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Argentina advances anti-drug strategy but Paraguay could hold key

Argentina's federal security ministry is taking the first steps towards President Mauricio Macri's utopian objective of delivering a country "free from drug trafficking". The security minister, Patricia Bullrich, celebrated a major anti-drug operation this week disbanding two criminal networks. She is also negotiating the purchase of at least four Shaldag class fast patrol boats from Israel for high speed interceptions along the Paraná river of vessels carrying marijuana from Paraguay. The real potential game changer for the Macri administration, however, is taking place not at home but in Paraguay's congress where deputies are starting to debate the legalisation of marijuana for medicinal use.

The Argentine police disbanded two drug trafficking organisations known as 'Hermanos del pantano' and 'Banda del polaco' on 5 December with 27 arrests made in 56 different raids in the south of the province of Buenos Aires. Bullrich described the two joint operations by the federal and provincial police as of "great importance for society" because it took from the market "more than 21,000 doses of ready-for-sale cocaine and 4,000 doses of paco [a low cost and low quality drug produced from the residue of cocaine]".

The two leaders of 'Hermanos del pantano', known as 'Cabezón' and 'Daní', were arrested along with 19 other members of the criminal gang in 39 raids concentrated in Esteban Echeverría, Ezeiza and San Vicente. In addition to the cocaine and paco, police confiscated 500 grams of cocaine paste, five marijuana plants, six shotguns, 20 vehicles, 34 mobile phones and Ar\$130,000 (US\$8,189) in cash. The leader of the other criminal gang, known as 'El Polaco', was arrested along with three other men and two women in 17 raids, along with small quantities of cocaine and marijuana.

President Macri made clear in August that a campaign against drug trafficking would form a central, possibly even defining, aspect of his presidency [[WR-16-34](#)]. Macri's fiercest criticism of his predecessor Cristina Fernández (2007-2015) upon taking office this time last year was that her government had allowed a significant increase in drug trafficking through "inaction, incapacity or complicity".

Winding up two drug gangs in the province of Buenos Aires marked noteworthy progress for the Macri administration against drug trafficking but Bullrich is determined to take strides to improve drug interdiction. With this end in sight, Bullrich attended an international conference on homeland security & cyber in mid November in Israel where she discussed the acquisition of the Shaldag armed fast patrol boats which can get up to speeds of 40 knots (75km/h) very rapidly.

Combating cocaine trafficking from Bolivia

The Argentine government is also taking action to combat the trafficking of cocaine from Bolivia, mainly by means of narco flights. The government is in advanced talks to buy from Israel three top-of-the-range video surveillance systems with long distance observation balloons along the north-western border with Bolivia.

While a single narco flight can transport around 500 kilos of drugs, the riverine route sees far greater quantities of illegal narcotics enter Argentina. Paraguay is believed to ship out up to 20,000 tonnes of marijuana a year, 80% of which goes to Brazil, and much of the rest to Argentina (as well as Chile and Uruguay) along the Paraná.

The Argentine naval prefecture (PNA), a service of the security ministry which protects the country's rivers and maritime waters, will be the recipient of the Shaldag boats which will be used to patrol hot spots along the coast where barges are loaded overnight far from populated areas. The PNA has decommissioned 24 tonnes of marijuana in Argentina this year.

Paraguay moots legalising marijuana

However effective the Shaldag boats prove to be for the PNA, they will not have a fraction of the impact that a debate taking place in Paraguay could have on marijuana trafficking into Argentina. On 1 December Paraguay's chamber of deputies began discussing two bills designed to amend articles from a 1988 law on the trafficking of illicit substances (as well as outlining measures for drug prevention and rehabilitation of drug addicts) to legalise the medicinal use of marijuana in the country where the sale, cultivation, and distribution of the drug is prohibited.

The bills were presented by Víctor Ríos and Ricardo González, deputies for the main opposition Partido Liberal Radical Auténtico (PLRA) and the Partido Encuentro Nacional (PEN) respectively. At present they are only being debated in the science & technology commission of the lower chamber but the idea is to combine them and submit the resulting bill to the plenary body of Paraguay's congress by mid 2017, after a wide public debate involving youth organisations and university students as well as deputies from Argentina and Uruguay, where medicinal use of marijuana is legalised.

Paraguay is the principal producer of marijuana in South America with an estimated 6,000 hectares of plantations in the country concentrated in the departments of Amambay and Canindeyú (and to a lesser extent Alto Paraná) bordering Brazil. Large-scale marijuana cultivation is the sole source of income for many poor farmers in Paraguay, and although Ríos confidently asserted that legalising the medicinal use of marijuana would "seriously cut into the profits of drug trafficking mafias", it is difficult to see how it will provide a big enough legal market to achieve the goal of eliminating black markets. Marijuana fetches an average price of US\$100 a kilo in the border black market, providing earnings of some US\$2bn for Paraguayan drug traffickers.

Brazil lands blow against 'Crazy Horse'

Some 200 members of Brazil's military and federal police launched simultaneous operations on 4 November in the Brazilian states of Goiás and Mato Grosso do Sul bordering Paraguay in an attempt to dismantle a criminal network believed to make more than R\$1bn (US\$309m) distributing and selling marijuana in Brazil's main cities.

The Brazilian police made 81 arrests, froze 80 suspect bank accounts and seized 10 tonnes of drugs in Operation 'cavalo loido' ('crazy horse'), a reference to the vehicles adapted for smuggling marijuana into Brazil from Paraguay.

A Brazilian, André Luis de Araújo Rauzer, driving one of these vehicles, a Ford Ranger compact pick up truck with a Paraguayan registration, was arrested in Mato Grosso do Sul, 15km from the Paraguayan border, transporting 1,903 kilos of marijuana.

Araújo Rauzer confessed that it was the 15th time he had made the trip with similar quantities of the drug in different vehicles. He left Pedro Juan Caballero, the capital of Amambay department on the border with the Brazilian city of Ponta Porã, at night, heading for the city of Dourados in Mato Grosso do Sul for onward transit of the drug to Goiás and the federal district of Brasília.

Temer's reform agenda threatened by instability

The cornerstone of President Michel Temer's attempts to haul Brazil out of its worst recession on record is slated to go to a final vote in the federal senate on 13 December. The constitutional amendment that would freeze public spending in inflation-adjusted terms for up to 20 years is an essential part of the government's plan to tackle a near-record budget deficit of close to 10% of GDP. But a series of political shocks over the past few weeks have jeopardised the timely passage of this bill. On balance, it still seems probable the legislation will pass this year, but recent developments have highlighted once again the fragility of the Temer administration and how it may struggle to pass further, significant reforms.

