

## BOARD OF ADVISORS

### Diego Arria

Director, Columbus Group

### Devry Boughner Vorwerk

Corporate VP, Global Corporate Affairs  
Cargill

### Joyce Chang

Global Head of Research,  
JPMorgan Chase & Co.

### W. Bowman Cutter

Former Partner,  
E.M. Warburg Pincus

### Dirk Donath

Senior Partner,  
Catterton Aimara

### Barry Featherman

Senior Director,  
International Government Affairs,  
Gilead Sciences

### Marlene Fernández

Corporate Vice President for  
Government Relations,  
Arcos Dorados

### Peter Hakim

President Emeritus,  
Inter-American Dialogue

### Donna Hrinak

President, Boeing Latin America

### Jon Huenemann

Vice President, U.S. & Int'l Affairs,  
Philip Morris International

### James R. Jones

Chairman, ManattJones  
Global Strategies

### Craig A. Kelly

Director, Americas International  
Gov't Relations, Exxon Mobil

### John Maisto

Director, U.S. Education  
Finance Group

### Nicolás Mariscal

Chairman,  
Grupo Marhnos

### Thomas F. McLarty III

Chairman,  
McLarty Associates

### Carlos Paz-Soldan

Partner,  
DTB Associates, LLP

### Beatrice Rangel

Director,  
AMLA Consulting LLC

### Gustavo Roosen

Chairman of the Board,  
Envases Venezolanos

### Andrés Rozental

President, Rozental &  
Asociados and Senior  
Policy Advisor, Chatham House

### Shelly Shetty

Head, Latin America  
Sovereign Ratings, Fitch Inc.

### Roberto Sifon-Arevalo

Managing Director, Americas  
Sovereign & Public Finance Ratings,  
Standard & Poor's

## FEATURED Q&A

# Has the United Nations Mission Succeeded in Haiti?



United Nations peacekeepers are to withdraw from Haiti by October. The peacekeepers' Brazil contingent is pictured above. // File Photo: MINUSTAH.

**Q** The U.N. Security Council voted on April 13 to end the United Nations' peacekeeping mission in Haiti, known as MINUSTAH, which has been present in the Caribbean nation for 13 years. The decision will mean the withdrawal of the more than 2,300 U.N. military personnel in Haiti by October. The vote creates a follow-on mission of 1,275 police who will remain for an initial six months. Has MINUSTAH succeeded in Haiti? To what extent did Haiti's cholera epidemic, which was linked to U.N. peacekeepers, taint and undermine the mission? What conditions in Haiti have led to the planned withdrawal, and what are the implications for the country's fragile security situation and political system?

**A** Georges Fauriol, senior associate in the Americas Program at the Center for Strategic and International Studies: "The most noteworthy indicators of contemporary Haiti do not provide much comfort to assess the closure of the U.N. Stabilization Mission in Haiti (MINUSTAH): an almost perfect record of abysmal national governance, let alone the near-continuous direct engagement of the international community for more than two decades. The United Nations' post-2004 mission did provide an overlay of security and an institutional beachhead for the response to the 2010 earthquake. But the period is also marred by declining institutional credibility and sense of purpose, made worse by the U.N. system's own ineffectiveness in coming to grips with allegations of sexual violence, and literally, importing a cholera epidemic. The tone of policy expediency in the United Nations' decision also resonates in Washington. But the timing might be unfortu-

Continued on page 3

## TODAY'S NEWS

### ECONOMIC

## Mexico Rises in Investment Confidence Survey

The A.T. Kearney yearly index surveys global business executives and measures their confidence in and likelihood of investing in a country's economy.

Page 2

### BUSINESS

## El Salvador Freezes Accounts of OceanaGold

The World Bank's International Center for Settlement of Investment Disputes, or ICSID, ordered the mining company to pay \$8 million for legal fees after it brought a case against the government. The company has refused to pay.

Page 3

### POLITICAL

## Moreno Confirmed as Winner of Ecuador Election

A recount of about 10 percent of ballots in Ecuador's close April 2 presidential election confirmed leftist Lenín Moreno as the winner, election officials said.

Page 2



Moreno // File Photo: Moreno Campaign.

