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CONTENTS

MEXICO & NAFTA	
MEXICO	3
Basave elected to revitalise depressed PRD	
ANDEAN COUNTRIES	
VENEZUELA	4
Almagro savages electoral system	
REGION	6
Triangle of trouble on the Pacific coast	
COLOMBIA	7
Santos designates new post-conflict minister	
TRACKING TRENDS	
BRAZIL & SOUTHERN CONE	
ARGENTINA	9
Campaign reaches tense climax	
BRAZIL	11
Cunha's fate hangs in the balance	
BRAZIL	12
More rumours over Levy's departure	
TRACKING TRENDS	
CENTRAL AMERICA & CARIBBEAN	
NICARAGUA	14
Another hurdle cleared for 'Gran Canal' project	
HAITI	15
Presidential run-off confirmed	
POSTSCRIPT	16
Belize's Barrow sweeps to third straight victory	
Quotes of the Week	

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Mexico: marijuana, Castro and the US

It is not very long ago that the US federal administration would have expressed displeasure at two significant developments south of the Rio Grande this week. On 4 November Mexico's supreme court of justice [SCJN] handed down a landmark ruling that paves the way for the legalisation of marijuana; the very next day Mexico's President Enrique Peña Nieto received his Cuban peer Raúl Castro for a three-day official visit, his first since taking over from his brother Fidel in 2006, and proceeded to heap praise on the Cuban government's achievements while making no reference to anti-democratic and human rights concerns. It would be a mistake to view either development entirely through the prism of US-Mexico relations, but there is no doubt that the legalisation of marijuana in certain US states and the US rapprochement with Cuba played a part.

In August 2013, a group of four led by Juan Francisco Torres Landa, a lawyer and secretary general of México Unido Contra la Delincuencia, a civil society group dedicated to improving public security and justice, decided to take action to force the Mexican justice system to enter the debate on drugs, arguing that the present prohibitionist policies have contributed to the violence from drug trafficking organisations (DTOs) ravaging Mexico while the country's marijuana production (95% of which goes to the US) provides them with a major source of income. Torres co-founded an entity known as Sociedad Mexicana de Autoconsumo Responsable y Tolerante (Smart) and filed a suit against the government before the SCJN on the constitutional grounds that prohibition denied them "the right to the free development of personality" and hence a dignified life. The first chamber of Mexico's SCJN ruled by 4-1 in favour of the four plaintiffs in the case, who are now legally entitled to produce and consume marijuana for recreational use.

With the precedent now established, full legalisation could follow, although this cannot happen immediately as it requires the amendment of Mexico's health code which prohibits the recreational use of marijuana. This can only be undertaken by the executive and legislative, not the judicial, branches of government. Only the left-wing opposition Partido de la Revolución Democrática (PRD) fully supports legalisation. President Peña Nieto has made no bones about the fact that he is "personally" opposed to legalisation but he publicly expressed his respect for the SCJN's ruling and, on 9 November, he called for "a broad national debate" on the issue, with the participation of the federal congress, along with sociologists, doctors and academic experts, to define future State policy.

"I have always said...that I am not in favour of the eventual legalisation of marijuana," Peña Nieto said. But he added that the debate following the SCJN ruling could "eventually allow us scientifically to reach another position" and

Uruguay

The findings of the Mexican opinion poll on legalising marijuana are not dissimilar to surveys conducted in Uruguay before such a step was taken in December 2013. The secretary general of Uruguay's national drug council (JND), Milton Romani, expressed his satisfaction with the SCJN ruling in Mexico. For one thing, Uruguay could soon feel less isolated in its dispute with the International Narcotics Control Board (INCB) over its contravention of drug treaties. Last month, Uruguay's government granted licences to two companies to grow marijuana for commercial distribution and set a deadline of no more than eight months for its sale in pharmacies to begin.

come up with "the best regulation for inhibiting the consumption of drugs, a public health issue". Peña Nieto was keen to stress, however, that the ruling and debate "in no way implies the liberalisation of other more harmful drugs".

While the majority of the Mexican political class opposes the legalisation of marijuana, it is worth noting that, despite the drug-related violence in Mexico, a two-thirds majority of the Mexican public also disapproves, according to a telephone survey carried out in all 32 federal entities and published on 10 November by the national daily *El Universal* in the wake of the SCJN ruling (see *sidebar*). Some 79% of respondents approved of its legalisation for medicinal use (up from just 32% less than two years ago).

The ruling and its repercussions mark a seismic shift in position for the second biggest global producer of marijuana. The goal is for the debate to conclude in time for Mexico to present its conclusions in the United Nations General Assembly special session on the world drugs problem in New York from 19 to 21 April 2016. The Mexican ruling might compel the US government to redefine its own position. For now it has responded with public equanimity. "It's up to the people of each nation to decide policies," a spokesman for the US State Department, John Kirby, said during a subsequent press briefing. "And in this case, it's up to the people of Mexico to decide which drug policies are most appropriate for their country within the framework of international law." This tolerance owes at least in part to the legalisation of marijuana for recreational use by the US states of Colorado, Washington and Alaska.

Castro allowed to eat and stay

In the not so distant past, relations between Mexico and the US might also have been strained by the official visit of President Castro. While Mexico was the only Latin American country to resist US pressure to sever relations with Cuba during the Cold War, since the North American Free Trade Agreement (Nafta) entered into force in 1994 Mexico and Cuba became increasingly estranged, and the right-wing Partido Acción Nacional (PAN) administrations (2000-2012) censured human rights abuses under the Communist government. President Vicente Fox (2000-2006) infamously enjoined Fidel Castro to "eat and leave" at a UN poverty summit in Monterrey in 2002 so that his presence would not create difficulties with US President George W Bush.

Not only did Peña Nieto urge Raúl Castro to rest and relax during his stay in Mérida, the capital of the south-eastern state of Yucatán, but he also extolled the achievements of the Cuban government as "an exemplar for Latin America" in the fields of "health, sport, development cooperation and strengthening [regional] unity". The two heads of state signed five accords on issues such as migration, fishing, tourism, education, and diplomatic cooperation.

Peña Nieto has sought to improve ties with Cuba since leading the Partido Revolucionario Institucional (PRI) back to power in 2012, and visited Cuba in January 2014. While both men discussed historical links at length (Castro reliving the 1956 passage of the yacht *Granma* from Mexico to Cuba to overthrow the dictatorship of Fulgencio Batista) it is the present that is motivating the Mexican government to get relations back on track.

Mexican businesses are participating in Cuba's Puerto Mariel port and free trade mega-project, and Peña Nieto wants the country to be in a prime position to take advantage of Cuba's transition and economic opening. "We appreciate the opportunities emerging in Cuba and we want to be an ally in this process of change and openness," Peña Nieto said. "Mexico cannot be left out of this," the Mexican ambassador to Cuba, Juan José Bremer, said more bluntly. Peña Nieto is also acutely aware of the possibilities afforded by the US-Cuban rapprochement, saying during a gala dinner for Castro that it would lead to "a trilateral agenda: Cuba, Mexico and the US".

