

latin american weekly report

29 June 2017, WR-17-25

ISSN 0143-5280

CONTENTS

LEADER	1
Brazil's Temer charged with corruption	
ANDEAN COUNTRIES	
VENEZUELA	3
No end to the madness	
PERU	4
Zavala's head next on the block?	
COLOMBIA	5
Farc bids farewell to arms	
TRACKING TRENDS	
BRAZIL & SOUTHERN CONE	
ARGENTINA	8
Macri's dream ticket?	
CHILE	9
Bachelet makes major Mapuche gesture	
TRACKING TRENDS	
MEXICO & NAFTA	
MEXICO	11
Losing the fight	
TRACKING TRENDS	
CENTRAL AMERICA & CARIBBEAN	
HAITI	14
UN prepares new policy of support	
NICARAGUA	15
Contentious penal reform package approved	
POSTSCRIPT	16
Ecuador's number two runs congressional gauntlet	
Quotes of the week	

This edition of *Latin American Weekly Report* has been produced for Canning House Corporate Members by LatinNews (www.latinnews.com).

Latin American Newsletters since 1967

Brazil's Temer charged with corruption

This week, President Michel Temer became the first sitting Brazilian head of state to face criminal charges since the end of the military dictatorship in 1985. In an indictment filed at Brazil's supreme court (STF) on 26 June, the prosecutor-general, Rodrigo Janot, accused Temer of passive corruption. But Brazil's embattled President, who narrowly escaped impeachment from another court (the supreme electoral tribunal [TSE]) last month, is determined to remain in office. "I do not know how God appointed me here [to the presidency]. But if he gave me a difficult task, it was for me to complete it... I won't let them accuse me of crimes I did not commit," declared a defiant Temer. The case now passes to the federal congress, which will decide his fate.

Janot accused President Temer of taking bribes from meatpacking company JBS in exchange for various business and economic favours such as influencing the anti-trust agency CADE (run by the government). In doing so, Temer allegedly "swindled" Brazilians "violating his professional duties to the state and society." As punishment, Janot called for Temer to stand down and pay a R\$10m (US\$3.03m) fine. To compound matters, Janot is due to file another two charges against Temer for obstruction of justice and illicit association imminently, both of which need to be tried separately.

Janot's evidence is based on seven plea bargaining agreements from JBS executives, a secret recording of the night-time encounter between Temer and former JBS executive Joesley Batista in which the two allegedly discuss the payment of bribes and a video of the disgraced deputy Rodrigo Rocha, who was filmed carrying a suitcase stuffed with R\$500,000 (US\$151,000) in bribes allegedly from JBS to Temer. Further proof from JBS contracts, flight details, and other documents have been used to verify information given in the plea bargaining agreements, Janot said in a statement. This should provide "ample evidence against Temer", showing that "no one is above the law," Janot added.

Post-truth politics

Undeterred, Temer launched a counterattack against both prosecutors and JBS officials. Drawing on 40 years' previous experience as a lawyer, Temer attempted to discredit evidence from plea bargaining agreements, arguing that corrupt JBS officials had framed him to save themselves from jail.

Temer went on to challenge the judiciary's authority. In a world full of fake news and alternative facts, the President accused Janot of falsifying his evidence for political reasons. The corruption charges are "a work of fiction," made from "insinuation, repetition, suspicion, hypotheses and subjective deductions," his lawyer Antonio Mariz de Oliveira said.

Temer's diplomatic blunders

Hounded by multiple corruption allegations, President Temer seems to be feeling the heat. During a trip to Europe, Temer caused offence by referring to Russia as a Soviet Republic. In Oslo, he tripped up again by calling the Norwegian monarch Harald V the King of Sweden. Upon Temer's return to Brazil, more embarrassment ensued. After police announced they had run out of money to issue new passports, Temer tweeted that more Brazilians are "interested in going abroad" now the economy is picking up.

Further undermining the judiciary, Temer has appointed a controversial successor to replace Janot when he retires in September. Since 2003, tradition dictates that the president should choose a new prosecutor-general based on whoever is elected head of the national association of federal prosecutors (ANPR). But Temer eschewed the status quo by appointing the ANPR's second-choice candidate Raquel Dodge instead of favourite candidate, Nicolau Dino. It remains to be seen whether the change in leadership will influence the progress of the anti-corruption investigation 'Operation Car Wash'.

Next stages

The corruption charges against Temer now pass to Brazil's federal chamber of deputies. First, they go to the chamber's ethics committee (CCJ), which will decide on a rapporteur for the case against Temer. Then the CCJ will hold five sessions to discuss the case. Subsequently, Temer will have 10 sessions to present his defence before the motion goes to the plenary between 25 and 31 August, where two-thirds of congress must vote against him for the case to go ahead. If approved, the case would go back to the STF, which could suspend Temer.

The prevailing view is that legislators should quash the charges against Temer. Indeed, Temer still has allies in the chamber of deputies, where he worked for the best part of two decades. Given that 60% of legislators are currently under investigation, many sympathise with his current predicament. However, some legislators may need persuading before they agree to back Temer. Deputies eyeing up their own re-election prospects in 2018 may be reluctant to support the unpopular president. Temer's approval ratings have hit rock bottom at 7%, according to a recent survey from DataFolha; lower than the popularity of impeached former presidents Dilma Rousseff (2011-2016) and Fernando Collor de Mello (1990-1992) just before they were ousted.

Corruption charges to upset reform agenda

Until now, Temer has won favour with many allied parties in congress by promising to restore stability to Brazil through a series of business and economic reforms. These include a bill to update Brazil's rigid labour laws and a pensions cap to reduce the country's fiscal deficit. However, while legislators are preoccupied with assessing the charges against Temer, it will be difficult for the President to deliver on his reform agenda.

This week, Temer celebrated a minor victory when the senate's ethics committee approved his labour reform bill, allowing it to go to the floor. The president of the senate, Eunício Oliveira, stressed that the bill should be voted through before the parliamentary recess, scheduled for 17 July, "if possible". However, the session turned sour when the former senate leader for the ruling Partido do Movimento Democrático Brasileiro (PMDB), Renan Calheiros, quit, saying he refused to be a "puppet" for the government and would not back a labour bill which "aggravated social problems" by tearing up workers' rights. Meanwhile, progress on the government's other landmark reform to overhaul pensions, which is currently pending in the lower chamber, has stalled.

Temer's failure to deliver has alienated members of the government's biggest ally in congress, the centre-right Partido Social da Democracia Brasileira (PSDB), which stressed that its support for Temer was dependent on the reforms going through during a party meeting held on 12 June. Already, some prominent members of the PSDB are beginning to break away from the government. Via an editorial published by *Folha de S.Paulo*, former president Fernando Henrique Cardoso (1995-2003) suggested Temer should consider his position and call early direct elections.