Two weeks ago the government was shaken by the resignation of two cabinet ministers over an influence-trafficking scandal that implicated President Temer himself. As Brazil was distracted by the tragedy of the plane crash in Colombia involving the Chapecoense football team, the federal congress debated a series of anti-corruption measures put forward by the public ministry after consultation with over 2m Brazilians. After passing the basic text of the bill at around midnight on 29 November, congress subsequently spent the next five hours mutilating the text.

Proposals to allow prosecutors to guarantee the secrecy of their sources; to criminalise illicit enrichment of public employees; to expand the use of preventative detention; and to increase the use of asset seizure, were all voted down. Congress also decided to tack on an extra measure – a law defining the 'abuse of authority' which would have held judges and prosecutors criminally responsible for overstepping the limits of their remits. Whether reasonable or not, the proposal prompted the task-force from 'Operation Car Wash', the long-running corruption investigation involving the state-run oil company Petrobras, to threaten to resign en masse.

With the Car Wash investigators hailed as heroes by many middle-class Brazilians, their outrage set the tone for the public reaction to the bill. The decision by the senate president, Renan Calheiros, to put the legislation on the agenda for an upper chamber vote the very next day also provoked a massive public backlash. Eventually, senators voted down the proposal to turn the anti-corruption bill into an "urgent" agenda item.

Calheiros

By then, the senate president had other troubles. On 1 December Brazil's supreme court voted eight-to-three in favour of putting Calheiros on trial for embezzlement. The case against Calheiros has been wending its way through the supreme court for nine years. In the hearing on 1 December, the court justices threw out other related charges on the alleged use of false documents and fraudulent misrepresentation, but accepted there was sufficient evidence that Calheiros used illicitly obtained money to pay for personal expenses. In a statement issued after the ruling, Calheiros expressed confidence that he would prove his innocence and labelled the accusations against him "weak". Ten other cases against him are also lodged at the supreme court.

The case against Calheiros and the actions of the federal lower chamber of congress fuelled protests on 4 December. Tens of thousands of Brazilians gathered in over 50 cities across the country to express their outrage at the anti-corruption bill. In Brasília, demonstrators hurled toy rats, emblazoned

More public calamity

Minas Gerais has become the third Brazilian state to declare a state of "public calamity" in its accounts, after Rio de Janeiro and Rio Grande do Sul. The declaration allows the state to suspend its payments to the union while it implements severe austerity measures. There were violent protests in the state of Rio de Janeiro on 6 December, as civil servants, many of whom have not been paid for months, clashed with police outside the legislative assembly where councillors were voting on austerity measures.

Copom minutes
Brazil's central bank released the minutes of its last meeting on 5 December, a few days after it cut the benchmark interest rate, the Selic, again, by 25 basis points, to 13.75%. The bank noted that the 2017 and 2018 outlook for inflation has improved. The next policy meeting is 11 January, and another cut is expected, with a majority of analysts expecting a 50 basis point cut.

with the names of Calheiros and Rodrigo Maia, the speaker of the lower chamber, into the ornamental ponds in front of congress.

As the new week dawned, the key question was whether Calheiros could continue as president of the senate while a criminal defendant, given that the position means he is third in the line of succession for the presidency. There is currently a case lodged at the supreme court which, if approved, would bar anyone facing indictment from the line of succession. That evening, Judge Marco Aurélio Mello, one of the more eccentric of Brazil's supreme court justices (appointed by his cousin, former president Fernando Collor de Mello [1990-1992]), agreed to a request by a left-wing political party to suspend Calheiros, with immediate effect.

Institutional chaos, of a familiar variety for observers of Brazilian politics this year, subsequently followed. For the order to take legal effect, the court papers had to be signed by Calheiros; so he simply hid from the clerks assigned to hand him the documents. On 6 December, it was unclear exactly who was the senate president. Calheiros's would-be successor, Jorge Viana, is a senator from the left-wing Partido dos Trabalhadores (PT), and a staunch critic of the government's austerity measures. With Viana as president, the timetable for the final vote on the government's spending cap bill was thrown into doubt. Both the real and the São Paulo stock exchange (Bovespa) swooned on the possibility the constitutional amendment would not pass.

But later that afternoon, Calheiros finally emerged after a meeting with Viana and the senate leadership, declaring that the lower chamber's executive board had decided that it would not accept an "autocratic" decision by one judge and that it would wait for the full plenary of the supreme court to decide the matter. By roping the board into the decision, Calheiros attempted to sidestep charges of obstruction of justice, which might have resulted in his immediate detention.

The supreme court decided late on 7 December that Calheiros could continue as president of the senate, although it had stern words for the lower chamber's executive board for having the temerity to object to Mello's judicial ruling. In effect, there are just days left to run of Calheiros's mandate, as the lower chamber of congress enters recess on 22 December and there will be new elections for senate president in February. That would allow the final vote on the constitutional amendment to take place before recess. With Calheiros in charge, it is likely to pass, as it did overwhelmingly in the first round of voting on 29 November.

So far the markets appear to have shrugged off the latest bout of political instability. The real has dipped over the past few days, but reversed losses after the senate board refused to accept the supreme court judge's decision. However, there are signs that confidence in Temer's capacity to deliver on his reform agenda is starting to wane. Until November, the real was one of the strongest performing currencies in the world, up around 25%, but in the last month or so, it has slipped back down another 9% against the US dollar.

Even if the spending cap bill passes, the government itself has acknowledged it is unlikely to succeed in shoring up the country's accounts without pension reform. The government unveiled its pension reform proposal on 5 December. It would set a minimum retirement age of 65, in a country where people currently work on average until they are just 54. The new rules would apply to working men who are 50 or older and women who are 45 and older. Although the market reaction to the proposal was largely positive, it is likely to face huge popular opposition. Unlike the spending cap freeze, which may be radical but is rather abstract for many Brazilians, the pension changes will be felt directly by many middle-class Brazilians who are still being battered by the country's current recession.

Macri rates first year positive

Asked to mark his government's first year, on 1 December, President Macri did not hesitate to give it a mark of 8 out of 10. "How valuable is it to have avoided the fifth major economic crisis of the last 50 years?... The world has opened its doors to us and wants the country to do well. I would mark this year with a good grade. I would say an eight," Macri said. But Macri's view is not shared by local analysts who rate his government's performance this year as a 6 out of 10. The latest opinion polls show that 43.1% of respondents believe that the government's performance has been 'negative', while 25.9% consider it has been 'positive', with 51.6% saying that Macri has not fulfilled his promises.