Basave elected to revitalise depressed PRD

Agustín Basave has been given the difficult task of reversing the fortunes of the left-wing opposition Partido de la Revolución Democrática (PRD) ahead of 12 gubernatorial elections in June 2016. Basave won the internal PRD leadership contest with near-unanimous support on 7 November. His main challenges will be preserving this rare show of unity from the party's warring factions; re-establishing the party as an opposition force, defending the rights of the poor and downtrodden in the leftist tradition; and recovering its ethical and ideological credibility.

Mexico's third largest political party, the PRD has been engulfed by bitter internal struggles since it accepted President Enrique Peña Nieto's invitation to participate in the cross-party alliance 'Pacto por México' in December 2012, shortly after its defeated presidential candidate Andrés Manuel López Obrador resigned from the party to form his own electoral outfit, Movimiento Regeneración Nacional (Morena). Since then the PRD has haemorrhaged support, mainly to Morena, with the departure of a succession of politicians, including several heavyweights such as its co-founder Cuauhtémoc Cárdenas.

Carlos Navarrete only took over as PRD president on 5 October last year, but his fate was sealed by his mishandling of the scandal surrounding the abduction of 43 trainee teachers in Iguala, Guerrero state, just two weeks beforehand: the mayor accused of masterminding their disappearance had been welcomed into the PRD despite his alleged links to drug trafficking organisations and Navarrete also stuck by the party's misfiring governor. The PRD's ignominious role in the Iguala episode led to further bitter infighting and contributed to the party's worst electoral performance last June when it won just 11% of the national vote and lost its position of pre-eminence in the Distrito Federal (DF).

Upon his election, Basave promised to transform the PRD, to clean up and improve its practices and rebuild trust. He said the time for pacts with the federal government was definitively over. He said the PRD would once again provide *bona fide* opposition, denounce corruption, impunity and social injustices and enshrine clear ethical standards at the heart of its political credos. Talk, however, is cheap – and there has been lots of it in the PRD. Not many of these proposals are new but they do carry more weight coming from a man who managed to overcome the tribalism within the PRD by getting elected almost unanimously.

A writer, professor and political analyst, Basave only officially joined the PRD earlier this year – he was elected as a federal senator for the party last June – although his leftist sympathies are longstanding. Basave was affiliated to the Partido Revolucionario Institucional (PRI) until 2002; in 2006 he was a federal deputy for Coalición Por el Bien de Todos, comprising the PRD, Partido del Trabajo (PT) and Convergencia. While he does not belong to any of the PRD's factions, he is close to Navarrete and was nominated by Nueva Izquierda (*Los Chuchos*), the faction that has long controlled the party. Basave insists that he will not be in thrall to *Los Chuchos* and the party's factions seem to believe him.

Basave needs to hit the ground running with 12 gubernatorial elections in 2016 and presidential elections in 2018. He has already made clear that the PRD will forge 'Stop the PRI' alliances with the right-wing Partido Acción Nacional (PAN) in several states, but he has also jeopardised hard-won unity in the PRD by reaching out to López Obrador and Morena with a view to forming alliances.

Agustín Basave

Born in Monterrey, Nuevo León, Agustín Basave, 57, has a doctorate in political science from Oxford University. He has been a political analyst on the national dailies *Excélsior*, *Reforma* and *El Universal* and the leftist political magazine *Nexos*. He has also written various books on Mexican nationalism and identity. In addition to serving as both a federal deputy and a federal senator, he has been ambassador to the Republic of Ireland.

Almagro's other letter

This is not the first time that Luis Almagro has shown an appetite for the fight with Venezuela. On 18 September, after the conviction of Leopoldo López, he wrote a six-page open letter in response to a letter from Elías Jaua, one of the main Bolivarian ideologues, calling him “a proconsul” of the US and ally of the “Colombian oligarchy”. Almagro struck back: “No revolution worthy of the name, Elías, leaves people with fewer rights than they had, poorer in values and principles, more unequal in judicial recourses and representation and more discriminated against depending upon your thinking or political affiliations. All revolutions mean more rights for more people.”

ANDEAN COUNTRIES

VENEZUELA | POLITICS & DIPLOMACY

Almagro savages electoral system

It could be argued that Luis Almagro, the secretary general of the Organization of American States (OAS), has largely been flying under the radar since he assumed his position earlier this year. Not so now. Almagro this week delivered the most stinging indictment of Venezuela's electoral system of any active official in the hemisphere in advance of the country's legislative elections on 6 December. In a public letter running to 18 pages, addressed to the head of the national electoral council (CNE), Tibisay Lucena, but clearly meant for a much wider audience, Almagro subjected the state of Venezuela's current electoral process and wider democracy to a rigorous examination, exposing numerous shortcomings. The OAS has not been invited by Venezuela to perform its customary role of international observation but this letter could have a far greater impact than any report a visiting team might have produced.

Under a series of headings Almagro sets about systematically dismantling the credibility of Venezuela's electoral process, making it abundantly clear that the conditions are not in place for free and fair elections. These headings include changing the rules of the game (such as gerrymandering electoral districts and using bewildering new ballot papers); a lack of campaign spending controls, and misuse of State funds to back candidates from the ruling Partido Socialista Unido de Venezuela (PSUV); unequal access to the media for candidates from the PSUV and the opposition Mesa de la Unidad Democrática (MUD); the arbitrary imprisonment of opposition politicians and barring of MUD candidates from standing for election (complete with a detailed list); the judicial intervention in the opposition party Comité de Organización Política Electoral Independiente (Copei); and the anti-democratic impact of the government's national security plan, Operación Liberación del Pueblo (OLP).

It is not that none of these concerns have been raised before, but it is often vague and generic criticism from officials in the region who have left office and no longer have much influence. By contrast Almagro's meticulous eye for detail and surgical dissection of Venezuela's wholesale violation of electoral and democratic norms, free from the emotive bias that weakens the censure of obvious detractors of the Bolivarian Revolution, lends credibility to his points. Almagro goes far further than his predecessor, Chile's José Miguel Insulza, known as ‘El Panzer’ for his bruising and forthright style, ever dared to go.

Almagro begins by expressing his disappointment at a letter from Lucena saying that the OAS would not be invited to send an observer mission to oversee the elections. He said it was regrettable that she had based this decision on “a political position” before politely rebuking her by arguing that “the work of electoral justice should completely transcend these types of positions”. Almagro goes on to say that if he ignored the complaints of the Venezuelan opposition about the electoral process he would not be doing his job, adding that if Lucena failed to put in place “mechanisms to ensure an observation providing full guarantees” she would not be doing hers. “Venezuela has obligations with democracy that transcend its own jurisdiction,” he says.