## POLITICAL NEWS

## Moreno Confirmed as Ecuador Election Winner After Recount

Ecuadorian election officials on Tuesday confirmed leftist Lenín Moreno as the winner of the country's April 2 presidential runoff, following a recount of nearly 1.3 million votes, the Associated Press reported. The recount of about 10 percent of the ballots cast showed that Moreno defeated his rival, conservative former banker Guillermo Lasso, by a slightly larger margin than in the initial tally, though still by less than three percentage points. "The recount is over, and it has ratified the results," said the president of the National Electoral Council, Juan Pablo Pozo. Lasso had called for a full recount of all the ballots cast in the runoff, but election authorities agreed to only a partial recount. Lasso, who has alleged fraud in the vote, said the partial recount was a show to legitimize an election that has been "anything but transparent," the AP reported. Lasso's campaign said it had evidence of several inconsistencies during the election, including ballots with errors and missing information. International groups, including the Organization of American States, monitored the election and said they detected no irregularities. Moreno is expected to take office on May 24.

## ECONOMIC NEWS

## Mexico Rises in Investment Confidence Survey

Mexico saw a bump in its global ranking for foreign direct investment confidence to 17th place overall from 18th last year in A.T. Kearney's yearly index, The Wall Street Journal reported Tuesday. The index surveys global business executives, measuring their confidence in and likelihood of investing in a

country's economy. The United States held its ranking as the number 1 place to invest and with Canada in fifth place. Last year, Mexico's ranking in the index plummeted from ninth place to 18th place as investor confidence waned amid a global drop in oil prices and flagging enthusiasm for national economic reforms, such as the opening of the energy sector. The lower ranking also came as U.S. President Donald Trump was campaigning for election on a platform of renegotiating the North American Free Trade agreement to make it more favorable to the United States and punishing U.S. companies for moving some of their manufacturing facilities abroad to Mexico. This year, Mexico was able to nudge its ranking up despite the concerns, indicating its fiscal and monetary stability, and that investors still find its economy attractive, said Ricardo Haneine, the head of A.T. Kearney's Mexico office. He added that uncertainty over the renegotiation of NAFTA has diminished as it has become more likely that checks and balances in the U.S. government will prevent the overhaul from being unreasonable.

## Federal Police Unions Mount Violent Protest at Brazilian Congress

Members of Brazilian federal police unions, angry about pension reform legislation that would reduce their benefits, attempted to invade Brazil's Congress building in Tuesday in a violent protest against the measure, Reuters reported. Congressional police in riot gear shot tear gas at demonstrators who shattered glass doors before being pushed back. The Chamber of Deputies said in a statement that some 500 demonstrators, mostly off-duty police officers, attempted to invade Congress but were pushed back, with no injuries reported. The pension reform bill establishes a minimum retirement age of 65. In Brazil, public-sector workers on average work until age 54 before retirement and have access to a generous social security system, which is largely blamed for the country's budget deficit. President Michel Temer agreed to water down the bill by reducing the

## NEWS BRIEFS

## Peruvian President Proposes Reconstruction Bill Following Disasters

Peruvian President Pedro Pablo Kuczynski on Tuesday announced he has submitted a bill to implement a "reconstruction with change" in the wake of recent natural disasters, state-run news agency Andina reported. The "Coastal El Niño" weather phenomenon leaves Peru vulnerable to heavy rains, landslides and floods that can leave citizens homeless and destroy infrastructure and crops. "We must rebuild, but we must do it better than in the past; [that means] no more collapsed roads, no more clogged drainages, no more precarious buildings on dangerous ravines. We must change," Kuczynski said.

## Worker Killed at Codelco's Salvador Mine

A supervisor at Chilean state-owned copper miner Codelco's Salvador mine died Tuesday in an accident, Reuters reported, citing the company. Codelco subsequently suspended operations at its concentrator plant at Salvador, and is investigating the incident. The incident occurred in the flotation plant area of the concentrator, the company said.

## U.S. Natural Gas Pipeline Exports to Mexico Decline to Lowest Level Since '15

U.S. natural gas pipeline exports to Mexico over the past three days have declined to their lowest level since June 2015 to 2.4 billion cubic feet per day, down from 3.8 bcf, because of maintenance on the NET Mexico pipeline in Texas, Reuters reported Tuesday. To compensate, the first tankers from the United States have started to deliver liquefied natural gas to Mexico's Altamira import terminal in the Gulf of Mexico.