Macri government regroups ahead of 2017

The first year in power of Argentina's centre-right Cambiemos coalition government led by President Mauricio Macri was always going to be tough. Fixing Argentina's macroeconomic imbalances, putting the domestic economy back on the path of growth, and building bridges with the polarised political opposition was a tall order. While Macri has rated his government's performance this year as good (*see sidebar*), failure to meet the public's high expectations and the political erosion produced by having to cut deals in the opposition-controlled federal congress to advance its legislative agenda have taken their toll on the Macri administration. This led Macri to organise a "spiritual retreat" for his ministerial cabinet to regroup politically ahead of the final congressional sessions of the year and prepare to start 2017 on the front foot.

Despite the major 'economic adjustment' that the Macri administration has implemented since assuming office in December 2015 to try to revive the domestic economy, this has not yet happened. Throughout the year government officials repeated that while the adjustment would have negative short-term effects (such as stoking inflation, and eroding the purchasing power of lower-income Argentines), the domestic economy would start to show signs of recovery in "the second half of the year".

However, although the inflation rate appears to have stabilised (falling to 1.8% in November from 2.4% the previous month), other key economic indicators are negative: GDP continues to shrink; unemployment continues to rise (it was 8.5% in the third quarter); and the fiscal deficit remains virtually unchanged despite the government's efforts to cut spending (particularly social spending). Meanwhile the much-touted large influx of foreign investment has largely failed to materialise.

Problematically for the government, this situation has led to increased social discontent. Local trade unions and civil-society groups are once again staging public demonstrations in protest at the job losses and the general fall in living standards. This discontent has been exploited in turn by the political opposition, which has succeeded in advancing in congress some initiatives designed to address this 'social emergency' [[WR-16-47](#)], delaying the approval of other key government initiatives such as its proposed amendment to income tax legislation and the approval of the 2017 draft national budget.

Spiritual retreat

The stalling of government initiatives in congress led President Macri to call for the legislature to hold extraordinary sessions to discuss the draft budget and other pending initiatives (*see below*). But aware of the difficulties that the government has had in advancing its legislative agenda, and the growing frictions that this has produced within the ministerial cabinet, Macri announced that the cabinet and Cambiemos leaders in congress would hold a two-day "spiritual retreat" in the coastal town of Chapadmalal in the province of Buenos Aires on 2 and 3 December to go over the objectives attained and missed this year and outline those that it will pursue in the extraordinary sessions of congress, as well as in 2017.

At the end of the retreat, Vice-President Gabriela Michetti gave a press conference in which she said that each cabinet minister provided a balance for the year; and that after frank discussions all agreed that each had "done their homework" and that they remained confident that the work carried out this year would lead to an economic recovery in 2017.

2017 budget

The budget is predicated on an exchange rate of around Ar\$18/US\$1 and on a projected inflation rate of 17%, much lower than the current year-end projection of 40%. Based on this, the budget projects a fiscal deficit of 4.2% of GDP, which is to be covered with the issue of Ar\$834bn of debt in international markets. With the 2017 budget now approved, the Macri administration is under pressure to deliver on the much-needed economic recovery next year.

Michetti also said that after extensive discussions, those attending the retreat had come up with “100 strategic objectives” that the government would pursue next year. According to the Michetti, these objectives include legislative bills, programmes, and initiatives in eight areas including macroeconomic stability; the strengthening of institutions; productive development; sustainable human development; public security; and the reinsertion of criminals into society.

Michetti said that it would be up to individual ministries to come up with priority projects to advance these objectives. She added that Macri had also asked his ministers to “increase effort and focus” to advance these objectives next year, when the government will be under increased pressure to deliver as the country prepares to hold mid-term legislative elections next October.

Macri’s first national budget approved

In return for congressional support from the political opposition for the government’s 2017 draft budget before the end of ordinary sessions on 30 November, Macri promised that the opposition’s own urgent economic initiatives would be discussed in congress during extraordinary sessions. This agreement led to the senate giving final approval to the draft budget after the introduction of only some minor changes in the last ordinary session of the year.

The approval of the first national budget drafted by the government in the opposition-controlled senate was a significant political victory for Macri. The Ar\$2.6trn (US\$148.9bn) draft budget was approved by 59 votes in favour to just eight against in the 72-seat upper chamber after the main opposition Partido Justicialista (PJ, Peronists) bench – bar some senators from the hard-line Frente para la Victoria (FPV, Kirchneristas) faction – voted for it.

The approved draft budget calls for a significant 22% increase in public spending to help stimulate the domestic economy. It calculates that the economy will contract by 1.5% this year but that public spending plans will help it to grow by 3.5% next year.

Macri under pressure over Sala detention

On 2 December the Inter-American Commission on Human Rights (IACHR) urged the Macri administration to give “prompt attention” to a decision by the United Nations Working Group on Arbitrary Detention on 21 October that the preventive detention of Milagro Sala was arbitrary and violated the standards of the international covenant on civil and political rights to which Argentina is party. Sala is a social leader, politician, and fervent supporter of the Kirchnerista governments (2003-2015).

The IACHR mounted pressure on the Macri administration just four days after the secretary general of the Organization of American States (OAS), Luis Almagro, wrote a letter saying “I trust that the Argentine State...will promptly comply with requests received from the international community”. Macri duly extended an invitation (taken up by the UN Working Group) to visit the country.

Sala was arrested last January in the north-western province of Jujuy after orchestrating protests against the governor of Jujuy, Gerardo Morales, a member of Macri’s Cambiemos coalition. She was initially arrested on the grounds of “instigating crime and public disturbance” after her social organisation, Tupac Amaru, camped out in the central square of the provincial capital San Salvador de Jujuy in protest at a proposal by Morales to shake up the system of state subsidies to cooperatives. But before Sala could be released she was placed under preventive detention for alleged fraud and embezzlement to the tune of Ar\$29m (US\$1.83m at the current exchange rate) of public funds meant for housing construction which have disappeared without trace.

Macri has maintained that Sala’s detention is a matter for the provincial judiciary but in the wake of the international pressure being brought to bear on his government he urged the judicial and political authorities in Jujuy to provide “clear” information without “ulterior motives” about Sala’s detention.

Fujimoristas gun for education minister

The main opposition Fuerza Popular (FP, Fujimoristas) is using its congressional majority to make life very difficult for President Pedro Pablo Kuczynski. On 7 December it summoned the education minister, Jaime Saavedra, to congress to face a series of questions related to minor irregularities it presented as conclusive evidence that he lacked the "...capacity to carry out the functions of his position". FP will draft and present a motion of censure in congress by early next week. It has more than the two-thirds majority required to censure Saavedra so it should be a formality unless it extracts a concession from the Kuczynski administration and decides to back down.

In the days before Saavedra's summons to congress, President Kuczynski had defended his education minister "with all of my heart". Kuczynski said that Saavedra had "immense talent", arguing that "education is a state policy, not a policy that changes according to the minister in charge". Kuczynski had recognised Saavedra as the outstanding cabinet minister in the administration of his predecessor Ollanta Humala (2011-2016) by deciding to retain him in the position.