Almagro argues that it is incumbent upon Lucena to organise “just and transparent elections” not parrot the official discourse and thus contribute to the opposition electorate's “lack of confidence...in the electoral institutions”. He criticises “the great quantity of public sector employees and state resources” being

Reaction in Uruguay

Luis Almagro served as Uruguay's foreign minister under the administration of José Mujica (2010-2015) when the Venezuelan government suspected that he was behind an attempt to keep the country out of the Southern Common Market (Mercosur). Uruguay's left-wing Frente Amplio (FA) administrations have mainly been careful not to offend Venezuela out of economic pragmatism as much as ideological reasons. Uruguay's current economy and finance minister, Danilo Astori, dared to describe Almagro's letter as "magnificent", although he was quick to add that this did not mean he was "attacking the Venezuelan authorities" and saw no reason why it should affect trade. Uruguay received the first US\$50m instalment from Venezuela this week of a US\$300m food contract signed with the country last September.

used by the government to back PSUV candidates. He then catalogues specific issues before eventually concluding by urging Lucena not to "turn a blind eye or a deaf ear to the reality in front of us". The full letter can be found here:

<http://www.oas.org/documents/spa/press/Carta-a-Sra.-Tibisay-Lucena.pdf>.

Who is the letter meant for?

Paradoxically, by refusing to allow the OAS to observe the elections, Lucena, and by extension the Venezuelan government, gave Almagro an opportunity (although few would have expected him to exploit it quite so fully) to engage in a clinical epistolary censure that will attract far more attention than any OAS electoral observation report might have done. Large tracts of his letter have been reproduced by the regional, and indeed international, media.

On a practical level it is too late for Lucena to address all of the concerns raised in the letter even if she felt so disposed, although Almagro insisted that even at this late stage she could "provide some solutions". But Almagro's letter clearly has a much wider intended audience than just Lucena. It could be designed to give encouragement to Venezuelan voters disillusioned with the present government to take the trouble to vote, and to boost the morale of the beleaguered MUD. The executive secretary of the MUD, Jesús Torrealba, responded by saying that "far more than a letter this important document is a report on the political situation in Venezuela". He said it demonstrated that despite the lack of electoral observation by the OAS "Venezuela has been observed".

The letter could be an indirect rebuke of regional governments who have repeatedly failed to take Venezuela to task over flagrant abuses, such as the arbitrary imprisonment and conviction of opposition figurehead Leopoldo López when only the Chilean, Costa Rican and Paraguayan governments raised concerns, and much of the criticism was mealy-mouthed. The repeated expressions of solidarity with Venezuela from the Union of South American Nations (Unasur), which will play the electoral observer role traditionally performed by the OAS, mean that its evaluation of the elections will lack credibility.

Arguably the letter could also be an attempt to show the US government that the OAS still has a significant role to play in hemispheric diplomacy, and is not sinking into irrelevance as regional bodies sprout up in Latin America. The US government privately views the OAS as indecisive and ineffective if not concurring with the crude comment of former president Lyndon Johnson that the OAS "couldn't pour piss out of a boot if the instructions were written on the heel".

Finally, the letter could be a warning shot to the Venezuelan government. Reading between the lines, Almagro appears to be saying that if there is a genuine concern that the elections are stolen he will move to invoke the Inter-American Democratic Charter. Suspending Venezuela's OAS membership would require a two-thirds majority which it is very difficult to see Almagro mustering, but the Venezuelan government will not feel half as confident as it once did and it is for reasons like this that President Nicolás Maduro has been so adamant that funds must remain forthcoming for Venezuelan oil diplomacy, above all Petrocaribe, to preserve the backing of the small Caribbean countries whose votes could be so precious.

Rather than addressing any of the concerns expressed in Almagro's letter, the president of Venezuela's national assembly, Diosdado Cabello, responded by denigrating the OAS, which he described as "the most perverted, corrupt and discredited institution in the world" which was now "threatening the Venezuelan people". Cabello also alleged that the letter, together with claims by Defence Minister General Vladimir Padrino that a Dash-8 twin-engine spy plane belonging to the US coast guard entered Venezuelan airspace on 8 November, showed that "something is being cooked up".

Triangle of trouble on the Pacific coast

Old wounds from the nineteenth century War of the Pacific are itching again, as Peru and Chile quarrel over a small triangle of land and Bolivia continues to seek access to the coast. The heads of state of each country have domestic political reasons to play nationalist cards.

In the 1879-1883 War of the Pacific, which was fought over mining rights, territorial claims, and a struggle for regional hegemony, Chile defeated an alliance between Bolivia and Peru, seizing part of both countries' territories in the Atacama desert, and turning Bolivia into a landlocked nation. One-hundred and thirty-two years later, the frontiers between the three countries are still not fully settled, and remain capable of triggering outbreaks of three-way diplomatic tension. Paradoxically, the latest dispute about land flows from an earlier attempt by the International Court of Justice (ICJ) at The Hague to settle trouble at sea, fixing the maritime limits between Peru and Chile.

In January 2014 the ICJ issued a ruling defining the offshore boundary between Peru and Chile. The decision, accepted by both parties, was favourable to Peru, giving it some 19,000 square miles of rich and previously disputed fishing waters. But it did not settle one small and now significant point.

The ICJ used Milestone Number 1 (Hito Número 1), an onshore marker which is set some 200 metres inland, as a reference point for drawing the maritime border. Chile believes it should also be used for determining the land border. Peru disagrees, saying that the land border should be drawn up to another marker on the coast itself, known as Punto Concordia, which it says was recognised in a 1929 treaty between the two countries. At stake is a very small triangle of land: 3.7 hectares to be precise, described by the news agency *Bloomberg* as "a patch of arid sand and rock the size of six soccer fields – and that is when the tide is out".

What triggered the latest outbreak of tension was a decision by the Peruvian government on 7 November to promulgate a law (previously approved in congress) creating a new administrative district to be known as La Yarada – Los Palos, which includes the disputed triangle. Peruvian President Ollanta Humala said the new district would boost economic development and living conditions for the 15,000 residents, who would now be able to elect their own representatives.

Chile responded by sending a series of diplomatic protest notes. One of them stated that "for Chile, the so-called 'land triangle' does not exist". Another cancelled a high-level bilateral meeting between the two countries that had been scheduled for 7 December. "Chile's territorial integrity will be safeguarded," Chile's foreign minister, Heraldo Muñoz, said.

A number of related issues have also raised tension. Chile claims Peruvian soldiers were present at Milestone Number 1 on 4 November, breaking an agreement where each country gives the other prior warning of military movements in the area; Peru denies this.

Chile, meanwhile, is conducting a series of military exercises in the north of the country, known as 'Huracán 2015'. While Peru has accepted the exercises as a purely domestic Chilean matter, Bolivia has expressed concern. On 3 November Bolivia's defence minister, Reymi Ferreira, said that the country's armed forces had been ordered to step up border vigilance to prevent any violation of Bolivian airspace by Chile. Bolivian Vice-President Álvaro García Linera has described the exercises as "threatening" and as a "show of force" reflecting what he says is Chile's isolation in the international community.

Chile-Bolivia relations

The coolness in Chile-Bolivia relations was also evident in a diplomatic note from Chile issued at the beginning of November complaining of increased criminal activity in the border area, and calling on the Bolivian authorities to investigate.