## FEATURED Q&amp;A / Continued from page 1

nate as it comes in the wake of an 18-month electoral crisis, only stabilized with the inauguration of Jovenel Moïse as president more than two months ago. The latter may be well-intentioned but is untested. Consumed by crisis, Haiti and its international supporters failed to anticipate the obvious. Before MINUSTAH packs up—and counter-intuitively perhaps—Haiti can articulate a different vision of international commitment linked closely to its profound governance needs. One model might be a variation of the International Commission against Impunity in Guatemala (CICIG), itself made possible by the pre-existing mandate of the United Nations in Guatemala (MINUGUA). This model has its many detractors but for Haiti could provide a layered commitment of institutional support, integrating elements of judicial reform and good governance, let alone policing, as now envisioned by the United Nations.”

**A Raymond A. Joseph, former ambassador of Haiti to the United States:** “In 2004, when MINUSTAH was authorized for Haiti, its mission was clearly spelled out: to stabilize Haiti, which was overrun by armed gangs set up by ousted President Jean-Bertrand Aristide, who had dismantled Haiti’s pro-coup army in 1995. Once the gangs were dealt with during the interim 2004-2006 government and President René Préval was elected, the 6,700 foreign military had no business in Haiti. Préval tried unsuccessfully to change MINUSTAH’s mission to one of economic development by exchanging tanks for tractors. MINUSTAH’s initial police unit of more than 1,600 could have been beefed up to help prepare the Haitian police, which is still less than 15,000 for a population of more than 10 million. Instead of stabilizing Haiti, MINUSTAH destabilized the country when its military unit from Nepal introduced cholera in Haiti in the fall of 2010 on top of the devastation of the Jan. 12 earthquake that year. Then there is also a sex-ring scan-

dal by U.N. troops and several cases of rape. An elected president was sworn-in last Feb. 7 under a cloud of money laundering, and

“One can hardly speak of a stable democracy after more than two decades of U.N. military involvement in Haiti, starting in 1994.”

— Raymond A. Joseph

the elected parliament has some dubious characters, though it is short of an elected senator who was whisked to jail in Florida in January four days before he was to be sworn in. He’s awaiting trial for alleged drug dealing. One can hardly speak of a stable democracy after more than two decades of U.N. military involvement in Haiti, starting in 1994. Will the new president try to politicize the police in the wake of an attack on his motorcade near the town of Archaie on April 7? The more things change the more they remain the same.”

**A Francois Pierre-Louis, associate professor of political science at Queens College, City University of New York:** “MINUSTAH has failed miserably in Haiti. After 13 years in the country and over a billion dollars spent on the troops, there isn’t much that MINUSTAH can be proud of. Not only it did it bring cholera to the country, which killed more than 12,000 people and sickened thousands more, it refused to acknowledge it right away. This eroded further the prestige of the UN and prevented other nations from helping Haiti right away. MINUSTAH held 3 presidential elections since it arrived in Haiti in 2004. All of them were contested. The last one in 2016 was so badly managed that the country spent a year without a constitutional government. The judicial system is more

Continued on page 4

proposed retirement age to 60 for police, women, teachers and rural workers, but the police officers continued with the protest anyway. The concessions would reduce the bill’s fiscal savings by at least a fifth. The protest, which had the backing of 27 federal police unions, said the legislation failed to reward police officers for the risks they must take. Chamber of Deputies members are expected to begin debating the bill at the committee level today.

## Brazil Grants Wind Power Projects Priority Status

The Brazilian Ministry of Mines and Energy has granted four wind power projects priority status by allowing them to issue infrastructure debentures, Renewables Now reported Tuesday. The permits will give the projects, which have a combined capacity of 112 megawatts, the priority status that is needed to speed up the implementation process, according to decrees published last week by power sector regulator Aneel. All four projects are located in Bahia state.