Kuczynski's defence did nothing to dissuade FP from its determination to censure Saavedra. FP justified its decision to haul Saavedra before congress on the grounds that there were "a series of very serious accusations raising questions about his ability to lead such an important ministry". Its questions revolved around the public procurement of computers (*see sidebar*) and a delay in organising the Pan-American Games in Lima in 2019.

Saavedra acknowledged that there were presently 14 corruption investigations linked to the education ministry, mainly involving junior officials and often at a municipal level. But Saavedra maintained that he was not directly responsible for either of the cases raised by FP, especially the authorisation of international sporting events.

Saavedra gave detailed responses to the 18 specific questions he faced over the course of 12 hours but these did not appear to interest FP because rather than weigh them up, the party spokesman, Luis Galarreta, announced within 10 minutes of the end of the questioning that the FP would present a motion of censure against the minister.

University reform was not one of the 18 questions Saavedra faced in congress and yet this is widely seen as the ulterior motive behind FP's decision to censure him. A bill to reform university education was presented to congress last year, including a series of profound changes not only to improve the standard of teaching and degrees but also, crucially, to tighten the regulation of funds administered by state and private universities which have mushroomed over the last decade. FP strenuously objects to this reform because both the party and individual candidates for congress benefit from funding from some of the new private universities.

The national daily *El Comercio*, which has been critical of the university reform, published an editorial in which it accused FP of "an unnecessary show of political strength", meting out "a disproportionate punishment", which could set a disturbing precedent for governability. "If [these accusations] were enough to lead to a summons and eventual censure in congress

Alleged irregularities

On 20 November the weekly investigative television programme Panorama reported that the financial intelligence unit (UIF) had detected irregularities in the education ministry's PEN146m (US\$42.7m) purchase of computers for schools.

Pisa results

A total of 71 countries participated in the OECD's Pisa 2015 survey focused on science, but also including reading and mathematics. The average score among OECD countries is 500 points and the standard deviation is 100 points. These were the results of countries participating within the region:

Science

Chile 447
Uruguay 435
Costa Rica 420
Colombia 416
Mexico 416
Brazil 401
Peru 397

Reading

Chile 459
Uruguay 437
Costa Rica 427
Colombia 425
Mexico 423
Brazil 407
Peru 398

Mathematics

Chile 423
Uruguay 418
Mexico 408
Costa Rica 400
Colombia 390
Peru 387
Brazil 377

few ministers would last more than half a year in their jobs," it argued. Even the influential national teachers' union (Sutep), renowned for staging protests to express its disillusionment with a succession of education ministers, accused FP of "political opportunism" and a thinly veiled ulterior motive.

Interesting timing

While Sutep argued that FP was determined "to bring down education" in Peru, FP insisted that it was acting on behalf of "our children" by moving to censure Saavedra. The irony is that on the eve of Saavedra's desperate defence in congress, Peru was singled out for making the biggest improvements in education in Latin America in the 2015 Programme for International Student Assessment [PISA] tests carried out by the Organisation for Economic Co-operation and Development [OECD] compared to the previous assessment in 2012.

Although Peru remains behind most of the countries in the region who participated in the evaluation of mathematics, reading and science (see sidebar), it moved ahead of Brazil for the first time in mathematics. This improved performance in no way convinced FP that Saavedra was improving the quality of education in Peru. Indeed, FP deputy Bienvenido Ramírez was pilloried on social media after controversially claiming during Saavedra's appearance before congress that the Pisa tests were "a smoke-screen paid for by the education ministry".

Education spending boosted in 2017 budget

Congress approved the PEN142.47bn (US\$42.66bn) budget for 2017 presented by the government by 99 votes to 18 after a nine-hour debate on 29 November. The budget prioritises public access to basic services, in accordance with President Kuczynski's campaign promise to ensure the universal availability of drinking water, but by far the largest slice of the pie goes to education spending. Education accounts for 18.4% of the total budget, or PEN26.2bn (US\$7.75bn), an annual increase of 5.2%. The main focus of this additional spending is designed to improve higher education, and the quality of teaching.

FP deputies agreed to approve the budget after introducing a series of amendments including a PEN20m (US\$5.8m) increase in spending. FP Deputy Cecilia Chacón, the president of the congressional budget commission, said that the additional budget allocation would be used to fund newly-established public universities and offer university professors better salaries – a boon for FP given the interests which party legislators have in the university sector.

Chacón noted that other amendments introduced by congress include: authorising the release of funds to set up two new medical units in the regions of Cajamarca and Ucayali; and allowing the direct transfer of funds allocated to the national transport & communications and housing ministries for regional infrastructure development projects to regional and local governments.

The approved budget projects GDP growth of 4.8% next year, bucking a recent trend of more moderate growth both in Peru and in some of Latin America's larger economies; while inflation is expected to fall to around 2% after accumulated inflation reached 3.38% in November. However, President Kuczynski is even more optimistic, recently predicting that Peru's GDP could increase by as much as 5% in 2017 if business conditions remain favourable. Analysts have attributed Peru's positive economic growth outlook to strong growth in the mining sector and increased foreign investment this year.

Planning receives the next biggest slice of the pie after education, PEN18.24bn (13% of the total budget), followed by transport (PEN14.08bn, 10%), health (PEN13.78bn), and social security (PEN12.61bn). The public order and security budget is PEN9.36bn, an increase of PEN1.0bn over 2016. Of this, PEN4.76bn will go towards the dismantlement of criminal gangs, a crackdown on illicit drug sales and continuing police 'mega operations', with a particular focus on the 15-20 districts responsible for 60% of national crime statistics.

Anyone expecting Maduro's early exit may need to think again

A potentially critical difference between now and December 2014 is that the Maduro government is expecting oil prices to recover in 2017, which would ease its desperate financial situation. Russia's President Vladimir Putin this week promised to send Venezuela "all the wheat it needs" under the renewal of Russia's 'strategic alliance' with Venezuela, which includes military cooperation. Notably, Putin also promised to dispatch updated new military equipment in 2017. Payment terms were unclear, but Putin appears willing to prop up Maduro. How US President-elect Donald Trump reacts will be interesting.

A Christian Burial for the Vatican dialogue

The latest political dialogue effort in Venezuela has stumbled to a halt, notwithstanding the intervention of Pope Francis, who lent the full weight of the Vatican's senior diplomatic representatives to the process. If any 'winner' can be declared, it would have to be President Nicolás Maduro, who remains comfortably ensconced in office a year after the opposition swept the mid term congressional elections with a two-thirds majority and pledged to remove him.

