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FEATURED Q&A

Will Colombia Reach a Peace Deal With the ELN?



Colombian President Juan Manuel Santos on Sept. 4 announced a temporary cease-fire with the National Liberation Army, or ELN, rebel group. // Photo: Colombian Government.

Q Colombia's government and the Marxist ELN rebels announced last week that they had agreed to a temporary cease-fire, lasting from Oct. 1 until Jan. 12. The two sides announced the cease-fire just ahead of a visit to Colombia by Pope Francis. How likely are the government and the ELN to reach a peace agreement before President Juan Manuel Santos leaves office next year? A smaller group than the now-disbanded FARC rebels, how dangerous and relevant is the ELN today? What are the most difficult issues that Colombia's government and the ELN must work out in order to achieve a peace deal?

A Sergio Guzmán, analyst for global risk analysis at Control Risks in Bogotá: "Although the declaration of a bilateral cease-fire is the first step to establishing trust between the parties and discussing more contentious issues such as political participation, disarmament and guerrilla reintegration into society, a final agreement remains distant. The cease-fire will likely be threatened by isolated incidents of violence or sporadic kidnappings. However, Control Risks believes the cease-fire is likely to last for the projected duration of Oct. 1-Jan. 12, with the possibility of being extended. The ELN, however, maintains the capability of carrying out attacks against government forces and infrastructure in the short term, particularly in the departments of Arauca, Norte de Santander, Chocó, Cauca and Nariño. Although the ELN manifested that it will temporarily halt attacks against oil pipelines and kidnappings, there is a latent risk of 'collateral damage' during troop movement or defensive actions. A negotiated solution is therefore unlike-

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POLITICAL

Brazil's Temer Hit With New Graft Charges

Brazil's chief prosecutor charged President Michel Temer with obstruction of justice and leading a criminal organization. Temer denies the allegations against him.

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BUSINESS

JBS Delays Talk of Replacing Jailed Chief Executive

Brazilian meatpacker JBS' board said it would delay discussion of replacing Chief Executive Officer Wesley Batista, who was arrested on charges of insider trading.

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POLITICAL

Peruvian Congress Ousts President's Entire Cabinet

President Pedro Pablo Kuczynski's cabinet lost a no-confidence vote following lawmakers' threats to push out his second education minister. Kuczynski can reappoint ministers, except for Prime Minister Fernando Zavala.

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Zavala // File Photo: Peruvian Government.

POLITICAL NEWS

Peruvian Congress Ousts President's Entire Cabinet

Peru's Congress, which is controlled by the country's opposition, early this morning ousted President Pedro Pablo Kuczynski's entire cabinet in a no-confidence vote, Reuters reported. The 77-22 vote in Congress happened after Kuczynski dared lawmakers to revoke their confidence in his cabinet if they pushed to force out his second education minister. Congress



Thanks to all my team. It's been an honor working with you."

— Fernando Zavala

had forced Kuczynski's previous education and finance ministers to quit amid allegations of ethical lapses, while another cabinet minister resigned under threat of censure. The opposition Popular Force party, led by former presidential candidate Keiko Fujimori, had also threatened to force out current Education Minister Marilu Martens over her handling of a two-month teachers' strike. Martens' predecessor, Jaime Saavedra, was censured last December and now heads education policy at the World Bank, Bloomberg News reported. Kuczynski now has 72 hours to appoint a new cabinet, Reuters reported. He cannot reappoint Prime Minister Fernando Zavala, but he can reappoint other cabinet members to their posts. "Thanks to all my team. It's been an honor working with you," Zavala said in a comment posted on Twitter, Bloomberg News reported. Under Peru's Constitution, Kuczynski can call new legislative elections if Congress twice refuses to deliver a vote of confidence to his cabinet, Reuters reported. Several opposition lawmakers said they would welcome a fight at the ballot box.

"If they close Congress, we're not afraid," said Popular Force lawmaker Hector Becerril. "We're willing to seek the people's support again. And it won't be 13 seats we win, or 73. There'll be 100 of us." The no-confidence vote came just ahead of Kuczynski's planned trip abroad. He is scheduled to meet with U.S. President Donald Trump in New York on Monday, address the U.N. General Assembly on Tuesday and then fly to Europe to meet with Pope Francis in the Vatican. [Editor's note: See [Q&A](#) about Peru's political situation in the Aug. 16 issue of the Advisor.]