### BUSINESS NEWS

## El Salvador Freezes OceanaGold’s Bank Accounts

El Salvador’s government has frozen bank accounts and other assets belonging to Australian-Canadian mining firm OceanaGold after the company refused to pay the Central American country \$8 million in an arbitration ruling, Reuters reported. The mining company had originally sought \$250 million from the government after it revoked an extraction permit. However, the World Bank’s International Centre for Settlement of Investment Disputes ruled in favor of the government and ordered the company to pay it \$8 million in legal fees, which the company has refused.

## FEATURED Q&amp;A / Continued from page 3

corrupt than ever, and now the country is led by alleged drug dealers and a President who has been accused of money laundering. MINUSTAH's troops in Haiti are known for raping young girls and boys, for stealing the poor peasants' goats and for fathering children for whom they don't provide. The fact that the United Nations had to create a new mission when MINUSTAH leaves demonstrates its epic failure. The major changes that have taken place in the South American countries that supported the mission compelled MINUSTAH to withdraw in October, but unfortunately the Haitian people will suffer for generations as a result of the cholera outbreak, its failure to create a stable political and social environment to attract foreign investments and its continuous support of the same corrupt elements that started the crisis in 2004."

**A** **James Morrell, executive director of the Haiti Democracy Project:** "The U.N. mission should leave very gradually, because Haiti is approaching stability very gradually. Before the United Nations' arrival in 2004, four out of the last seven presidents had been overthrown. Since its arrival, all four to follow have served out their terms. Yet the ease with which the spoilers last year were able to overthrow an election they lost shows that the essential Haiti remains, lurking just beneath the surface. Even after losing again last November, they called it 'an electoral coup d'état' and vowed an 'electoral uprooting' of their own. They each have their own corps of armed mafia to face a police force that the United Nations itself admits is not ready to take over. The withdrawal of the entire military contingent in six months will open up a security vacuum that the spoilers will probe. The United Nations says

the remaining police advisors will still have a 'robust deterrence posture,' but reading the fine print, one finds that their numbers will dwindle from 1,001 to 295. That just won't be enough to deal with the volume of people

**“The U.N. mission should leave very gradually, because Haiti is approaching stability very gradually.”**

— James Morrell

the power contenders can put on the streets whenever the new president stumbles. The United Nations claims to have a 'growing commitment of the country's key stakeholders to addressing differences through dialogue and legal channels,' yet this particular leopard cannot afford to change its spots. Coup-plotting creates chances for power, which brings money from the hedgers. In a jobless Haiti, the political class has no other vocation. It is about as likely to go democratic as the market women are to leave their stalls. The earlier overthrows were so disruptive that both a Democratic and a Republican U.S. president, whatever their previous views on nation-building, judged it necessary to send in American troops. That kind of intervention spends in a matter of days the \$346 million the United Nations requires in a year. The withdrawal is based on wishful thinking. The United Nations' ounce of prevention has averted a ton of headaches."

*The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org).*

## LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue, Copyright © 2017

**Erik Brand**

Publisher  
[ebrand@thedialogue.org](mailto:ebrand@thedialogue.org)

**Gene Kuleta**

Editor  
[gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org)

**Nicole Wasson**

Reporter, Assistant Editor  
[nwasson@thedialogue.org](mailto:nwasson@thedialogue.org)



**Michael Shifter**, President

**Genaro Arriagada**, Nonresident Senior Fellow

**Sergio Bitar**, Nonresident Senior Fellow

**Joan Caivano**, Director, Special Projects

**Kevin Casas-Zamora**, Nonresident Senior Fellow

**Ariel Fiszbein**, Director, Education Program

**Alejandro Ganimian**, Nonresident Fellow

**Peter Hakim**, President Emeritus

**Claudio Loser**, Senior Fellow

**Nora Lustig**, Nonresident Senior Fellow

**Margaret Myers**, Director, China and Latin America Program

**Manuel Orozco**, Director, Migration, Remittances & Development

**Jeffrey Puryear**, Senior Fellow

**Tamar Solnik**, Director, Finance & Administration

**Lisa Viscidi**, Director, Energy Program

**Latin America Advisor** is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

[www.thedialogue.org](http://www.thedialogue.org)

ISSN 2163-7962

Subscription inquiries are welcomed at

[fretrial@thedialogue.org](mailto:fretrial@thedialogue.org)

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the publisher. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the publisher.