The week in Caracas started with a row over a missive sent by the Vatican's secretary of state, Cardinal Pietro Parolin (an Italian who spent some years in Venezuela), which appeared to criticise the Maduro government directly for its failure to follow through on the agreements reached to date in the latest talks with the opposition coalition Mesa de la Unidad Democrática (MUD), which began in early November after Pope Francis requested a meeting with Maduro.

The letter is remarkably frank. Observing that "aggressive, violent and insincere language" does not help to create trust, Parolin notes that there must be "genuine willingness to respect agreements, and their immediate application, without perversions or ulterior conditions". He goes on: "With pain and concern, I must emphasise that I am not encouraged by what has happened so far. I particularly speak of the fact that we are seeing a worrisome delay in the adoption of the necessary measures for the concrete application of agreements; additionally, we have seen how authorities issue statements or make decisions outside the work meetings that do not favor understanding between the parties". "Respectfully but firmly", he continues, "the Holy See demands that:

1. Conditions must be met ahead of the December 6 meeting, for the urgent implementation of measures destined to solve the severe crisis in the supply of food and medicines affecting the people. The Venezuelan Church, along with its institutions, Caritas among them, is willing to lend all the help possible, through every means within its reach, to solve the situation of social emergency in the country;
2. Given the commitment taken on by the parties in the Joint Statement 'Coexisting in Peace,' to make sure their 'political differences are solved strictly through constitutional means, in a democratic, peaceful and electoral path' and the conviction to guarantee that 'elections remain the democratic path for people to express their own will'...the parties must agree on an electoral schedule to allow Venezuelans to decide their future without delay;
3. Necessary measures must be taken to immediately reinstitute the National Assembly's authority, as established in the Constitution;
4. Legal means must be applied to ensure that all detainees are released."

The 6 December meeting did not happen. The MUD refused to attend, arguing that the above conditions had not been met. The Vatican envoy to the talks, Claudio María Celli, announced that the two sides would take a break and resume on 13 January. Maduro said he was willing to continue for as long as necessary and blamed the MUD for walking away. This is exactly what happened the last time the Vatican tried to facilitate dialogue, in March 2014. The political cost falls almost entirely on the MUD, which is now visibly rupturing.

The radical MUD wing led by Voluntad Popular (VP), which declined to attend the latest dialogue, has now called for renewed street protests under a new banner, #SíHaySalida. Exactly three years ago, the VP's leader Leopoldo López began to push for anti-government protests under the banner #LaSalida. Those protests cost 43 lives and landed López with a 14-year prison sentence. Venezuela, it seems, is back to square one.

Demobilisation held up

Jesús Pérez González, a former delegate in Colombia's 1991 constituent assembly, presented the legal challenge being considered by CC magistrates, arguing that senators did not possess the authority to modify the constitution. If the initial peace accord had been approved in October's national referendum, rather than by congress, there would have been no need for this debate as congress would have been empowered through associated peace legislation to implement the accord via the 'fast track' mechanism. The most urgent legislation is the amnesty law, defining the legal status of guerrillas, without which the Farc is refusing to start demobilising.

Crunch time for Farc peace accord

Few legal rulings in Colombia have been so eagerly anticipated as one the constitutional court (CC) is expected to deliver on 12 December. The future of the peace process with the Fuerzas Armadas Revolucionarias de Colombia (Farc) could hinge on the outcome of the deliberations of the nine CC magistrates who must decide whether to approve the 'fast track' mechanism sought by the government led by President Juan Manuel Santos to expedite the passage through congress of legislation and constitutional reforms required to enact the revised peace accord. Both the senate and the lower chamber of congress voted emphatically to approve the revised peace accord last week.

A fast track ruling for fast track?

President Santos urged CC magistrates to move swiftly, arguing that 'fast track' mechanism, which would reduce the number of congressional debates and procedures to approve legislation provided that it is related to the end of the armed conflict, is "...absolutely indispensable for a rapid implementation, which, in turn, is fundamental for the success of the [peace] process". The head of the government negotiating team in Cuba, Humberto de la Calle, also ratcheted up the pressure on magistrates by saying that without the approval of 'fast track' it would take a year for the peace accord to be fully implemented, leading to the likely collapse of the peace process. In an interview with the weekly current affairs magazine *Semana*, a senior Farc leader, 'Jesús Santrich' (Seusis Pausivas Hernández), even suggested that the guerrillas would "return to the mountains" without 'fast track'.

The leader of the right-wing opposition party Centro Democrático (CD) in the senate, former president Alvaro Uribe (2002-2010), released a video at the weekend expressing his reservations about 'fast track', which he described as "abusive" and "unconstitutional", and accusing the Farc of pressuring the CC "despite losing the referendum". CD Senator Ernesto Macías accused the government of applying "undue pressure" on the CC in order to "constrain the powers of congress".

There was a certain irony to the remarks by Uribe and Macías about pressure being brought to bear on the CC. When he was in power, Uribe had a vexed relationship with the judiciary, accusing the supreme court of practicing 'selective justice' and having an ideological bias in favour of the country's guerrilla groups. The supreme court, for its part, accused Uribe of trampling on the separation of powers, trying to browbeat the judiciary, and spying on magistrates.

The stated motive behind the Santos administration's haste is that without 'fast track', prolonged congressional debates to approve some 50 laws and a dozen constitutional reforms will extend the current limbo which Santos is so desperate to curtail, jeopardising the peace process. But the government also has an ulterior motive. It fears that without 'fast track' the congressional debates to enact the revised peace accord will become tied up with campaigning for the next general elections in 2018. It worries that the ruling Unidad Nacional and the left-wing opposition might not preserve their unity behind the peace process in this scenario.

At present the government enjoys a thumping majority behind the revised peace accord, which was approved in the senate on 29 November by 75-0 in a vote boycotted by CD senators after Uribe had argued during the prior debate that it would provide the Farc with "complete impunity". The following day the lower chamber approved the peace accord by 130-0.

Opposition concerns

Federal legislators from the right-wing opposition Partido Acción Nacional (PAN) and the left-wing Partido de la Revolución Democrática (PRD) greeted the resignation of Carstens with apprehension. PAN Senator Ernesto Ruffo said that the departure of the president of Banxico at such a “significant time for the economic stewardship” of the country was “worrisome”. Meanwhile the leader of the PRD bench in the chamber of deputies, Jesús Zambrano, expressed concerns that it could “create instability in financial markets... harming the country and public finances”. Both Ruffo and Zambrano also called on the government to consider carefully who should replace Carstens, pointing out that this would be closely watched by the markets.