International reaction

Colombia's foreign ministry expressed concern about the continuing violence in Venezuela, including the "verbal attacks and discrediting of the attorney general" which, it noted "undermine the autonomy and free exercise of a public power". The statement called for the release of political prisoners and a return to the scheduled electoral calendar, observing that the government's constituent assembly process was not opportune at this time. In separate statements, the US State Department, the European Union and President Juan Orlando Hernández of Honduras echoed those concerns, with Hernández noting that the scheduled elections in November 2009, held five months after a coup d'état in June, had allowed his country to heal and move forward.

ANDEAN COUNTRIES

VENEZUELA | POLITICS & SECURITY

No end to the madness

Every week, Venezuela appears to reach a tipping point, only to continue to spiral further down into chaos. The region, it appears, can only watch in despair. On local reports, tensions are intensifying within the military and the security forces.

Having issued yet another highly controversial ruling in which it expanded the investigative powers technically exclusive to the attorney general to the office of the public ombudsman (led by government loyalist Tareck Saab), Venezuela's supreme court (TSJ) followed up with measures banning Attorney General Luisa Díaz Ortega from leaving the country, freezing her assets, and summoning her to a public audience on 4 July to determine whether she has committed 'serious offences' in her role.

These latest moves are a further effort to weaken Ortega, who since March has legally challenged the government led by President Nicolás Maduro, the judiciary and the security forces. Rejecting the TSJ moves, Ortega accused the body of seeking to usurp the powers of her office, just as it previously sought to take over the powers of the national assembly, and responded that she would defend the constitution and democracy with her life if necessary. Ratcheting up her rhetoric another notch in her latest press conference, Ortega decried "state terrorism" in Venezuela. She accused the Maduro government of deliberately inciting violence, suggesting that it was "desperate" to create conditions for a military coup d'état. "We are facing actions of barbarity, they promote violence, they promote hate, they incite armed insurrection, it's as if they are desperate for a military uprising, desperate for a coup d'état," Ortega declared.

Earlier in the week, in an interview with the Peruvian daily *El Comercio*, Ortega had commented that Venezuela was "a police state" in which the 1999 constitution was being progressively dismantled, with the judiciary subjugated to the intelligence services, and the TSJ erecting "a totalitarian court that interprets and manipulates the constitution for political ends".

The opposition-controlled national assembly was aggressively besieged for four hours by pro-government militants after its 27 June session. The opposition said that the national guard (GNB) – accused of much of the violent anti-government protests – simply allowed the attack to take place. Inside the building were prominent figures including the assembly president Julio Borges. Eventually, a GNB tank arrived and the militants were dispersed. Opposition politician María Corina Machado accused the Maduro government of "an orchestrated attack" on the assembly.

Venezuela's 'James Bond' mystery

Hours afterwards a helicopter purportedly commanded by a rogue officer from the investigative police (CICPC) appeared to attack government buildings in Caracas (specifically the supreme court and the interior ministry), making headline news all over the world. The general feeling in Venezuela was that the bizarre incident was all a stunt, organised by the Maduro government itself, to distract from its continued moves against the attorney general, and to justify the continuing repressive action of the security forces. Opposition

FP and Odebrecht

Fuerza Popular is not without its own problems, including falling public support. The FP president of congress, Luz Salgado, was forced to reiterate again that neither his party nor Keiko Fujimori had received campaign financing from Odebrecht in 2011. In his plea bargain testimony given to Brazilian prosecutors, the firm's former CEO, Marcelo Odebrecht, has said that all parties in Peru were given campaign funds.

blogger Francisco Toro was among the first to call the incident “a false flag”, while others subsequently made the point that whether it was real or fake, it was a severe indictment both of the government and the security forces.

Borges said of the incident, “it seems like a movie”, while the former interior minister and ex intelligence chief, (rtd) army general Miguel Rodríguez Torres, who Maduro insinuated had masterminded the alleged attack, dismissed it as “a cheap show”. “Who gains from this? Only Nicolás,” Rodríguez Torres commented. Rodríguez Torres, formerly a loyal Chavista but now a fierce Maduro critic (with reported presidential ambitions of his own), has been under particular fire, after the government-controlled news outlet *Ultimas Noticias* suggested he was a US intelligence agency informant. All of which he denied as “a set up”, and badly done to boot. Many others concurred, with Borges also making the point that no matter what the truth of the helicopter incident, “the government is decaying and rotting, while a nation is fighting for dignity”.

Meanwhile, the alleged rogue CIPIC officer, identified as one Oscar Pérez, is now AWOL, but his dreams of Hollywood (he is a part time actor/director, adding to the suspicion about the incident) appear closer than ever, as his ‘derring-do’ Instagram feed went global. Interior Minister Nestór Reverol said an Interpol arrest warrant had been issued for Pérez, who he accused of links to the Central Intelligence Agency (CIA). Arguably, Pérez is more likely to turn up live on US TV than he is to face arrest by Interpol.

With a handful of further fatalities reported during the latest anti-government protests, the death toll after almost 90 days of protests is approaching 80, with violence, looting, and a general breakdown in security spreading across the country. Maracay, the capital of Aragua state, was overrun by widespread looting and violence earlier this week, with the security forces failing to cope. In comments to *Bloomberg*, Hernán Castillo, a military analyst and historian at the Simón Bolívar University, said that the latest events pointed to “chaos, anarchy and division within the government”, and warned that “Venezuela is at the brink of a low civil war”.

PERU | POLITICS

Zavala's head next on the block?

As he comes up for his first anniversary in power, President Pedro Pablo Kuczynski has little to show for his first 12 months in office. Having lost four cabinet ministers already, the prime minister, Fernando Zavala, is now also looking vulnerable to assault by the opposition-Fujimorista controlled congress. Seven prime ministers in all came and went in the last government.

Prime Minister Zavala was confirmed as economy & finance minister and said he would remain for as long as necessary at the helm of the ministry (MEF) after the main opposition Fujimorista Fuerza Popular (FP) forced out Alfredo Thorne [\[WR-17-24\]](#). President Kuczynski apparently failed to secure his reported preferred candidate to lead the MEF, veteran Peruvian economist Luis Oganés (based at JP Morgan in New York City). Noting that there was no time limit on his new appointment, Zavala insisted there were sufficient synergies between the two senior posts to allow him to cover both.

As prime minister, Zavala is the minority government's chief interlocutor with congress, controlled by FP. He said the past year had been “a learning

Stabilising credit

On 22 June Peru's central bank (BCRP) has lowered the reserve requirements for deposits in foreign currency held by banks operating in the country from 44% to 42% of its assets, starting in July. The move should free up around US\$110m for lending purposes. It should also help stabilise credit availability in the local market despite the recent increase in interest rates in the US, which is now attracting increasing levels of capital.

curve" and that he hoped for "a consensus agenda" moving forward. Zavala emphasised that this was crucial to help Peru's economic recovery in the wake of the devastating recent floods and, before that, the scandal surrounding the Brazilian construction firm Odebrecht.