Palace of justice

The decision by the attorney general, Eduardo Montealegre, to investigate former M-19 guerrillas for crimes against humanity coincides with the 30th anniversary of the siege of the palace of justice on 6 and 7 November 1985 by the M-19. After a military raid almost 100 people were killed, including 11 of the 25 supreme court justices. Speaking at the rebuilt palace of justice on 6 November, President Juan Manuel Santos publicly apologised for the botched raid, in accordance with a ruling by the Inter-American Court of Human Rights, singling out the families of 12 people, mainly workers in a café, who were taken alive from the building by the military but later 'disappeared'.

Each of the three heads of state can be said to have domestic political reasons to take a nationalist line over the longstanding dispute. Bolivia's President Evo Morales is undoubtedly the most popular of the three in terms of domestic opinion polls. According to a poll by Ipsos Apoyo Opinión y Mercado, his approval rating is running at 66%. Morales believes he is making progress on the 'salida al mar' – the country's demand that Chile should enter definitive negotiations to grant Bolivia a coastal corridor to the Pacific. Morales has gained encouragement from the ICJ ruling last September that it has jurisdiction to consider the issue (Chile has traditionally sought to avoid ICJ involvement). Also looming in Bolivia is a February 2016 referendum on a constitutional change to allow Morales to stand for a third consecutive presidential term in 2019.

On the other hand, both Chile's President Michelle Bachelet and Peru's President Humala have been struggling with low ratings. Humala is at the tail end of his presidential term (elections are due in April 2016), and a CPI poll this week gave him an approval rating of only 14.1%. His claim to the "land triangle" has however been supported across the Peruvian political spectrum and he may be hoping for a bit of a ratings bounce, increasing his party's future political leverage (he cannot run for consecutive re-election).

Finally, after a long period in the doldrums, President Bachelet's approval rating has recently gained four percentage points to reach 29%, according to Adimark. While she does not face any immediate electoral test (her term runs to 2018), being seen to act vigorously in defence of national interest could boost her government's position.

COLOMBIA | POLITICS & SECURITY

Santos designates new post-conflict minister

President Juan Manuel Santos appointed Rafael Pardo as his new post-conflict minister this week. Santos argued that Pardo had all of the qualities to assume this important responsibility. Pardo does have some valuable experience: he played a pivotal role in the negotiations that led to the demobilisation of the M-19 guerrilla group, as presidential peace adviser, in 1990. But his appointment serves a clear political purpose too.

Pardo, a former president of the Partido Liberal (PL), one of the fulcrums of the ruling coalition, narrowly came second in the Bogotá mayoral elections on 25 October. Although the PL is committed to the peace process with the Fuerzas Armadas Revolucionarias de Colombia (Farc), the recent tension between the three constituent parties in the ruling coalition [WR-15-44] means there is no harm in tying the PL into it more closely. Pardo replaces General Óscar Naranjo, the former director of the national police, who had resigned from the post.

Somewhat ironically Pardo takes over just as the attorney general, Eduardo Montealegre, has ordered a revision of the M-19 demobilisation, specifically the pardons and amnesties awarded to the guerrilla leadership. Montealegre said his deputy, Jorge Perdomo, would examine international human rights treaties and begin to probe whether any of the M-19 commanders were guilty of war crimes.

A co-founder of the M-19, Arjaid Artunduaga, accused Montealegre of a "media show" which would be "very harmful to the peace process in Havana, because who is going to negotiate with a State that isn't serious?" Revisiting the M-19 peace process could make the Farc distrustful of the terms of an eventual peace accord being subject to later judicial revision. Conversely, the Farc might feel that by participating in the transitional justice system, which offers the prospect of lenient sentences, it would not run the same risk as those who have benefitted from amnesties.

Reficar refinery comes on stream

On 10 November Colombia's state-owned oil firm, Ecopetrol, announced that its new US\$8bn oil refinery in Cartagena de Indias (Reficar) had delivered its first shipment of refined oil fuels. According to an Ecopetrol statement, Reficar processed 90,000 barrels of crude oil per day this week to produce petrol, diesel, and airplane fuel and liquefied petroleum gas (LPG), following its formal inauguration on 21 October. The statement added that it is now expected that Reficar will increase its production capacity to 165,000 barrels per day by March 2016. The Colombian government has said that the coming on stream of Reficar could help to add an additional one percentage point to GDP growth per year.

COLOMBIA | A further budget cut. On 9 November Colombia's council of ministers approved an additional Col\$3trn (US\$1bn) cut in planned government spending included in this year's national budget. The sizable cut comes on the back of the deferment of another Col\$6trn in spending for this year announced by the government led by President Juan Manuel Santos in March as part of its efforts to rein in spending and exercise fiscal discipline amid lower State revenues resulting from the sharp fall in international oil prices. This means that altogether the Santos government has now cut its original Col\$210.6trn 2015 budget by Col\$9trn.

With congress having recently approved a moderately austere Col\$215.9trn budget for 2016, all of this has sparked concerns that the fiscal adjustment will start to hamper domestic economic growth in the medium term on the back of lower levels of government investment. In a clear bid to allay such concerns, following the announcement Finance Minister Mauricio Cárdenas said that the latest cuts were part of the government's principle of exercising 'intelligent austerity' in response to the less favourable economic scenario and that these would not affect planned investment projects but would primarily fall on government operating costs. "The 3trn pesos cut will 93% fall on operating costs", Cárdenas said.

Cárdenas said the savings would primarily come from a reduction in the transfer of State funds to the national pension fund administrator (Colpensiones). According to Cárdenas this is possible due to the fact that Colpensiones's financial situation has improved in recent years, thanks to affiliates that had previously migrated to privately administered pension funds (AFPs) coming back to Colpensiones. "Today we are able to cut State pension contributions without increasing Colpensiones's ability to pay out pension to all its affiliates", Cárdenas said. The minister also pointed out that the latest spending adjustment "shows the government's firm commitment to adhering to the fiscal responsibility legislation, which stipulates that the fiscal deficit may not exceed 3% of GDP this year".

Similarly, President Juan Manuel Santos said that the decision to implement further cuts this year is "an additional demonstration of the government's commitment to fiscal discipline... by making cuts in areas that in which it has been identified that cuts can be made without affecting the normal functioning of the State". Santos also noted that at 69%, the execution of this year's budget is one of the highest execution rates in recent years.

PERU | Seeking to become a net electricity exporter. On 10 November Peru's President Ollanta Humala said that his government's intention was for the country to begin exporting electricity to some of its neighbours in the next few years. Speaking at the inauguration of a new US\$38,000 solar energy power plant in the southern region of Moquegua, that will supply electricity to some 20,000 households, Humala said that "Peru can already claim electricity self-sufficiency... and should now start thinking about supplying electricity to neighbouring countries that have an electricity deficit".

