration. It noted challenges posed by increased geopolitical and economic volatility and climate change.

The Administration vowed to confront these challenges and advance its policy priorities in the region through regular interaction and engagement, multilateral and institutional collaboration, and regional initiatives. Illustrative of this engagement was the June 2022 Ninth Summit of the Americas hosted by the Administration in Los Angeles, CA, at which President Biden met with heads of government or representatives from 30 LAC countries and Canada. The nations approved political commitments

related to health, climate change, clean energy, digital transformation, and democratic governance.

The Biden Administration also announced several new regional policy initiatives at the June 2022 summit. These included new aid commitments to advance food security; a partnership with the Pan American Health Organization to establish an Americas Health Corps that would provide training throughout the region; a new U.S.-Caribbean Partnership to Address the Climate Crisis 2030 (PACC 2030) aimed at supporting climate adaptation, strengthening energy security, and building resilience for critical infrastructure and local economies; and a new initiative, the Americas Partnership for Economic Prosperity, aimed at mobilizing increased investment, making supply chains more resilient, creating clean energy jobs and energy, and ensuring sustainable and inclusive trade. The United States also joined with 20 other hemispheric countries to endorse the Los Angeles Declaration for Migration and Protection, which seeks to mobilize the region around actions to create conditions for safe, orderly, humane, and regular migration, and to strengthen frameworks for international protection and cooperation.

Policy analysts offered mixed assessments of the summit. Some asserted that U.S. initiatives were modest and not fully developed, whereas others emphasized that the summit prompted pragmatic steps on shared challenges that could portend stronger collaboration on such key issues as health, migration, climate change, and economic recovery.

On other political challenges, the Administration has imposed new sanctions on Cuba and Nicaragua as their governments have become more repressive, and has continued to pressure the Maduro government in Venezuela through sanctions to resume negotiations with the opposition. On Haiti, the Administration is working to support conditions for free and fair elections, including support to restore security and address gang violence and thereby permit the unimpeded flow of humanitarian aid.

Legislative 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. This supported over \$539 million in U.S. Agency for International Development funding and almost 70 million COVID-19 vaccine doses for the region.

In other action in 2021, Congress approved the Reinforcing Nicaragua's Adherence to Conditions for Electoral Reform Act of 2021 (RENACER Act; P.L. 117-54) in November, which directs the Administration to use diplomatic tools and targeted sanctions against antidemocratic actions and corruption. In December 2021, Congress approved the National Defense Authorization Act for Fiscal Year 2022 (P.L. 117-81), with provisions on Colombia, Central America, and China's presence and influence in LAC.

In March 2022, Congress completed action on the FY2022 foreign aid appropriations bill, included as Division K of the Consolidated Appropriations Act (P.L. 117-103).

Although the measure did not specify total funding for LAC, its explanatory statement included funding directives for several key countries (Colombia, Haiti, Mexico, Venezuela) and regional programs for the Caribbean and Central America; ultimately the State Department allocated over \$2 billion in assistance for the region, a 13% increase from FY2021. P.L. 117-103 also included, as Division V, the Haiti Development, Accountability, and Institutional Transparency Initiative Act, to promote the sustainable rebuilding and development of Haiti and the prioritization of U.S. support for anti-corruption efforts and human rights.

Both houses approved several resolutions, including H.Res. 760, S.Res. 37, S.Res. 81, S.Res. 310, and S.Res. 489 on the human rights situation in Cuba; S.Res. 22 on relations with Ecuador; S.Res. 120 on the Summit of the Americas; H.Res. 1168 on prioritizing trade programs with the Caribbean region; and S.Res. 753 on Brazil's presidential election.

Pending action includes completion of FY2023 foreign aid appropriations (House Appropriations Committee-reported H.R. 8282 and Senate-introduced S. 4662) and the National Defense Authorization Act for FY2023 (House-passed H.R. 7900 and Senate Armed Services Committee-reported S. 4543.) Both of these measures may include various LAC provisions, including funding, aid conditions, and reporting requirements.

In other action, both houses approved bills aimed at positioning the United States to better compete with China that included numerous LAC provisions. In June 2021, the Senate approved S. 1260, the United States Innovation and Competition Act of 2021, and in February 2022, the House approved H.R. 4521, the America COMPETES Act of 2022. The Senate approved H.R. 4521 in March 2022, substituting the language of S. 1260, and the measure went to conference. Ultimately, many provisions, including those on LAC, were not included in a different legislative vehicle signed into law in August 2022 (P.L. 117-167). Among other provisions, both House and Senate versions of H.R. 4521 would have required a strategy to strengthen U.S. economic competitiveness and promote good governance, human rights, and the rule of law in LAC; required a report assessing China's engagement in international organizations and the defense sector in LAC; and supported U.S. defense cooperation in LAC.

Also see CRS Report R46781, *Latin America and the Caribbean: U.S. Policy and Key Issues in the 117th Congress*; CRS Report R47028, *U.S. Foreign Assistance to Latin America and the Caribbean: FY2022 Appropriations*; CRS In Focus IF11581, *Latin America and the Caribbean: Impact of COVID-19*; CRS In Focus IF10982, *China's Engagement with Latin America and the Caribbean*; and CRS Insight IN11934, *2022 Summit of the Americas*; CRS Report R47230, *Organization of American States: In Brief*; and CRS In Focus IF12031, *Anti-corruption Efforts in Latin America and the Caribbean*.

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