Noting that private investment had not registered growth in 14 quarters (three-and-a-half years), Zavala said this was now an urgent problem. With this year's official GDP forecasts slipping to 2.5%-3%, Zavala said he was contemplating further economic policy adjustments to boost private sector investment, and in support of this, he called for better relations with the legislature.

The problem for the government is that no matter what it proposes, the Fujimoristas have been obstructive. Thorne became the fourth Kuczynski government minister forced out by congress. There are fears that FP intends to make a puppet of the Kuczynski government and will demand a high price for its control of the strings. In the wake of Thorne's exit, for example, Kuczynski said that it was "the right time" to consider a pardon for the disgraced former president Alberto Fujimori (1990-2000). Coming after FP's latest moves against the government, Kuczynski's remarks came across very badly, with most Peruvians interpreting them as an acutely awkward sop to FP.

Seeking to row back from this compromised position, Zavala insisted that a pardon for Fujimori "is not on the government's political agenda". "If there were to be an evaluation, it would be a health matter, and a humanitarian pardon," he continued. "This is an extremely sensitive issue, and for that reason we are trying not to touch it," Zavala stated. "The leader of Fuerza Popular [Fujimori's daughter Keiko] has also been clear that this should not be mixed up with the political issues we are dealing with," he added.

It is not clear how long Zavala will remain in government at all, after a new audio tape emerged as we went to press on 29 June. This is purported to be excerpted from a 2 May meeting between the comptroller general Edgar Alarcón, Zavala, Vice President Martín Vizcarra and then-economy minister Thorne.

Thorne was forced out after another tape was interpreted as him putting pressure on Alarcón to accept government changes to the (now defunct) Cusco-Chinchoero airport contract. Alarcón later denounced Thorne and congress moved against him. This latest tape may put similar pressure on Zavala for the exact same reasons. Certainly, the Fujimoristas can be expected to look to take full advantage of it.

Alarcón is hanging on in his post, but only just, amid his own corruption scandal. Proética, the Peruvian branch of NGO Transparency International, has called for his removal. Rumoured to be aligned with Fujimorismo, the comptroller general appears determined to make his mark on the Kuczynski administration before he leaves.

COLOMBIA | SECURITY

Farc bids farewell to arms

President Juan Manuel Santos handed the maximum leader of the Fuerzas Armadas Revolucionarias de Colombia (Farc), 'Timochenko' (Rodrigo Londoño Echeverri), an AK-47 converted into a spade on 27 June. Santos presented this symbol of the end of the hemisphere's longest armed conflict, which dates back to 27 May 1964, and the new life awaiting demo-

Demobilised guerrillas

The Farc, which is aiming to become a political party in August, has implored the government to concentrate its full firepower on Colombia's neoparamilitary groups to help ensure that demobilised guerrillas do not suffer the same fate as that of thousands of their forerunners after forming the radical left-wing Unión Patriótica (UP) party in the 1980s.

bilised guerrillas, to Timochenko in a ceremony held in the municipality of Mesetas in the south-eastern department of Meta to mark the completion of the disarmament process. The Farc will now begin its transformation into a political force and guerrillas their reinsertion into society, but significant challenges lie ahead, not least the transitional justice process.

"This is the end of this absurd war which not only lasted for five decades but claimed 8m victims and more than 220,000 lives," President Santos said. "There are days that shape our lives; today 27 June for me...is when weapons were exchanged for words. I can say from the bottom of my heart that to witness this day makes it worthwhile having been president of Colombia," he added.

Santos said that the Farc had ceased to exist as a guerrilla group after completing the disarmament process under the supervision of the United Nations (UN). The head of the UN mission, Jean Arnault, who attended the ceremony held in one of the 26 demobilisation, disarmament and reintegration (DDR) camps, which together have housed 6,803 guerrillas, said that a total of 7,132 weapons had been handed over, placed in containers, and guerrillas issued with certificates permitting them to embark on the reintegration process.

No photos were taken of guerrillas handing over their weapons because the Farc refused to give the impression it was surrendering. But there are photos of 44 containers full of weapons, all verified by the UN. Arnault pointed out that in other disarmament processes overseen by the UN armed groups had kept their best weapons and handed over old ones but that the quantity and quality of weapons surrendered by the Farc was exemplary.

"Yesterday the people's army, today the people's hope; this day does not mark the end of the Farc...but the end of our 53-year uprising," Timochenko said, ignoring the fact that even Santos, whose approval rating has sunk to just 26%, is popular by comparison with the Farc. Timochenko raised legitimate concerns, however, about "the growing paramilitary threat" and murder of social leaders in Colombia. During the disarmament process alone as many as 37 social leaders have been murdered in Colombia (*see sidebar*).

Former president Álvaro Uribe (2002-2010), now a senator for the right-wing Centro Democrático (CD), begrudgingly acknowledged that the handover of weapons was positive although he queried what had happened to "the 10,000 weapons the Farc acquired from [Peru's former intelligence chief Vladimiro] Montesinos". If Uribe's scepticism was predictable, the reaction of Juan Carlos Pinzón, defence minister under Santos from 2011 to 2015 and ambassador to the US until last month, would have come as an unwelcome surprise.

Pinzón poured cold water on what the UN secretary general, António Guterres, had validated as "another historic landmark in the peace process". Pinzón said that it was a mistake to celebrate the handover of weapons "as if it were all of them [when] it is clear that the Farc and dissidents [still] have weapons". Pinzón criticised "an absence of action" under the present government, stressing that the country could not continue to be obsessed by just two things: the peace and the Farc.

Pinzón will return to Colombia on 5 July to carry out a tour of 100 municipalities to establish whether there is popular support for him launching a presidential bid ahead of general elections in May 2018. Judging by his criticism of the government and his praise of some of the "wonderful things" achieved during the Uribe administration, Pinzón could be courted by the CD.

IMF concludes visit

On 22 June Colombia's finance ministry (Minhacienda) reported that a mission from the International Monetary Fund (IMF) had concluded a visit to the country to evaluate Colombia's anti-money laundering (AML) efforts, the combating of the financing of terrorism (CFT), and the financing of the proliferation of weapons of mass destruction. A Minhacienda statement said that the visit had been a "success" and that the IMF mission acknowledged the advances made in these areas by Colombia since the last such visit in 2008. The statement notes that following the conclusion of the visit, the mission will have six months to draft a report that will be presented at the Latin America Financial Action Task Force (Gafilat) meeting due in December.

There is some justification for Pinzón's suggestion that the disarmament process is not definitive and that the announcement of the end of the armed conflict with the Farc is premature. This is clearly not the Farc's complete arsenal. But the UN is also working with the Farc to destroying some 900 hidden arms caches in its former areas of influence (77 have been accounted for so far).