Humala went on to explain that unlike some of its neighbours, Peru's natural geography facilitates the generation of clean renewable energy. "In dry areas of the southern coast we have solar energy, in other areas such as Ica, Piura and La Libertad we have wind energy and in high Andean areas we have hydroelectric energy", he said. In particular, Humala said that the government's objective was to export electricity to places like Bolivia, Ecuador and Brazil soon. "There is a permanent electricity deficit in Brazil and they need to import it", Humala said, adding that "Peru can be a good partner to Brazil in this". He added that his government was already exploring the possibility of establishing a strategic alliance with Brazil to achieve this and was currently analysing Peru's domestic rules and regulations so as to "adapt them for exportation".

Following Humala's comments, Brazil's construction giant, Odebrecht, announced that it is currently studying the possibility of participating in the Chaglla hydroelectric power plant located in Peru's central region of Huánuco, which will have a maximum generating capacity of 2.79 gigawatts per year (6% of Peru's current national electricity production) and which is billed to come on stream by February 2016.

Blue dollar movements

In the days ahead of the 25 October first round, the blue dollar rate reached a record high of Ar\$16.10/US\$1, compared to the official exchange rate of Ar\$9.58/US\$1, as it appeared likely that Daniel Scioli could secure a first round victory. However, after Mauricio Macri forced a second round, and with polls now suggesting that he has reversed the first-round deficit and opened up a decisive eight percentage point lead (51.8%-43.6%) over Scioli, on 9 November the blue dollar rate fell sharply to Ar\$14.45/US\$1. This was the sharpest fall in the blue dollar rate in the last in three-and-a-half months amid increased expectations of a Macri win and the removal of all currency controls.

BRAZIL & SOUTHERN CONE

ARGENTINA | POLITICS

Campaign reaches tense climax

Tension is mounting as campaigning ahead of the second-round run-off on 22 November enters its final stretch this week. Not only has campaigning by the two contenders – Daniel Scioli of the ruling Frente para la Victoria (FPV, *Kirchneristas*) faction of the Partido Justicialista (PJ, Peronists) and Mauricio Macri of the centre-right Cambiemos opposition coalition – become more focused and poisonous, but the government's confrontation with the judiciary has once again come to a head as a result of its latest attempts to extend its influence over the latter before the end of the current term.

After the first voting intention polls released since the first round of presidential elections on 25 October showed that after narrowly winning Scioli is now trailing Macri [WR-15-44], the FPV presidential candidate, and indeed the entire FPV political machinery, has come out on the offensive. While the FPV launched a new media campaign likening Macri and his policy proposals to those pursued during the crisis-hit last non-Peronist government led by Fernando de la Rúa (1999-2001) and even the last military dictatorship (1976-1983), Scioli increased his appearances in the local media to present and contrast his own policy proposals with Macri's.

In particular, Scioli has concentrated on comparing his proposed plan to revive the stagnant domestic economy to Macri's. After a decade of unorthodox economic policies pursued by successive FPV governments these appear to have come to the end of their cycle, with Argentina's economy suffering from low economic growth and high inflation in the last couple of years. Economists largely attribute this to the foreign currency controls and import/export restrictions imposed by the government led by President Cristina Fernández since 2011. Consequently, the need for the new government to make macroeconomic adjustments in order to return to healthy growth has been identified as a key electoral campaign issue.

Macri has promised that if he is elected, he will immediately lift all currency controls and export restrictions, maintaining that a return to more generally orthodox economic policies will help bring about an economic recovery. But in a series of TV interviews last weekend, Scioli argued that such a course of action would result in yet another economic crisis. "[A] big devaluation, leaving everything to the market... that means debt and loss of salaries," Scioli warned. Instead, he said that a gradual relaxation of currency controls, as he proposes, would be preferable as this would help to spark economic growth while at the same time help maintain macroeconomic stability.

Scioli insisted that a managed adjustment of the government-controlled official exchange rate in order to bring it closer to free-floating black market ('blue dollar') rate, which has been trading at almost double the official rate (*see sidebar*), would help to restore investor confidence and stimulate growth while at the same time keep inflation at bay. Silvina Batakis, who Scioli has said would become his economy minister if he wins election, said in a recent radio interview that Macri's proposals would produce significant inflationary pressures: "If you propose a 50% devaluation, fuel, milk and bread will increase by 50%," Batakis warned. Incidentally, in his TV appearances Scioli said that maintaining inflation, which he admitted is currently running at "21% or 22%" – much higher than the discredited official estimates – would be one of his government's priorities and he cast doubt over whether a Macri government would be so inclined to combat inflation and protect the poor.

AGN accusations

In a 5 November interview with local media the head of the AGN, Leandro Despouy, said that the appointment of two new FPV-aligned auditors represented an “attempt by the government to stop future investigations”. Noting that currently four of the seven AGN auditors are considered to be government-aligned, Despouy said that “the government is trying to stop any critical investigation into its management of discretionary funds, which has been marred by various scandals”. Adding that confirmation of the appointments would “annihilate any possibility of there being a differing point of view from the government’s” at the AGN, Despouy said that this “exposes a big concern about serious irregularities that could be uncovered by the AGN”.

Macri has dismissed all this as part of a “campaign of fear” that is currently being waged against him by the FPV. “We don’t believe that Argentina’s future lies in recipes of the past,” Macri has said, adding that “we do not believe in a neoliberal government or a statist-populist government... there is another way... our ideology is to resolve and make concrete things. Modern developmentalism of the 21st century”. Macri has also reiterated his commitment to promote socioeconomic development by maintaining some of the government’s most successful social programmes and to combat inflation, which “rips off those that have the least and we need to bring it down as soon as possible”.

Confrontation over the judiciary resurfaces

With the future management of the economy becoming the focus of the electoral campaign, concerns about the *Kirchnerista* government’s apparent systematic efforts to extend its influence over the judiciary have also taken centre stage in the past few days. On 4 November the supreme court struck down the government-sponsored ‘*ley de subrogancias*’ law. The court ruled that the controversial law, which allowed the government-controlled magistrates’ council to appoint interim judges to fill any magistrate vacancies on a temporary basis [WR-15-27], is unconstitutional. In its unanimous ruling the supreme court explained that allowing the magistrates’ council to “discretionally” appoint interim judges goes counter to the constitutional provisions designed to ensure the independence of all judges.

The supreme court ordered the government to reverse all appointments under the *ley de subrogancias* and the national congress to come up with a new procedure to appoint interim and substitute magistrates to fill vacant posts. The ruling was celebrated by the political opposition which has long denounced the *ley de subrogancias* as a tool used by the Fernández government to pack the courts with sympathetic judges and shield the numerous *Kirchnerista* government officials that have faced corruption charges over the years.

But on the same day as the supreme court ruling, the opposition denounced a fresh attempt by the government to undermine the independence of the judiciary. Opposition national legislators repudiated Fernández’s decision to submit a list of 15 new appointments to key judiciary posts to the federal senate for approval. In particular, the opposition was indignant with the proposed appointment of two leaders from the *Kirchnerista* youth wing, La Cámpora, as auditors in the comptroller general’s office (AGN) for an eight-year term. The opposition said that the move was clearly an attempt to prevent potentially damaging investigations into the administration’s affairs by a new government, accusations that the AGN’s own head has echoed (*see sidebar*).