Brazil's Temer Hit With New Corruption Charges

Brazilian President Michel Temer on Thursday was charged with obstruction of justice and leading a criminal organization, the Associated Press reported. In filings to the country's top court, Chief Prosecutor Rodrigo Janot accused Temer's Brazilian Democratic Movement Party, or PMDB, of receiving some \$190 million in bribes as part of a scheme in exchange for



Temer // File Photo: Brazilian Government.

political favors and influence. "Temer gave the needed stability and security to the criminal apparatus, appearing at the same time as the leader and foundation of the organization," Janot said in the indictment. He accused Temer of instigating the payment of hush money to former Speaker Eduardo Cunha and to a political operator, both of whom Temer feared would reveal damaging evidence against him. As president, Temer can only be put on trial if two-thirds of Brazil's lower house votes to suspend him from office. Temer in a written

NEWS BRIEFS

Trump to Meet Latin American Presidents Over Dinner in New York

U.S. President Donald Trump has invited the presidents of Peru, Colombia and Brazil to dine with him Monday in New York, just ahead of the opening of the U.N. General Assembly meeting, Reuters reported Thursday. The political and economic crises in Venezuela and Cuba are expected to be discussed.

Guatemala Nixes Measures Seen as Setback for Anticorruption Efforts

Guatemala's Congress on Thursday announced it would cancel controversial measures announced on Wednesday that critics said amounted to a serious setback in the country's efforts to control corruption, Reuters reported. Guatemala's Congress on Wednesday voted to approve a "national emergency" decree that would curb penalties for illegal campaign financing, which President Jimmy Morales had recently been linked to as part of his 2015 election campaign. Guatemalans took to the streets on Thursday in protest the reforms, and leaders of the main parties of Congress agreed to vote today to cancel the measures.

Hurricane Max Makes Landfall in Mexico's Guerrero State

Hurricane Max on Thursday made landfall in Mexico's Guerrero State on the Pacific coast, The Wall Street Journal reported. The Category 1 hurricane was downgraded to a tropical storm after making landfall in a sparsely populated area 50 miles from popular resort destination Acapulco, with maximum sustained winds of nearly 80 miles per hour, according to the U.S. National Hurricane Center. The storm comes as Mexico is recovering from an 8.1 magnitude earthquake that struck Oaxaca and Chiapas States last week.

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ly this year. The government is pressed to reach an agreement with the ELN before its term expires in August of next year and before the electoral season gains momentum in December. However, revelations regarding past ELN activities will likely pressure the government to adopt stronger rhetoric and obtain concessions from the ELN, such as the release of hostages or a disarmament timeline."

A **Maria Velez de Berliner, president of Latin Intelligence Corporation:** "The government and the ELN are under a time crunch: Santos wants to burnish his legacy with whatever agreement can be reached, and his last year in office gives the ELN an opportunity to extract FARC-like, generous conditions that a new center-right president would be unlikely to grant. ELN's small front structure, expanding into key areas of the country, has shown it has resourcefulness, strategic and tactical savvy, and ease of maneuvering. It will not negotiate away for promises the government cannot fulfill, as is happening with the FARC's agreement. By occupying areas left by the FARC, the ELN increases its relevance and geographic hold. The ELN is attracting dissident FARC members and sundry criminals into its ranks, whose major source of revenue consists of coca production and distribution, domestically and internationally, using the logistics chain the FARC controls, narcotics (particularly in Dabeiba), extortion and kidnapping. As with the FARC, whose income reserves are outside Colombia, the government will have great difficulty having different ELN fronts repatriate income. Two of the ELN's principal negotiators are under temporarily lifted detention orders. Other members of the ELN negotiating team command small groups. Therefore, no one umbrella group can commit the whole ELN to any agreement. The government's negotiating team is weak. Neither party has a clear idea of what it is negotiating for. The whole

process looks like a smoke-and-mirrors exercise, where the ELN has the upper hand, for it has a monopoly on the violence it can unleash at any time against Colombia's oil infrastructure, as it has historically done, and against the population, with murder, extortion and kidnapping."