Nine arrested for Bogotá bomb attack

Eight days after the fatal bomb attack at the Bogotá shopping centre Centro Andino [WR-17-24], Colombia's attorney general, Néstor Humberto Martínez, announced the capture of nine people suspected of carrying out the attack. They belong to the little-known Movimiento Revolucionario Popular (MRP), which has links with the guerrilla group Ejército de Liberación Nacional (ELN).

The MRP is a remnant of urban militias established in Bogotá by 'Pablito' (Gustavo Aníbal Giraldo Quinchía), the military leader of the ELN believed to have distanced himself from the guerrilla group's central command (Coce) after peace negotiations began with the Santos administration. Martínez said those captured on 24 June had been arrested in March for carrying explosives and maps and were charged with planning to carry out a terrorist attack in Bogotá only to be set free by a judge on the grounds that these were not used.

The MRP operates in triads. Leaders leave instructions in pigeonholes: one member of the triad plans the operation; one executes it; and one is an intermediary, the only one who knows the identity of the others.

TRACKING TRENDS

COLOMBIA | **FMD outbreak.** On 24 June Colombia's agricultural institute (ICA) reported that it had detected an outbreak of foot-and-mouth disease (FMD) in a herd of bovine cattle in a ranch in the north-eastern department of Arauca, on the border with Venezuela. Colombia was declared FMD free in 2009, so the ICA's report forced the agriculture ministry to notify the World Organization for Animal Health (OIE) immediately of the outbreak of the disease, which could lead to a review of Colombia's status. The loss of the FMD free status would lead to the imposition of restrictions on Colombian beef exports in international markets.

Agriculture Minister Aurelio Iragorri said that seven cows of a 136-head herd had tested positive for FMD and that the entire herd would now have to be sacrificed. But Iragorri emphasised that the outbreak was localised and that the authorities did not believe that there was a risk of the virus spreading to other areas, which he said may have been introduced from Venezuela, which does not have FMD-free status.

Iragorri lamented the fact that the outbreak comes at a time when Colombia has been seeking to secure increased international market access for its beef, with the opening of eight new markets last year alone, and said that this would be a setback. Pointedly, after news of the outbreak spread the animal health authorities in Peru, Ecuador, Panama, and Chile all announced the imposition of temporary bans on the import of Colombian beef and cow's milk dairy products until the Colombian authorities can certify that the FMD outbreak in Arauca has been contained.

Meanwhile the OIE has also suspended Colombia's FMD free certification until it sends a technical mission to the country to certify that the outbreak has been dealt with properly (which could take up to four months). In response to all of this Colombia's trade, industry & tourism minister, María Claudia Lacouture, said that Colombia's beef exports this year, which were estimated to reach US\$206.5m after the country exported US\$93.4m of beef in 2016, would suffer.

Macri's dream ticket?

Former president Cristina Fernández (2007-2015) has taken the plunge and confirmed what has been speculated upon for months: she will seek a seat in the federal senate in October's mid-term elections. Fernández will top the senate list of her newly launched political party Frente Unidad Ciudadana (FUC) in the province of Buenos Aires. Finally, Fernández and President Mauricio Macri, the most influential Argentine politicians of recent years, will to all intents and purposes face each other electorally for the first time: Macri will orchestrate the campaign of the ruling centre-right Cambiemos coalition against Fernández. He will be buoyed by her decision as it splits the opposition Partido Justicialista (PJ, Peronists) vote in Argentina's most populous province.

Fernández registered her candidacy on 24 June, at the last possible moment. The upshot of her entering the fray is that the PJ vote is even more riven in the province of Buenos Aires. Three ways. Florencio Randazzo, Fernández's former interior and transport minister, heads the official PJ senate list in the province; Fernández heads the FUC senate list; and Deputy Sergio Massa, the senate list of 1País, the coalition he formed between his dissident PJ faction Frente Renovador (FR), Margarita Stolbizer's centre-left Generación para un Encuentro Nacional (GEN), and the progressive socialist Movimiento Libres del Sur led by Victoria Donda.

The fragmentation of Peronist forces aligned against Cambiemos in the province of Buenos Aires is a boon for President Macri given that the PJ normally wins around 60% of the vote here. The province is a key battleground not only because 38% of the country's electorate resides here but also because it has traditionally been a stronghold for the PJ, defeated here just twice since the end of the last military dictatorship in 1983: once in that year; and once when María Eugenia Vidal, the Cambiemos candidate, won the provincial governorship in 2015. For the PJ to lose in Buenos Aires twice in a row would be unprecedented.

Other than her native province of Santa Cruz, the province of Buenos Aires is the last redoubt of pure Kirchnerismo in Argentina – other provinces have largely reverted to conventional Peronism since Fernández left power – and these elections will serve to show just how much popular support she retains. Polls suggest Fernández enjoys barely 25% backing nationwide but half as much again in the province of Buenos Aires.

Intriguingly, Jorge Taiana, Fernández's estranged former foreign minister (2005-2010), who formed Movimiento Evita, which is supporting Randazzo, is back by her side. Taiana, who will accompany Fernández on the FUC senate list, fired off an opening salvo at Randazzo for dividing Peronism.

The FUC list of candidates for federal deputies representing the province of Buenos Aires was eye-catching. It will be led by Fernanda Vallejos, an economic adviser close to Fernández's corruption-tainted former vice-president Amado Boudou. Daniel Scioli, who was narrowly defeated by Macri in the 2015 presidential elections, is only fifth on the list. There was no place for hard-line Kirchneristas, and polarising figures such as Luis D'Elía, the outspoken piquetero leader, have been marginalised as Fernández tries to broaden her appeal to voters disillusioned with the economic adjustment undertaken by the Macri administration.

Cabinet ministers standing for election

Three cabinet ministers will leave their positions when campaigning begins on 14 July to compete in the mid-term elections:

Esteban Bullrich (education), will head the Cambiemos senate list in the province of Buenos Aires; Julio Martínez (defence), will compete against Carlos Menem in the north-eastern province of La Rioja; and José Cano (the head of the Plan Belgrano infrastructure programme in northern Argentina with ministerial rank) will run for federal deputy in the northern province of Tucumán.

Argentine peso falls

On 26 June, the Argentine peso/US dollar exchange rate reached a new all-time record high of Ar\$16.55/US\$1 in Argentine currency markets after the peso depreciated by 0.8% on the day. The sharp fall in the value of the peso has been attributed by local economists to the announcement by former president Fernández that she will seek a federal senate seat in October's elections. Fernández's announcement has sparked intense speculation that, if elected, she would try and block the government's market-friendly economic policies in congress.