The opposition has vowed to do everything within its power to stop the latest judiciary appointments in congress. It has also already presented a formal legal complaint against Fernández and the FPV president of the federal chamber of deputies, Julián Domínguez, for abuse of power and administrative fraud over the AGN appointments, which it argues did not follow appropriate procedure as they did not receive prior approval by the chamber of deputies’ plenary.

But the government has remained defiant. In what was widely interpreted as a move designed to foil any opposition attempts to stall the judiciary appointments until the end of ordinary congressional sessions on 30 November, Fernández has called for congress to hold extraordinary sessions until 9 December, the day before she is due to hand over power. The Fernández executive has also heavily criticised the supreme court’s ruling over the *ley de subrogancias*, accusing the court of overstepping its remit and seeking to undermine the authority of the executive and the legislative. Amid these growing political tensions, Scioli’s job of convincing the electorate that he can conduct the necessary economic adjustments and restore confidence in the judiciary is made harder.

Cunha's fate hangs in the balance

Open contempt for the speaker of the federal lower chamber of congress, Eduardo Cunha, is no longer limited to the spirited leftists who took to the streets on 8 November, demanding his ouster, as well as an end to austerity. Nor is it limited to the student activists who showered Cunha with a bundle of fake dollar bills during a live television interview the previous week. Now, even those most committed to the impeachment of President Dilma Rousseff, the prerogative of the speaker, are distancing themselves from Cunha in the wake of mounting evidence of his corruption and increasingly implausible excuses for his wealth. Nevertheless, it is by no means guaranteed that the ethics committee that is due to decide his fate will opt to expel him from the chamber.

Cunha

There are some within the ruling Partido dos Trabalhadores (PT) who argue that a weakened Eduardo Cunha remaining in place as speaker of the federal lower chamber of congress could actually be the party's best hope of avoiding impeachment proceedings against President Dilma Rousseff.

PSDB breaks with Cunha

In the latest blow to Cunha's authority, the leader of the opposition Partido da Social Democracia Brasileira (PSDB), Carlos Sampaio, announced on 11 November that the party would break with him. Nevertheless, Sampaio insisted that the PSDB was still focused on impeaching President Rousseff and would not demand Cunha's immediate removal. Though aware that such a move would have little effect on the speaker's position, Sampaio said that the party could not be compromised by association with corruption.

In a series of interviews over the weekend, Cunha sought to explain how he came to store a vast amount of money in non-declared Swiss bank accounts. First, he claimed that he had never lied to congress when he said that he had no accounts, because the money in Switzerland was held in a series of trusts and not in bank accounts. Secondly, he argued that the money, some R\$22m (US\$5.9m), was the result of a successful business exporting tinned meat to the Democratic Republic of the Congo in the 1980s, and subsequent successful financial speculations based on this initial capital.

Finally, Cunha claimed to be completely baffled as to how one of the key lobbyists in the corruption case surrounding the State oil company Petrobras ended up depositing US\$1.3m in one of his trusts. He speculated that the lobbyist must have been acting on behalf of a recently deceased fellow deputy from the Partido do Movimento Democrático Brasileiro (PMDB), Fernando Diniz. The dead man's son was not the only one to express scepticism.

Powerful allies

Though Cunha's claims may stretch credibility, he remains powerful. Over the past few weeks he has consolidated his base among the so-called 'BBBs': representatives of the ultra-conservative beef, bibles and bullets caucus. In particular, Cunha has personally sponsored a bill restricting yet further women's rights to an abortion in cases of sexual violence. He also fast-tracked legislative proposals on gun-law liberalization and the limitations of indigenous peoples' rights to demarcate land.

Those close to Rousseff still believe he has enough support in the ethics council to survive. Cunha received some welcome news when the president of the council, José Carlos de Araújo, chose Fausto Pinato, from the Partido Republicano Brasileiro (PRB) to be the reporter – effectively the chairman – of the 18-member committee. The PRB is the political wing of the Universal Church of the Kingdom of God (IURD), run by Edir Macedo, arguably the wealthiest and most influential evangelical preacher in Brazil. Cunha retains some of the support from the evangelical sector, a powerful ally.

Truckers block roads

On 9 November, a group of truckers not aligned to any of the main trade unions began partial blockades on interstate roads in around 15 states across Brazil. Though the group has a few practical demands, it has declared it has no interest in negotiating with the federal government and wants to see the removal of President Dilma Rousseff from power. In response, on 10 November, the government increased the penalties for blocking roads.

Although the ethics council will not report to the full chamber until 3 February 2016, to a large extent Cunha's fate will be decided before then, on 24 November, when the council decides whether or not to install a formal process against the speaker.

Dam collapse sparks anger

On the afternoon of 5 November, a dam near the town of Mariana, in Minas Gerais, burst, causing a flood of toxic sludge, containing the residue from an open-air iron-ore mine to ooze downhill. It broke through another dam and effectively wiped out the village of Bento Rodrigues, a district with some 600 inhabitants, close to the old colonial town of Mariana.

By 10 November, six people were confirmed dead, and 21 were still unaccounted for, but presumed dead. The minister of mines and energy, Eduardo Braga, said that it was too early to tell whether the tragedy was an accident or an environmental crime. Public prosecutors, however, argue that it is highly likely that negligence played a role in the collapse.

The dam and the iron ore mine were operated by Samarco, a joint venture between the Australian mining giant BHP Billiton and Brazil's Vale. It has been operating since 1992 and yields around 10m tonnes of the metal every year. Samarco has said it has no date to restart the mine.

BRAZIL | POLITICS

More rumours over Levy's departure

Once again the finance minister, Joaquim Levy, is rumoured to be on the verge of leaving the government. Given such rumours are an almost weekly event, it is worth taking them with a pinch of salt. However, in a departure from previous occasions, markets and traders now appear to be more enthused by his possible replacement, Henrique Meirelles, the former central bank president under Lula da Silva (2003-2011). The Real strengthened slightly against the US dollar, and the market rose on the rumours. Whereas once Levy was believed to be all that stood between the government and another credit ratings downgrade, now Meirelles appears to be an acceptable substitute who would stick to the government's austerity programme while also keeping the left-leaning base of the ruling Partido dos Trabalhadores (PT) onside.

Over the past few days, Meirelles has been giving increasingly strong endorsements of the government's fiscal adjustment strategy. At an industry event in Brasília on 11 November, both Levy and Meirelles spoke. Introducing the former central bank president with warm words, Levy said, "I agree with everything he is about to say. We have done many things together and I have complete affinity with his thoughts." While Meirelles was at the central bank under Lula, Levy was the secretary of the national treasury.

In his speech, Meirelles was remarkably upbeat, insisting that Brazil is in a much better position than it was 20 years ago. He said that Brazil had a consumer market the size of Britain or France and claimed that the country's basic economic infrastructure was in good shape. Meirelles also pointed to the country's strong judiciary and free press as an example of the maturing of Brazilian institutions. While acknowledging that inflation was high, he said that it was "controlled" and pointed to Brazil's healthy stock of foreign reserves, currently valued at US\$370bn.