Carstens leaves Banxico as challenges mount

After spending almost six years at the helm of Mexico’s central bank (Banxico), Agustín Carstens has tendered his resignation as president. The departure of Carstens, which will not become effective for seven months, comes at a time of growing challenges for Mexico’s economy. Donald Trump’s election as the next president of the US has produced volatility in Mexico’s currency and financial markets over fears of the severe negative impact that Trump’s proposed protectionist and anti-Mexican economic policies could have on the domestic economy if these are implemented when Trump assumes office in January 2017. As such, the departure of the highly experienced and technically adept Carstens has been greeted with apprehension and concern.

The unexpected decision by Carstens, who was ratified as Banxico president for a second six-year term by President Enrique Peña Nieto last year, came on 1 December. That day the local press got hold of a letter that Carstens had sent to his colleagues announcing his decision to step down from his Banxico post to take up an offer he had received from the Bank for International Settlements (BIS) to become its new general manager. In the letter, Carstens said that after careful consideration he had decided to accept the BIS offer and had tendered his resignation as president of Banxico, to take effect on 1 July 2017, to Peña Nieto.

As speculation over the authenticity of the letter intensified, Carstens gave a press conference later that same day in which he confirmed his decision to step down. Carstens was adamant that his decision answered exclusively to the offer he had received from the BIS – which he said was an opportunity to lead a global financial institution that he simply could not pass up – and not to any other factors. In particular, Carstens denied that his decision had been prompted by the current economic difficulties faced by Mexico in the wake of Trump’s election or any difference of opinion over how to handle these with the Peña Nieto administration. “No one should see my departure as a reaction to any circumstantial situation, or a supposed disagreement with the finance ministry or the federal government. There is nothing like that,” Carstens said.

Carstens noted that he will remain at the helm of Banxico for another seven months and that he hoped that the “storm” currently affecting Mexico’s financial and currency markets resulting from Trump’s election “will not last longer than that”. He said that during this seven-month period he would ensure a smooth and orderly transition at Banxico to his successor; and that he trusted that Peña Nieto would appoint the right person to the role. However, his announcement produced concerns about Mexico’s future monetary policy as the country faces deep economic uncertainty.

Trump’s election had caused the Mexican peso and Mexican stocks to plummet in international markets and it was in no small part the assurances provided by the experienced Carstens that Mexico is in a sound macroeconomic position, and that Banxico has the tools at its disposal to deal with any uncertainty resulting from a change in US policies, that helped to stabilise the markets and the tumbling peso.

The worry now is that whoever replaces Carstens, who had won national and international recognition for Banxico’s stewardship of the Mexican economy through the significant economic challenges it has faced in recent years, may

Homicides

Eleven people were killed in various shootouts and armed attacks in Veracruz over the 2-4 December weekend. Five of these deaths were the result of clashes between security forces and criminal groups in the southern municipality of Jesús Carranza. A further 14 members of a criminal group were killed in clashes with security forces in Jesús Carranza on 5 December. Governor Yunes met senior officials in the federal defence ministry (Sedena), the navy ministry (Semar), the federal police (PF), the national intelligence service (Cisen) and state security officials on 4 December and will hold another such meeting on 11 December to define a special security operation to be launched in northern Veracruz. Yunes is calling for more federal security forces to be deployed to Veracruz.

not be as prepared to deal with the uncertainty. Indeed, after Peña Nieto issued a statement accepting Carstens' resignation and congratulating him on his appointment to the BIS, the local financial markets reacted negatively.

The value of the peso against the US dollar fell by 1.4%, while the Mexico City stock market fell by 0.95%. All of this led local economists and the political opposition to conclude that the departure of Carstens is "bad news" for Mexico's economy. It also earned Carstens some media criticism for "abandoning" Banxico at such a critical time.

MEXICO | POLITICS

Yunes confronts formidable task in Veracruz

If Miguel Ángel Yunes Linares had any doubt about the scale of the task facing him as he assumes the governorship of the state of Veracruz, it was made crystal clear in the days after his investiture on 1 December. There was a surge in violence over the 2-4 weekend, when 11 people were killed, and this was eclipsed on 5 December when a further 14 people were killed. Restoring public security is a key priority, but even more pressing is the need to haul the state out of bankruptcy and to ensure that municipalities receive federal funds and protesting public sector workers are paid.

The first politician from a party other than the Partido Revolucionario Institucional (PRI) to take the top office in Veracruz for 84 years, Yunes said that the principles upon which his government would be based were austerity, order and honesty, but he also promised that those responsible for plundering the state would face justice. "No forgive and forget, no amnesty; to the contrary, the full weight of the law will be used to sanction them and recover what was illicitly taken," Yunes said.

Yunes said that action had already been taken "to recover property, real estate and resources" that had been "stolen from Veracruz". Raids have been carried out at a ranch, 'Las Mesas', in Valle de Bravo, Estado de México (Edomex), worth M\$300m (US\$14.78m) belonging to his predecessor, Javier Duarte, a fugitive from justice accused of misappropriation of state funds and embezzlement on a large scale. A Learjet 45 private plane worth M\$75m and a Robinson helicopter worth M\$18m were seized.

Another raid took place at a M\$200m (US\$9.7m) ranch belonging to Duarte, 'El Faunito', in the Veracruz municipality of Fortín de las Flores. Yunes said that 17 works of art, including pieces by Joan Miró and Mexico's own Rufino Tamayo, had been seized from the ranch and would be auctioned. The proceeds will go into a trust, Yunes said, to finance clinics and a hospital for underprivileged children. Yunes said his government would recover a total of around US\$36m of illicit property and resources. In addition to protests by public sector workers, 56 Veracruz mayors camped in the corridors of the state government palace last month to demand that it disperse some M\$3.8bn (US\$187m) of federal funds owed to their municipalities.

In a further bid to improve transparency and accountability in Veracruz, Yunes said that the state congress had until 21 December to propose a list of 10 names for state attorney general, which he will whittle down to three before congress makes the final decision. This follows the decision by the present incumbent, Luis Angel Bravo Contreras, to tender his resignation on 28 November. Bravo only assumed the post of state attorney general on 30 January 2015 for a period of nine years but he went before he could be pushed by Yunes. Bravo is widely suspected of having actively covered up corruption by Duarte or at best turned a blind eye to it.

Defending the Revolution

“Before the remains of Fidel, in the square of the Revolutionary Major General Antonio Maceo, the heroic city of Santiago de Cuba, we vow to defend the homeland and socialism...Whoever tries to take over Cuba will collect the dust of its soil flooded with blood, if he doesn’t die first,” President Raúl Castro pledged at the final public ceremony for his brother and leader of the Cuban Revolution. Fidel Castro was interred at a private ceremony the following day, closing a huge chapter in Cuban life but not, as Raúl emphasised, ending the Revolution.