Macri will put his own prestige on the line by running the campaign of Esteban Bullrich, the education minister who will head the Cambiemos senate list in the province of Buenos Aires. He will concentrate his firepower on Fernández. The more polarised the campaign the better. The government is seeking to establish a dichotomy of past versus future, while Fernández will focus on the present in an attempt to tap into voter disenchantment. Massa, whose moderate 1País coalition could be squeezed out if the campaign becomes too polarised, said, "It is clear Cristina needs immunity and for this reason has decided to be a candidate; it is also clear that the government needs Cristina as a candidate in order to discuss the past rather than the present."

A total of 127 (out of 257) seats in the federal lower chamber will be renewed in October. Of these, 35 deputies will be elected in Buenos Aires province. Cambiemos is only defending four of these 35 seats. Fernández would provide firm opposition to the Macri administration in the senate if she wins a seat, a prospect which is spooking investors (*see sidebar*) as Macri has been able to work with members of the PJ hostile to Kirchnerismo to push through economic reforms. This is a risk for Macri but it is important to bear in mind that 17 of the 24 seats being contested in the senate are currently held by the PJ (11 are Kirchneristas), just three by Cambiemos. And Fernández would need to win big in Buenos Aires province for a spurned PJ to rally behind her.

CHILE | POLITICS

Bachelet makes major Mapuche gesture

"We have failed as a country and it is for this reason that today in my capacity as president I want to solemnly and humbly apologise to the Mapuche people for the mistakes and atrocities that the state has committed or tolerated in our relationship with them," President Michelle Bachelet said on 23 June while presenting a plan for the southern region of Araucanía. There has been no more ambitious plan to resolve the Chilean state's deep-rooted dispute with the Mapuche but it comes at the tail end of Bachelet's term in office and with opinion polls suggesting that former president Sebastián Piñera (2010-2014) of the right-wing opposition coalition Chile Vamos is the favourite to win November's presidential elections the plan might not survive the change of government.

"Today as a mature and democratic society we want to take a decisive step to confront the history of misunderstanding and neglect that has affected the region of Araucanía and the Mapuche people," President Bachelet said from the La Moneda presidential palace. "We want to take responsibility for a long history of cultural and social conflict that has translated into a complex challenge that cannot be solved overnight or with dramatic measures," she added. She acknowledged "the pain and losses that have affected all the victims of rural violence in the region", while lamenting the state's failure to protect the identity, culture and way of life of the Mapuche people.

In an effort to redress these wrongs, Bachelet proposed making official the use of the Mapuche language mapuzungún, and teaching it in schools in local communities, as well as declaring 24 June, We Xipantu, the Mapuche New Year, a national holiday. She urged the approval of bills before congress to create an indigenous peoples' ministry and a council of indigenous people before the end of her term in office next March. She said native communities, and their collective rights, would be included in the new draft constitution to be sent to congress in the second half of this year, which will also include congressional representation.

Bachelet announced major investment in public works, educational infrastructure, and improving rural access to drinking water, as well as a regional

Plan Araucanía

President Bachelet thanked the presidential advisory commission on Araucanía for its work and said that the plan was an invitation to everyone to look at the relationship between the Chilean State and its indigenous peoples in a different light. She said an institute of cooperative development would be created to foster human capital, strengthen Mapuche producers and cooperative associations, and stimulate networks of innovation and markets for their products. She also said that a forestation fund would be established from the second half of this year to involve native communities in forest management, plantation, and handling.

policy for water resources: Cl\$35bn (US\$53m) investment a year for five years on rural drinking water; Cl\$28bn over the same period on constructing some 3,000km of roads; and Cl\$7bn on irrigation works.

But if there is any prospect of the intractable dispute with the Mapuche being resolved it hinges on the work which will be undertaken by an inter-ministerial committee, to be presided over by the social development ministry, to update the indigenous land and water registry. This committee will hear Mapuche territorial claims, as well as those of agricultural producers, and forestry companies.

Bachelet said that her government had purchased the largest quantity of land to return to indigenous people of any Chilean government but she conceded that this had been “insufficient”. The Mapuche are sure to demand much more but this will be fraught with difficulty for any government. And there is a good chance that the next government will not share Bachelet’s zeal for resolving the Mapuche conflict, although Piñera, pointedly, said he agreed with the apology.

The response from the Mapuche was cautious. The acknowledgement of “mistakes and the atrocities” committed against them was welcomed by senior Mapuche figureheads, but there were calls for the plan to go further, including less harsh policing, non-application of the anti-terrorism law, and, crucially, self-determination or autonomy, accompanied by management of and access to economic resources, meaning accords must be reached with forestry, hydroelectric and mining companies, not with the authorities.

TRACKING TRENDS

ARGENTINA | Coming out of recession. The domestic economy registered 0.3% year-on-year growth in the first quarter of the year, and 1.1% growth compared with the final quarter of 2016, Argentina’s national statistics institute (Indec) reported on 21 June. These results break the trend of three consecutive quarters of negative year-on-year growth and technically mean that Argentina’s economy is no longer in recession but is now undergoing a tentative recovery after posting three consecutive quarter-on-quarter positive GDP growth results.

Argentina’s year-end GDP result in 2016 was -2.3%, so the return to positive growth is encouraging for the government led by President Mauricio Macri, which is now hoping that the domestic economy can attain the official growth target of 3.5%. Following the release of the first quarter results, Finance Minister Nicolás Dujovne stated that “We believe the economy will grow at a rate of around 3% this year.” This projection may be marginally lower than the current official target but it is still higher than the consensus forecast of private economists of 2.6%. However, the emerging economic recovery provides the Macri government with clear evidence that its economic policies are having a positive impact, just as the pre-campaigning ahead of the 22 October mid-term federal legislative elections gets underway.

URUGUAY | Unemployment starts to fall. National unemployment stood at 8.5% in April, half a percentage point lower than the 10-year record high rate of 9% recorded the previous month, Uruguay’s national statistics institute (INE) reported on 22 June.

This is the first time that the monthly unemployment rate has fallen since the start of the year, bucking a negative trend that had raised concerns among local economists that even though the domestic economy has been consistently growing and avoiding dipping into recession, this had not stopped the loss of jobs. Yet the INE figures show that April’s unemployment is one decimal higher than the 8.4% rate recorded in the same month last year, suggesting that a lot more jobs need to be created before there is a significant reduction in unemployment.

Losing the fight

After an auspicious start to his mandate in 2012, with a series of seminal reforms, especially to the energy and education sectors, President Enrique Peña Nieto looks like he will leave office next year with a whimper. Peña Nieto has the lowest approval rating of any Mexican head of state since records began. There are several reasons for this. The Peña Nieto administration's human rights record has been found wanting, for instance, and its chequered record on corruption has also eroded his support. But perhaps the most damning indictment of his government came with the release of homicide figures for May. When Peña Nieto came to power he promised to restore public security in Mexico after an unprecedented surge in homicides under Felipe Calderón (2006-2012). But there were more murder investigations in May than under Calderón.