Interestingly, he did accept the criticism that taxation in Brazil was "high" and equivalent to more developed countries. He also argued that the high cost of energy in the country was a brake on growth. Improving infrastruc-

Smoking

President Tabaré Vázquez waged a crusade against smoking during his first term in office, when Uruguay became the first country in Latin America to ban smoking in enclosed public places. His government put in place legislation that required large health warnings on cigarette packets and banned the sale of those branded as “light” or “ultra light”. This led to an acrimonious legal dispute with the tobacco giant Philip Morris International (PMI), which contended that the restrictions imposed by the Uruguayan government harmed its business and violated Uruguay’s trade deal with Switzerland, where PMI is based.

ture and the quality of national education would be vital to making Brazil internationally competitive. Still, he has made it abundantly clear in interviews that he believes the government must cut public spending.

The night before, Levy reportedly faced criticism from both Right and Left at a dinner with senators. In particular, the finance ministry’s attempts to introduce a financial transactions tax (CPMF) was rubbished. Though Levy himself has studiously avoided saying anything about his future, President Dilma Rousseff has previously insisted he would stay in place. Asked whether he would be interested in a job in government, Meirelles insisted that he “did not waste time thinking about hypotheticals”.

TRACKING TRENDS

BRAZIL | Petrobras strike. Oil workers went on strike on 1 November over pay and the future of Petrobras, the State-run oil company. The strike has resulted in a 13% drop in Brazil’s daily oil production. On 10 November Petrobras issued a note stating that production had fallen by 115,000 barrels a day, due to the industrial action by workers in the Campos Basin, off the coast of the city of Rio de Janeiro, where 80% of Brazil’s oil is located.

The oil company sought to assure consumers that there was no threat to the country’s energy supplies. However, it did warn of the economic consequences of the action. “With the loss of production, the collection of taxes that go towards the federal union, the states and municipalities...will be directly affected,” it said.

Oil workers are demanding an above-inflation pay-rise, and have rejected an offer of 8.1% by Petrobras. Inflation is currently running just under 10%. Unions are also unhappy at Petrobras’s refusal to hold talks over its disinvestment plan and its outsourcing of various tasks to other companies. Besides temporarily suspending some investments in refineries and other under-construction plants, Petrobras is also considering selling assets worth up to US\$15.1bn between 2015-2016 in Brazil and abroad.

Petrobras cancelled talks with leaders of the oil union Federação Única dos Petroleiros (FUP), which were scheduled for 10 November, to try and bring an end to the strike. The FUP released a combative statement on the same day saying that “this is the moment to intensify [the strike]”. It claimed that Petrobras was downplaying the reduction in output from refineries caused by the strike, estimating that this could amount to some 2m barrels in total so far, worth R\$400m (US\$106m).

URUGUAY | Boosting foreign trade. President Tabaré Vázquez returned to Uruguay this week from a 10-day trip to France and Japan, where he signed a series of accords to boost trade and investment. There is significant scope to increase trade with Japan in particular. Uruguayan exports to Japan amounted to just US\$8.8m in 2010 when Vázquez completed his first term in office, and they had only increased to US\$13m by 2014. Finance Minister Danilo Astori, who made up part of the visiting delegation, sought to attract Japanese investment to Uruguay, especially in rice cultivation, technology and the service sector. Uruguay’s congress is poised to ratify an investment protection treaty signed by the two countries at the turn of the year. But Vázquez was frustrated in his hope to seal a deal with Japanese Prime Minister Shinzo Abe, who he met on 6 November, to open up the country’s market to Uruguayan meat exports. Abe said that a few remaining “technical aspects” needed to be ironed out but suggested that it was only a matter of time.

Vázquez, a qualified oncologist, began his visit to Japan by speaking at a conference in the private Jesuit research university in Tokyo, Sophia, where he elaborated upon how politics and science could “work together” to combat problems such as cancer and smoking. He described smoking as “the most brutal pandemic that humanity has suffered”, arguing that the illnesses caused by smoking – cardiovascular and pulmonary diseases and cancer – “cause 8m deaths worldwide every year, more than the number of people who perished in the Second World War”. Vázquez stressed, however, that it was “very difficult to fight against the entrenched economic interests of the producers and vendors of cigarettes” (*see sidebar*).

Another hurdle cleared for 'Gran Canal' project

The environmental and social impact assessment (ESIA) for Nicaragua's US\$50bn 'Gran Canal' project has been approved, the spokesperson for the 16-member governmental committee Telémaco Talavera announced last week. This removes yet another obstacle for the cross-isthmus canal which is fiercely contested by environmental groups and local communities alike.

Talavera made the announcement on 5 November. The same day, Hong Kong Nicaragua Canal Development Company (HKND) – which was awarded the build-operate contract in June 2013 – issued a press release noting that since the ESIA report was submitted in May, "HKND, ERM [the UK-based consultancy firm Environmental Resources Management which undertook the ESIA] and the Government have worked together to refine the canal proposals to minimize environmental and social impacts and to agree to a regime of mitigations and offsets, all strictly in accordance with International Best Practice". The same statement, which claims that "HKND has made significant design changes that have improved the project", cites experts as estimating that "the project will directly or indirectly create up to 250,000 jobs during the construction phase" and that the selected route "ensures that no more than 6,800 families (27,000 people) will be relocated.... Among these, only 25 households are indigenous people living in the Rama-Kriol Territorial Government (GTRK) territory". HKND expects that the Canal will be completed within five years.

Yet concerns persist. On 27 October the local civil society group Consejo Nacional en Defensa de Nuestra Tierra, Lago y Soberanía organised a march to Managua, from various parts of the country. The Consejo is among various local groups warning that the canal will damage Lake Nicaragua, Central America's largest freshwater lake, through which it will run, and displace local communities. While fears that the march – the 53rd against the initiative so far – could turn deadly failed to be realised, seven people were injured in clashes with riot police. Since then, on 31 October, Octavio Ortega, the Consejo's coordinator, announced plans to take a complaint before international forums related to some 47 reported acts of intimidation by the authorities against protesters.

Poverty figures

On 6 October the Frente Sandinista de Liberación Nacional (FSLN) government led by President Daniel Ortega trumpeted the findings of the latest report presented by the national institute of development information (Instituto Nacional de Información de Desarrollo, (Inide)) along with the central bank (BCN) and World Bank (WB) as evidence of progress vis-à-vis tackling poverty.

According to Inide's sixth survey on living standards (Encuesta de Medición del Nivel de Vida, EMNV-2014), which sampled 7,570 households in Managua, in the Pacific region (West), in the Centre region, and in the Caribbean Coast (East), general poverty has dropped from 42.5% of the population in 2009 to 29.6% in 2014, while the proportion of those living in extreme poverty declined from 14.6% to 8.3% over the same period. The survey defines those living in general poverty as living on C\$17,011.47 (US\$616) per person per year and those in extreme poverty as living on C\$10,523.92 (US\$318 per person per year). The report also showed differences between urban and rural areas. As regards urban areas, the survey showed 14.8% of the population lived in poverty and 2.4% in extreme poverty, rising to 50.1% and 16.3% respectively for those in rural areas.