The question now is whether President Castro will accelerate the economic reforms he has introduced to date and perhaps embark also on some tentative political reforms. Realistically, what is left of the ruling gerontocracy can no longer wait if it wants to orchestrate a successful transition to a successor generation. Yet aside from Castro’s own pledge to step aside in 2018, there were no political developments at the Cuban Communist Party’s uneventful 7th party congress last April. The one reform announced by Castro was the imposition of an age ceiling of 60, and a retirement age of 70, for future members of the party leadership. However, this change must now wend its way slowly through a period of debate, and thus may not be implemented until the 8th party congress, due in 2021.

Ahead of the April congress, there had been some expectation of electoral and constitutional reforms to make the internal party election process more public and transparent; for changes to boost the power of the national assembly to debate and amend rather than merely rubberstamp legislation; and for reforms to decentralise and devolve more power to municipalities and local authorities. There was even a daring suggestion that a popular vote might be contemplated to choose Castro’s successor. In the end though, there was nothing. Dissidents, moreover, have complained of more aggressive repression in the two years since the historic US-Cuba détente announced in December 2014 (ahead of which political prisoners were released).

To little surprise, the island’s dissidents kept a low profile over the nine-day mourning period for Fidel, and the Cuban security forces quickly corralled the few that dared to voice an opinion. While daily life has quickly returned to normal in tourist-dependent central Havana this week – foreign visitors there during the mourning period witnessed history, but had a rather dull holiday, with nary a Mojito in sight – a tighter security environment can be expected for an interim period, as the cash-strapped government continues to battle a weak economy and evaluates its next policy steps.

A big unknown, of course, and that uppermost in all conversation in Cuba, is the hue of future US policy towards Cuba under Donald Trump. The signs are a little ominous. On the day of Fidel’s final interring, Trump’s incoming vice-president, Mike Pence, called Raúl “a brutal dictator”. The Trump transition team includes several with the ear of the hard-line Cuban-American lobby eager to reverse President Barack Obama’s rapprochement.

Obama looks to cement his legacy

Meanwhile, efforts are underway by the White House to copperfasten Obama’s reforms, amid fears that Trump might try to use his executive power to draw a red line through the whole lot on 20 January. US and Cuban representatives are shortly due to hold the fifth meeting of the new bilateral commission. Set up earlier this year to facilitate the normalisation of relations, this commission is examining things like the outstanding property claims of Cuban Americans on the island.

El Sexto

Amnesty International has called the Cuban graffiti artist, Danilo Maldonado Machado, who uses the handle ‘El Sexto’, a prisoner of conscience, after his (reportedly violent) arrest and detention on 26 November. Machado was arrested the morning after Fidel’s death, having apparently graffitied the words ‘He’s gone’ (‘Se fue’) on a wall in Havana. His mother claims he has been beaten and denied basic rights. There is no clarity as to what charges have been levied against him, bar the defacing of public property. In a 5 December statement, Amnesty called for his immediate release, noting that he was “imprisoned solely for peacefully exercising his right to freedom of expression”. ‘El Sexto’ previously spent almost 10 months in jail on accusations of “aggravated contempt”; he was freed on 20 October 2015.

Stiglitz

At a Havana conference, the 2001 Nobel Prize winner, US academic Joseph Stiglitz, said that Cuba should take a better look at its “relative advantages”, identifying among these its highly educated workforce. Noting that “the future is in services”, Stiglitz stressed that Cuba’s “important investment in its human resources” was a key advantage. The challenge for countries now, he said, is “to find service sectors that expand employment and improve labour force competencies”. Cuba’s Communist government may already be on the right track with its emphasis on medical tourism, bio-tech, pharmaceuticals and other sectors that can draw on its highly skilled graduates. Notably, to date Cuba has steered clear of the maquila industry and those relatively low-value service sector options, like the call-centre business, prevalent elsewhere in the region. Stiglitz also issued a stark warning about the perils of youth unemployment, pointing to the ‘lost generation’ in Europe.

Ahead of the meeting, the Cuban foreign ministry notably issued its first public statement since the US election and the subsequent passing of Fidel. “We will define the actions that will be carried out in the coming weeks to further the process of improving relations,” a ministry statement said, adding that these actions would include “high-level visits and cooperation accords in areas of mutual interest”. From the US side, officials signalled that the plan was to draw up ‘a roadmap’ to deepen the rapprochement process.

According to US media reports, the Obama administration has urged US businesses in the final stages of negotiating deals with Cuba to close them as soon as possible – after the nine-day mourning period for Fidel caused an unexpected delay. *Reuters* suggests that big US corporates like General Electric (GE), as well as travel and cruise ship operators, plus telecoms and manufacturing companies, are among those with deals nearing completion.

Separately, a bipartisan group of US congressional leaders, along with four Cuban American business representatives, held a joint news conference on 7 December urging congress to lift the 50-year old US embargo on Cuba, and to urge Trump not to reverse the steps taken by Obama. Despite his aggressive rhetoric, Trump has left himself wiggle room on Cuba, taking as his starting point the argument that the US “can get a better deal” from Havana. Whether Havana responds to Trump’s hardball tactics is a moot point.

EU bins the reviled Common Position

In stark contrast to the threatening rhetoric from the incoming US government, the European Union (EU) this week formally announced the end of its 1996 ‘Common Position’ (CP) on Cuba. First implemented under pressure from Spain’s conservative government led by José María Aznar (1996-2004), the Common Position established a single EU policy on Cuba, with bilateral economic and political relations between the member states and Cuba made conditional upon Cuban reforms in support of civil rights and democracy. Much like the decades-long US policy of isolation, it was deeply resented by Cuba (which saw it as an act of unilateral interference in its sovereign affairs) and ultimately proved counterproductive.

While the EU itself eventually admitted to that, with countries like France trying on successive occasions to have the CP removed, Brussels finally moved in response to Obama’s historic gesture. Since then, Brussels, again under pressure from the likes of Spain, has moved with uncharacteristic speed to expedite a new agreement on political dialogue and cooperation with Cuba (PDCA). This was initialled in March and approved in record time by the Council of Ministers on 6 December. It will be signed on 12 December by the EU’s High Representative for Foreign Affairs and Security Policy Federica Mogherini, the EU foreign ministers and Cuba’s foreign minister Bruno Rodríguez.

“We are moving towards a closer and more constructive partnership that reflects the strong historical, economic and cultural ties that unite Europe and Cuba,” Mogherini said in a statement. “We are at a real turning point in relations...Through this new agreement, the EU shows its willingness to support the process of economic and social modernisation in Cuba, and I hope we will continue to advance in our bilateral relations.”