There were 2,186 investigations into intentional homicides (homicidio doloso) in May, the highest tally in two decades, according to the Secretariado Ejecutivo del Sistema Nacional de Seguridad Pública (SESNSP). In May 2011, the most violent year of Calderón's *sexenio* there were 2,131. There were 9,916 murder investigations in the first five months of 2017, up 30% on the same period last year, and an average of 1,983 per month. There were 2,452 reported homicides in May (some of the investigations included multiple murders), up 28% on the same month last year, and 11,155 murders for the first five months of the year. The greatest number of murders in May took place in Estado de México (Edomex), with 225, followed by Guerrero (216), Baja California (197), Sinaloa (184), Chihuahua (158), and Veracruz (153).

The release of May's homicide figures has buried any hope the interior minister Miguel Angel Osorio Chong might have had of securing the presidential candidacy for the ruling Partido Revolucionario Institucional (PRI) in 2018. Osorio Chong took some plaudits when homicides fell between 2012 and 2014 but since then they have risen inexorably to their present peak and he will pay the political cost.

Alejandro Hope, a local journalist and security expert, argued that four-and-a-half years since taking office President Peña Nieto could no longer claim that the violence was an inherited problem. Hope said Peña Nieto wanted the success of his government to be measured by the number of homicides, kidnappings, and extortion in the country. Hope contended that blaming state governments for the high level of violence, much as the Calderón administration did, could not mask the Peña Nieto administration's failings, not least because the PRI holds sway over far more state governments than the Partido Acción Nacional (PAN).

Hope attributed the latest surge in homicides to a range of factors, including changes in the criminal underworld, especially turf wars in the wake of the capture and extradition of Joaquín 'El Chapo' Guzmán Loera, the leader of the Sinaloa/Pacífico drug trafficking organisation (DTO). But despite recognising that "Mexico is in the major leagues of violence", with "around 25,000 people murdered last year... more or less the equivalent of the total for the 43 European countries", Hope insisted "Mexico is not Switzerland but neither is it Syria". This in response to the recent release of a contentious report by the International Institute for Strategic Studies (IISS) placing Mexico second in a global list of total estimated armed-conflict fatalities in 2016 (*see sidebar*).

Focus on journalists

The violence acquiring the most notoriety right now in Mexico is that directed against journalists, who are on the receiving end of the most sustained level

IISS report

In relative rather than absolute terms, using the homicide rate, Mexico is 'only' mid table in Latin America behind Honduras, El Salvador, Guatemala, Colombia, Venezuela, Brazil and many Caribbean countries, security expert Alejandro Hope argued in response to the report by the International Institute for Strategic Studies (IISS). The IISS released a statement on 23 June in relation to its figures for Mexico ("one of the findings that attracted attention and debate"): "We accept there was a methodological flaw in our calculation of estimated conflict fatalities that requires revision. Our researchers are working to rectify this and we will share the results in due course."

“When the president of the country asks for the full weight of the law to be applied against those who turn to [state] institutions to denounce crimes it violates the very essence of democracy which is counterweights and accountability.”

A joint statement signed by the NGOs and civil rights groups Instituto Mexicano para la Competitividad, El Poder del Consumidor, Red en Defensa de los Derechos Digitales, Social TIC, Artículo 19 and Centro de Derechos Humanos Miguel Agustín Pro Juárez.

of fatal attacks against members of their profession in the country's history. The discovery of the body of Salvador Adame on 26 June brought the number of journalists murdered this year in Mexico to eight. At this rate it will comfortably exceed the 11 journalists murdered in the whole of 2016, already the highest tally for a decade. Adame, the founder and director of the news website *Canal 6 Media TV*, was kidnapped in the municipality of Múgica in the Tierra Caliente region, a hotbed of violence in the western state of Michoacán, on 18 May; his body was found at the foot of a ravine.

The government has promised to provide more resources to protect journalists, but on their own these will be insufficient. Firstly, it is not always organised crime targeting journalists reporting on their nefarious activities but local mayors whose corruption or complicity with criminals has been exposed; Adame was fiercely critical of the municipal government of Múgica and had received death threats on his mobile phone. Secondly, the special prosecutor's office for crimes against freedom of expression (Feadle) at the federal attorney general's office (PGR) has a parlous record of convictions: two in the last six years out of more than 800 cases equates to near total impunity.

The Inter-American Press Association (IAPA) condemned Adame's murder. The chairman of the IAPA's committee on freedom of the press and information, Roberto Rock, expressed "sadness, anger and hopelessness". The Comisión Nacional de los Derechos Humanos (CNDH) urged the three branches of government to get to the bottom of the case and avoid further impunity "putting at risk freedom of expression as an indispensable part of democracy". The special commission on aggression against journalists and the media of the federal lower chamber of congress called upon the PGR to punish those responsible and for the interior ministry to guarantee the safety of journalists. Even the US ambassador to Mexico, Roberta Jacobson, tweeted her condolences "#Niunomas".

Pegasus

The difficulty the federal government faces is that this wave of violence against journalists has coincided with allegations that surfaced in *The New York Times* on 19 June that it has been carrying out illegal surveillance of journalists and activists by means of spyware known as Pegasus [WR-17-24]. Peña Nieto responded to the allegations while inaugurating an industrial park in the city of Lagos de Moreno in the western state of Jalisco on 22 June. He categorically condemned the practice of spying on journalists, while denying that it had taken place in Mexico, and ordering the PGR to investigate the accusations: "this is a democratic government that expects and tolerates criticism". Peña Nieto said the technology the government had obtained was used to combat organised crime.

But then Peña Nieto proceeded to make some uncharacteristically unguarded comments. He said that nobody could demonstrate that they had been affected by "this alleged spying", while simultaneously claiming that "most of the time [himself included] we feel like we are being spied on in Mexico". He then urged the PGR to "apply the full weight of the law against those making false claims".

Human rights groups slammed Peña Nieto's speech for containing threatening undertones (he later apologised for expressing himself "inadequately"). "Before the investigation has even started, the President has condemned the inquiry to failure," the Centro Agustín Pro Juárez and other rights organisations responded in a statement. "Not committed to applying the full weight of the law against those responsible for the illegal bugging [he] sent a threatening message to those who documented the existence of this illegal surveillance". The statement concluded that it was alarming that Peña Nieto himself claimed to be a victim of spying as it suggested its practice was out of control.

Interest rates

Finance Minister José Antonio Meade said that he believed that the current cycle of interest rate increases by Banxico should be coming to an end soon. Meade predicted that there could be more interest rate increases this year but that if inflation starts to fall towards Banxico's target in 2018, the cycle would end and Banxico would revert to looser monetary policy, which "should help the domestic economy".

Wave of violence in Veracruz

The authorities in Mexico's eastern state of Veracruz reported on 24 June that 14 people (including women and four minors) had been killed in a wave of armed attacks by presumed criminal groups in various points across the state in the previous 24 hours. Among those killed was Juan Camilo Castagné, the federal police (PF) coordinator in Veracruz.