Poverty decline

Carlos Sobrado, a World Bank (WB) researcher cited by the government-aligned media *el19digital*, attributed the decline in poverty to various factors including government social programmes (like *Hambre Cero*, *Plan Techo*, *Usura Cero*, *Merienda Escolar*, *Bono Productivo* and *Casas para el Pueblo*); an increase in remittances sent from family members abroad (which, according to Nicaragua's central bank reached US\$1.13bn in 2014 up from US\$768.4m in 2009); and a reduction in the size of households, which dropped from an average of 4.75 people in 2009 to 4.34 people in 2014.

Familiar concerns

The international community was quick to endorse the 25 October polls [WR-15-43], although since then local civil society groups and watchdogs have echoed the concerns raised by the opposition candidates regarding fraud. On 27 October, a leading human rights group, Réseau National de Défenses des Droits de l'Homme (RNDDH) along with three other local civil society groups – Solidarite Fanm Ayisyèn (SOFA), Conseil National d'Observation Électorale (CNO) and Conseil Haïtien des Acteurs Non Étatiques (Conhane) – issued their report on the 25 October polls. Without providing specifics, the report noted that ballot stuffing took place in some voting centres, and also described the illegal sale of voting cards.

Presidential run-off confirmed

Haiti's provisional electoral council (CEP) has announced the preliminary results from the first round of presidential elections on 25 October and the second round of national legislative elections. The results are proving controversial, with the second-placed presidential candidate, Jude Célestin, of Ligue Alternative pour le Progrès et l'Émancipation Haïtienne (Lapeh), who is due to face Jovenel Moïse, of President Michel Martelly's Parti Haïtien Tèt Kalé (PHTK) in the 27 December run-off, refusing to recognise them, citing fraud and irregularities.

According to the presidential first round results which were announced on 5 November, Moïse took 32.81% of the vote to 25.27% for Célestin – meaning that neither candidate managed the 50% +1 of the vote or – since an amendment to electoral legislation made this year – a 25 percentage point lead over their nearest competitor. Third, with 14.27% was Jean Charles Moïse (Petit Dessaline) followed by Maryse Narcisse, from the party of populist former president Jean-Bertrand Aristide (1991; 1994-1996; 2001-2004), Fanmi Lavalas (FL), who took 7.05%. The other 50 candidates made up the remainder. Of the 5.8m registered voters (out of a total population of 10.5m), 1,538,393 votes were cast in the election, of which 120,066 were invalidated for fraud and other irregularities.

Jovenel Moïse's victory was in line with the results of a survey by Miami-based Integrated Communications and Research (ICR) but another pre-electoral survey by local private think-tank Bureau de Recherche en Informatique et en Développement Economique et Social (Brides) had shown Célestin, the former head of the state-owned construction company Centre National des Équipements (CNE), as the frontrunner. The Brides poll interviewed 11,000 people, while the ICR survey interviewed 1,362 people [WR-15-43]. On 5 November Célestin, who ran in the 2010 contest for Inité, the party of former president René Préval (2006-2011) before being controversially excluded from the second round, described the results as a "ridiculous farce" and said he did not accept them.

Célestin also signed a letter to the nine-member CEP, along with seven other presidential candidates, including Jean Charles Moïse, calling on it to appoint an independent commission to conduct a closer study of ballot papers in response to fraud allegations. It is worth pointing out that a member of the CEP, Jaccéus Joseph, refused to sign off on the results, citing concerns over vote tabulation.

A familiar story in the legislature

Three days after announcing the presidential results, the CEP revealed partial results from the second round of national legislative elections which suggest that as has previously been the case, no party will have a majority in either house.

According to the preliminary legislative results, the PHTK looks set to have won at least 32 seats in the newly expanded 118-seat lower chamber of congress (including the four it won outright in the first round on 9 August [WR-15-43]). Meanwhile, Préval's new party, Plateforme Vérité, whose presidential candidate Jacky Lumarque was controversially excluded from the contest, will have at least 18; FL will have seven. As regards the 30-seat national senate [for which two thirds of the seats were up for grabs], Vérité took three, PHTK two, and FL one of the 12 seats so far declared.

One possible concern for the government is that the opposition candidates could unite behind Célestin who already won the endorsement of Plateforme Vérité, in the first round of presidential elections.

The CEP, which has yet to announce the election results for the 140 mayoral contests which took place concurrently on 25 October, is due to announce final results for all of the elections by 22 November.

Quotes of the Week

“I am one of those who think that legalisation [of marijuana] could lead to consumption of more harmful drugs. However, I don't have a monopoly on truth.”

Mexico's President Enrique Peña Nieto calls for an open debate on marijuana.

“I will not become a great great grandfather because the Cuban people will get bored of me.”

Cuba's President Raúl Castro.

“He [Néstor Kirchner] is up there with the Arsat-1 and the Arsat-2 [Argentine satellites]. He is there like a kind of cosmic comet, like someone who dreamt so much and so forcefully for a different country that his heart could not endure his dreams.”

Argentina's President Cristina Fernández on her late husband and predecessor.

POSTSCRIPT

Belize's Barrow sweeps to third straight victory

Dean Barrow has become the first prime minister since Belize gained independence in 1981 to win three consecutive election contests at the helm of the United Democratic Party (UDP). The UDP managed to add two seats to its haul to finish with 19 of the 31 seats in the House of Representatives to just 12 for the People's United Party (PUP) in the general elections on 4 November. Barrow's victory came just days after Jimmy Morales won Guatemala's presidential elections bemoaning the “deplorable” loss of large tracts of land now part of Belize.

Prime Minister Barrow had called a snap election, just three-and-a-half years on from the UDP's last victory, after his party won an emphatic victory in Belize's municipal elections last March, when it took 62 of the 67 representatives on town and city councils nationwide. The PUP's leader Francis Fonseca won his seat in the Freetown constituency but following the announcement of the party's defeat, he announced that he was stepping down as leader. Fonseca took up the position in 2011, and went on to lose the general elections the following year and then two by-elections in Dangriga and Cayo North before the PUP was crushed in the municipal elections. He had faced challenges to his leadership.

Guatemala's President-elect Morales, who will be sworn-in next January, has not communicated with Barrow to extend his congratulations. Barrow expressed his confidence that Morales would tone down his campaign rhetoric after taking office. Guatemala has a longstanding claim to 12,772km² of land and sea in present day Belize, the equivalent of over half of its English-speaking neighbour's territory.

Barrow formally swore-in 17 cabinet ministers on 9 November. In view of the potential tension with Guatemala, the most important announcement was the re-appointment of Wilfred Elrington as foreign minister. Barrow will remain as the finance, public service, energy and public utilities minister.

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