Cuba’s Deputy Foreign Minister Abelardo Moreno was a little cooler, noting that the agreement “will provide for the first time relations between the two parties with a reciprocal, respectful and mutually advantageous contractual framework for the development of political dialogue and cooperation, including the facilitation of trade”. This last point is critical – Cuba wants foreign direct investment (FDI) and quickly. The EU and Canada remain by some margin the island’s principal sources of FDI.

'Gran Canal' concerns

Complaints regarding the FSLN government's repressive response to its detractors have also centred on opponents of the 'Gran Canal' project. Back in October, Francisca Ramírez Torres, the coordinator of the Consejo Nacional para la Defensa de la Tierra, Lago y Soberanía Nacional ('Consejo Nacional') protest group, which opposes the initiative, told reporters that she had received anonymous threats warning that "up to 6 November" the group was "free to protest" although after that date it would be a different story. On 4 December Consejo Nacional reported that two of its vehicles had been seized by the police (PN). Among those briefly arrested during the recent demonstrations was another 'Consejo Nacional' leader, Octavio Ortega.

Almagro visit fails to assuage democracy concerns

Last week the secretary general of the Organization of American States (OAS), Luis Almagro, paid a visit to Managua where he met President Daniel Ortega, members of the ruling Frente Sandinista de Liberación Nacional (FSLN), the political opposition, civil-society groups, the Catholic Church, the private sector, and the international community. The declared aim of Almagro's visit – which was made at Ortega's behest – was to discuss the contentious 6 November general elections which produced a sweeping re-election victory for Ortega [WR-16-44], slammed by the opposition for the absence of reputable international observers and various rulings by FSLN-controlled institutions against the opposition. With all eyes now focused on the report on the electoral process Almagro has promised to deliver by 15 January, his visit served rather as a rallying point for opposition protests, highlighting a further civil-society complaint – the government's increasingly repressive response to dissent.

Like other international institutions, the OAS was not permitted to observe the recent elections. In a move clearly designed to allay resultant democracy-related concerns, weeks ahead of the vote, President Ortega announced a "mechanism of conversation and exchange" had been agreed with Almagro regarding the electoral process. The fruits of this "mechanism" have yet to be seen beyond Almagro's visit to the country on 1 and 2 December. This produced the promise of the report along with the announcement, following his meeting with Ortega on 2 December, that the OAS had been invited to observe municipal elections scheduled for November 2017. Given Ortega's control of all the country's institutions, however, he is under no pressure to make good on this pledge.

Already frustrated by the seemingly empty rhetoric regarding the 'mechanism' agreed with the OAS, opposition groups such as the Frente Amplio por la Democracia (FAD) coalition and civil-society organisations such as Movimiento pro Nicaragua (MpN) announced major protests to coincide with Almagro's visit on 1 December and the days preceding it. As well as complaints regarding the electoral process, protests were also against the contentious 'Gran Canal' project linking the country's Caribbean and Pacific coasts – Nicaragua's biggest ever infrastructure project (*see sidebar*). These protests, which reportedly saw turnout of thousands, both in Managua and the rest of the country, once again served to ignite concerns that the government was deploying security forces for repressive ends. A FAD statement dated 30 November accused the FSLN government of deploying a "gigantic operation" of police (PN) and army officials, leaving the country in a "virtual state of siege". A leading national daily, *La Prensa*, reported that the PN had set up 54 roadblocks across the country, in 13 of Nicaragua's 15 departments, as part of efforts to stop demonstrations. Clashes between PN officers and protesters on 30 November left 11 people injured, while plans to stage protests in Managua the same day were cancelled after incidents with riot police the previous day in Nueva Guinea municipality in the South Atlantic autonomous region (Raas), and El Tule town in Río San Juan department.

IMF endorsement

The FSLN government received a significant endorsement this week from the International Monetary Fund (IMF). In a press release dated 5 December following a staff visit, the IMF notes that "Notwithstanding challenging external conditions, economic activity remains buoyant". The IMF projects growth this year at 4.7%, largely supported by "strong agricultural and commercial activity". The IMF notes inflation is projected to moderate to below 4% given low prices for food and other commodities while the consolidated public sector deficit is projected to reach 3.1% of GDP in 2016, modestly higher than in 2015, "notably because of higher pension and investment expenditure of the social security institute, election-related spending, and increased investment in infrastructure".

Quotes of the week

“A good grade; I would give myself an eight.”

Argentina's President Mauricio Macri assesses his first year in office.

“Dialogue makes no sense because absolutely nothing has been achieved.”

The president of Venezuela's national assembly, Henry Ramos Allup, a member of the opposition coalition.

“We have reached a point where either we change our way of life to halt the loss of global biodiversity or this loss will change our way of life forever.”

Mexico's President Enrique Peña Nieto addressing the Cancún biodiversity conference.

Mexico makes major environmental commitment

Mexico's President Enrique Peña Nieto made an emphatic statement of intent in an eye-catching opening address to the United Nations Biodiversity Conference (COP 13) on 5 December. Peña Nieto declared that Mexico, which is hosting the COP 13 at the tourist resort of Cancún, would create four new biological reserves and five other protected areas, setting aside 65m hectares for conservation, and undertaking to safeguard species in danger of extinction. Mexico has now conferred protected status on a total of 91m hectares, 23% of the country's maritime area and 14% of its land mass, exceeding the requirements of the 2020 Aichi biodiversity targets.

“This is a bigger surface area than any other government has decreed [protected],” President Peña Nieto said. “We are tripling the portion of maritime and land mass with protected status that our country had before,” he added. Peña Nieto said that the world was demanding that humanity take greater responsibility to reduce the repercussions of climate change. “The only way to guarantee a cleaner and a safer present and future for everyone is by means of sustainable development. This is the challenge for the nations participating in this conference,” he said, while addressing representatives of 196 countries attending the 12-day conference, in addition to the executive director of the UN environment programme, as well as members of his cabinet, and the governor of the state of Quintana Roo, Carlos Joaquín González.

Peña Nieto signed decrees establishing reserves in Mexico's deep Pacific between the states of Chiapas to Nayarit; the Pacific Islands, 1.2m hectares of waters off the coast of Baja California state; the mountains of Tamaulipas; and the Mexican Caribbean, which includes the Mesoamerican reef, one of the largest in the world, to ensure the survival of endangered species such as the whale shark, bull shark, manta rays, and sea turtles, as well as jaguar and ocelot in coastal parts of reserve. Oil exploration and exploitation will be outlawed in all of these areas.

The choice of venue was somewhat controversial given the rapacious hotel developments, retail centres and water parks along the coast from Cancún over the years, which have been the focus of protests by environmentalists. But the conference sought to involve the private sector in sustainable development discussions and forums on biodiversity across sectors including tourism, agriculture, fisheries and forestry.

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