Castagné was killed, along with a fellow PF officer, when four unidentified gunmen broke into the La Bamba restaurant in the municipality of La Antigua and shot the two men. The attack is being treated as a 'hit' ordered by a criminal organisation.

The 23-24 June attacks marked the high point of what had already been a very violent week in Veracruz, in which half a dozen people were killed in armed attacks, with messages threatening Veracruz's public security minister, Jaime Téllez, left behind by suspected criminals at the scenes of some of these crimes. This upsurge in violence led Veracruz Governor Miguel Angel Yunes Linares to declare that his administration would not be intimidated by organised crime and that it would continue to fight criminality in the state: "We are not facing human beings, we are facing beasts, cowardly, vile people that are capable of murdering children... [but] the criminals are mistaken, they are faced by men that will not be intimidated, men that are not afraid... I am here to face these criminals, these beasts, who want to take Veracruz hostage... Veracruzanos will obtain peace no matter what the cost."

Yunes added that he had appointed a special prosecutor to investigate the recent bout of armed attacks; and that his government was offering a M\$1m (US\$55,698) reward for any information that would lead to the capture of the gunmen that killed Castagné, who were captured by the CCTV cameras at the La Bamba restaurant and are believed to be members of the *Cártel Jalisco Nueva Generación* (CJNG) drug trafficking organisation (DTO).

Meanwhile President Enrique Peña Nieto reacted to Castagné's murder by condemning the crime, offering the assistance of the federal attorney general's office (PGR) to help with investigations, and announcing that he had ordered the PF commissioner, Manelich Castilla, to go to Veracruz to oversee the investigations.

TRACKING TRENDS

MEXICO | Another interest rate increase. On 22 June, the central bank (Banxico) increased its benchmark interest rate by 25 basis points to 7%, its highest level since 2009. A Banxico statement said that its board of directors adopted the majority decision to increase the benchmark interest rate as part of its efforts to prevent inflation contagion "and to anchor inflation expectations", as Mexico's economy continues to adapt to various shocks such as the sustained depreciation of the Mexican peso against the US dollar since mid-2014, the liberalisation of petrol prices in the domestic market, and the increase in the minimum salary decreed by the government led by President Enrique Peña Nieto at the start of the year. These shocks have pushed the national inflation rate in Mexico to 6.3% to the first half of June, double Banxico's inflation target of 3%.

This is the ninth time that Banxico has increased its benchmark interest rate since December 2016 as part of its efforts to contain inflation. The Banxico statement said that in the wake of the latest interest rate increase, the bank expects that inflation will begin to fall in the coming months and eventually converge on its target rate by 2018.

The persistent increase in interest rates has led some local economists to fret that this will dampen domestic economic activity this year and hold back GDP growth. However, in a recent interview Finance Minister José Antonio Meade Kuribreña backed the monetary policy decisions adopted by Banxico and said that the interest rate increases implemented by the bank were actually "helping" the economy. "I think that in a very complex context the bank is fulfilling its remit – keeping inflation and inflation expectations anchored," Meade said, noting that along with the government's fiscal policy this was providing stability to the Mexican economy.

UN prepares new policy of support**Minujusth**

With Minustah's current military component to withdraw fully by October 2017, Minujusth will be composed of "up to seven Formed Police Units – or 980 FPU personnel – and 295 Individual Police Officers" and is mandated to assist the Haitian government to "strengthen rule of law institutions; further support and develop the National Police; and engage in human rights monitoring, reporting, and analysis for an initial period of six months from 16 October 2017 until 15 April 2018".

A United Nations Security Council (UNSC) delegation paid a visit to Haiti last week with the objective of gaining a "first-hand look" into how best it could contribute to Haiti's "lasting stability and development". This comes ahead of the October deadline for the closure of the UN Stabilisation Mission in Haiti (Minustah) after 13 years, following the UNSC's vote in April to replace it with a new and smaller mission focused on supporting justice, the UN Mission for Justice Support in Haiti (Minujusth). This stemmed from the inauguration of President Jovenel Moïse on 7 February after a protracted electoral process. The 22-24 June visit by the UNSC was marked, however, by protests organised by human rights groups who complain that the UN has failed to make good on pledges to address the spread of cholera, which was introduced to the country in 2010 by UN peacekeepers and for which the UN admitted responsibility in December 2016.

Following the visit by the UNSC delegation, which met President Moïse, members of his cabinet, legislators, national police, judicial officials, and civil society and private-sector representatives, the UN issued a press release stating that "Haiti has fortunately entered a new period of stability". It described this as an "important window of opportunity for the government and other state institutions to be able to bring forward a programme of reform so needed to allow Haiti to join the path of sustainable development". It also noted that the delegation sought to review how to implement Minustah's transition to the Minujusth whose mandate is expected to last six months (*see sidebar*).

The presence of the UNSC delegation in the country prompted protests by groups like Bureau des Avocats Internationaux (BAI), the local partner of US-based Institute for Justice & Democracy in Haiti (IJDH), which point out that the UN has broken its promises to deliver a US\$400m initiative and a new victim-centred approach to address the spread of cholera which has killed more than 10,000 Haitians since 2010. Eight days before the UNSC's visit, the UN admitted that voluntary contributions from seven member states (namely Chile, France, India, Liechtenstein, South Korea, Sri Lanka, and the United Kingdom) to the UN Cholera Response Multi-Partner Trust Fund in Haiti was just US\$2.7m against the "envisaged expenditure" of US\$400m over two years.

That the UN is seeking to address this situation was indicated by Secretary General António Guterres's appointment on 20 June of Josette Sheeran, the president and CEO of the Asia Society, a non-profit organisation, as the UN Special Envoy to Haiti. A former executive director of the UN World Food Programme (WFP) (2007-2012), where she also led the agency's response in the wake of the 2010 earthquake, Sheeran is now responsible for raising money for the UN's new approach on cholera, with some 6,762 suspected cases reported as of 27 May, compared with 16,822 at the same time in 2016. While welcoming Sheeran's appointment IJDH's executive director, Brian Concannon, nonetheless pointed out that she is the third senior official to be assigned to the cholera issue while her "two predecessors did not succeed at raising any substantial funds".

The new UN approach to cholera in Haiti is two-track: intensify efforts to reduce and ultimately end its transmission, improve access to care and treatment, and address the longer-term issues of water, sanitation, and health systems in Haiti; and develop a package of material assistance and support for those Haitians most directly affected by cholera.

Contentious penal reform package approved

Security progress

At the end of May Nicaragua's national police (PNN) deputy director Francisco Díaz presented a report which showed that there were 194 homicides in the first five months of 2017, down from the 219 registered in the same period last year. The same report showed that there were no violent deaths registered in 90 of the country's 153 municipalities. In January 2017 Díaz told reporters that 454 murders took place in 2016, down from 524 in 2015. This represents a murder rate of seven per 100,000 inhabitants, the lowest in Central America and one of the lowest to be found in the whole of Latin America.