A **Andy Webb-Vidal, CEO of Latin iQ, a business risk consultancy:** "The announcement of a temporary cease-fire, billed to last through to mid-January, is certainly encouraging, especially if you consider that since the ELN was founded in 1964, it has never previously agreed to a cease-fire with the state. The scheduled presence of Pope Francis not only fostered a warmer mood of reconciliation across the political spectrum in

“ My concern is that the cease-fire won't hold for very long.”
— Andy Webb-Vidal

Colombia, but I suspect the Catholic Church also moved, in some mysterious way, behind the scenes. Let's not forget that the ELN has its Liberation Theology roots. However, while the cease-fire opens a window of opportunity for a resumption of broader talks in Quito, my concern is that the cease-fire won't hold for very long. There are factions within the ELN that are unlikely to completely abandon kidnappings and extortion, and others that won't refrain from bombing oil pipelines, so I don't see the next three months passing event-free on that front. The question is whether such an incident or incidents end up being deemed sufficiently grave for the government to call off the cease-fire. This means that the ELN, which still numbers

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statement said the indictment was "filled with absurdities." The PMDB also denied the accusations. On Wednesday, Janot alleged that the Brazilian government had been run like a cartel for years, starting with the administration of former President Luiz Inácio Lula da Silva, exchanging money for votes or political appointments.

BUSINESS NEWS

JBS Delays Talk of Replacing Jailed CEO

The board of Brazilian meatpacker JBS will hold off on discussing potential replacements for CEO Wesley Batista while he awaits a court's decision on a motion to release him from prison, a person with knowledge of the matter said, Reuters reported. Lawyers for Batista, who is charged with insider trading, filed a habeas corpus motion on Thursday, one day after he was arrested for allegedly selling JBS stock before his plea deal in May. One of Batista's lawyers called the charges "unjust, absurd and regrettable." Batista and his brother, Joesley Batista, admitted to bribing politicians during the plea deal, causing JBS stock to plunge. JBS declined to comment on whether it had deliberated on who should replace Wesley Batista. The company's shares rose 4 percent on Thursday after Batista's arrest, the largest jump in weeks, as investors bet the case would bolster state development bank BNDES' drive to overhaul JBS management. The bank's investment unit, BNDESPar, owns 21 percent of JBS, and it has been pushing for a new CEO with backing from minority shareholders to take over the company. The bank said the Batista family, which owns 42 percent of the company, should not be allowed to vote on the matter. Two JBS executives are regarded as possible replacements for Batista as CEO, according to two people with knowledge of the matter. One is Gilberto Tomazoni, the company's head of operations, and the other is JBS Chairman Tarek Farahat, who is the former Procter & Gamble head for Latin America.

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around 2,000 fighters and has a not-insignificant social base, remains a threat to security in several departments. Inevitably, as was the case with the FARC, a peace settlement will be reached at some point, and as we also saw with the FARC negotiations, one would expect interruptions and reversals. But I think the chances of a peace agreement being reached with the ELN before Santos leaves office are small.”

A **Andrea Saldarriaga Jiménez, assistant director of the Adrienne Arsht Latin America Center at the Atlantic Council:** “The Colombian government’s cease-fire with the ELN is a very encouraging development for a country that is now implementing a peace agreement with the FARC, which, until recently, was the oldest and largest insurgency in the Western Hemisphere. The announcement provides President Juan Manuel Santos’ administration with a window of opportunity to try to incorporate the ELN into the current peace implementation process. However, it is unlikely that this agreement will occur before Santos leaves office next year. The ELN, despite being a Marxist group with political leanings similar to those of the FARC, has agreed with the government to a slightly different negotiation agenda. For example, the ELN wants to focus on labor laws and on how to protect unions and

social mobilizations. These are not simple issues to deal with. In fact, Colombia’s OECD accession currently depends on a decision by the team at the OECD that oversees these matters. In addition to this, despite the ELN

“If Colombia wants to achieve peace, it will have to find a way to dismantle the ELN and reintegrate its members into society”

— Andrea Saldarriaga Jiménez

being a slightly smaller insurgency than the FARC, it has effective warfare tactics to destroy infrastructure in the countryside and in turn harm the population. If Colombia wants to achieve peace, it will have to find a way to dismantle the ELN and reintegrate its members into society. Another sticking point in the negotiation agenda is the ‘end of conflict’ chapter. This deals with transitional justice matters and ELN’s future participation in politics. This is still a contentious issue around the FARC peace agreement, and it will be a difficult issue to resolve with the ELN, as well. The world is watching, but the rush to get this done quickly should not jeopardize the longer-term goal: constructing a lasting peace in Colombia.”

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