Nicaragua's 92-member unicameral legislature last week passed various amendments to the criminal code, in line with a reform package sent down by the government led by President Daniel Ortega. The Frente Sandinista de Liberación Nacional (FSLN) administration maintains the changes are necessary to protect citizen security – a key priority given that Ortega's popularity stems in large part from the country's comparatively low crime rates. However, civil-society groups and other legal experts warn that some of the changes, such as the introduction of so-called 'technical judges', are unconstitutional and further politicise the judiciary (which like all other institutions is in any case controlled by the FSLN).

Approved by the national assembly on 20 June, the amendments toughen penalties for crimes such as parricide (which will result in a 15-20-year prison sentence, rising to 20-30 years in certain cases), murder (20-25 years, rising to 25-30 years in aggravating circumstances), femicide (25-30 years), rape of minors under 14 (20-25 years), and aggravated rape (12-20 years).

The changes also introduce a principle on 'territorial competence' which allows for trials to be transferred to the most competent court or judge. Another provision stipulates that when the crime has "social relevance and national transcendence", it can be tried by judges in the country's capital, Managua, regardless of where the crime took place.

The most controversial change, however, was that allowing for the appointment of a 'technical judge' in certain cases – such as homicide, domestic violence, and organised crime. This led human rights groups like the Centro Nicaragüense de Derechos Humanos (Cenidh) and Comisión Permanente de Derechos Humanos (Cpdh), along with legal experts such as Gabriel Alvarez, to warn that the creation of this new role could serve as a precursor to 'exceptional tribunals' – a reference to the 'special courts' known as the *Tribunales Populares Antisomocistas*, set up by the FSLN government in the 1980s to try political prisoners and suspected sympathisers of the dictatorship led by the Somoza family (1936-1979).

Protests continue against 'Gran Canal' project

Those concerned that the changes to the criminal code could result in further repression of government detractors include opponents of the US\$50bn 'Gran Canal' project to link the country's Caribbean and Pacific coasts promoted by the Ortega government.

The initiative is controversial due to complaints that communities affected have not been properly consulted, environmental concerns, and the lack of transparency surrounding its approval.

Most recently, on 13 June, thousands marched from the Nueva Guinea and Rio San Juan departments to San Miguelito municipality (Rio San Juan) calling for the revocation of 'Law 840', which was passed in June 2013 and awarded the build-operate contract for the 'Gran Canal' to Hong Kong Nicaragua Canal Development Company (HKND).

Organised by the protest movement Consejo Nacional para la Defensa de la Tierra, Lago y Soberanía ('Consejo Nacional'), this was the 89th march against the initiative. On this occasion feared police repression failed to materialise; such concerns had emerged given complaints of violence by Nicaragua's national police (PNN) in November 2016 [\[WR-16-48\]](#) in relation to another march, while in April 2017 the 'Consejo Nacional' had been forced to cancel a similar march due to fears regarding a repeat of this violence after PNN officers were deployed to the various areas where the protests were scheduled to take place.

Quotes of the week

“Nothing will destroy me. Not me, not my ministers.”

Brazil's President Michel Temer.

“I am not, and I surely never will be in agreement with your political or economic model for this nation, but I will tenaciously defend your right to express your ideas.”

Colombia's President Juan Manuel Santos after the completion of the Farc's disarmament.

“We will never surrender. And what we could not accomplish through votes we will with weapons.”

Venezuela's President Nicolás Maduro.

POSTSCRIPT

Ecuador's number two runs congressional gauntlet

Ecuador's Vice-President Jorge Glas appeared before the national assembly's accountability commission on 22 June in a bid to clear his name. Glas has been beset by allegations of corruption in relation to embezzlement at the state-run oil company Petroecuador, and irregularities surrounding public works contracts awarded to the Brazilian construction firm Odebrecht.

Glas categorically rejected any relation with corruption cases in an appearance of more than three hours. He said that since last October he had faced “a programmed and orchestrated campaign to destroy [his] image, with the support of certain media”. He insisted there was “not a shred of evidence” against him and that he had absolutely “nothing to hide”.

Glas described Odebrecht as “an organised mafia”. He called for the whole history of Odebrecht's involvement in Ecuador, which dates back to 1987, to be investigated. “Public trust demands that the last 30 years are investigated,” he said. “Where have certain people obtained their fortunes? And some of them are now political actors.” Despite his call for previous administrations to be investigated, the US Justice Department report revealed that US\$35.5m of bribes were paid between 2007 and 2016 [the period of the administration of former president Rafael Correa] to government officials to secure public works contracts. Glas admitted that the related arrest of one of his uncles (placed under house arrest) had been “tremendously difficult”.

The political opposition was initially caught off guard by the determination of President Lenín Moreno to launch a full frontal attack on corruption, but it has since regrouped. The opposition did not expect the national assembly, controlled by the ruling Alianza País (AP), to launch impeachment proceedings against the comptroller general, Carlos Pólit, which began on 27 June in his absence (Pólit, who fled to the US in late May, sent a written response on this day claiming violation of legal procedure). But after Glas appeared before the assembly, the main opposition Movimiento Creo-Sociedad Unida Más Acción, demanded that he should be impeached for “political responsibility” for alleged corruption in mega projects such as the stalled Pacific refinery, and Quijos and Manduriacu hydroelectric projects in the northern province of Napo.

LatinNews Daily

LatinNews Daily is an essential briefing tool for anyone with a serious interest in Latin or Central America and the Caribbean and is relied upon by thousands of LatAm professionals world-wide.

It is the definitive English language resource delivered via email at 0800 EST outlining all key developments throughout the region with expert analysis on the likely impact of each development.

LatinNews Daily costs just \$1,785 USD or £1,100 GBP for the year. For a 10-day free trial register at www.LatinNews.com, or for further information please contact Maria Isotalo via our online form at: www.latinnews.com/contact-us.

LATIN AMERICAN WEEKLY REPORT is published weekly (50 issues a year) by **Latin American Newsletters**, Hamilton House, Fourth Floor, Mabledon Place, London, WC1H 9BB, England. Telephone +44 (0)203 695 2790, Email: subs@latinnews.com or visit our website at: <http://www.latinnews.com>

EDITOR: JON FARMER. Subscription rates will be sent on request. Overseas subscription sent by airmail. Printed by Quorum Print Services Limited, Unit 3, Lansdown Industrial Estate, Gloucester Road, Cheltenham, Glos. GL51 8PL **COPYRIGHT © 2017** in all countries. All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, electrical, chemical, mechanical, optical, photocopying, recording or otherwise, without the prior written permission of the publishers. Registered as a newspaper by Royal Mail. **REFERENCES:** Back references and cross-references in the current series will be made thus: WR-17-01 will indicate Weekly Report, 2017, issue 1.