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FEATURED Q&A

Have Voters Spurred Colombia to Step Up Anti-Graft Efforts?



Colombian President Iván Duque expressed support for a package of anti-corruption measures that was put to voters last month. // File Photo: Colombian Government.

Q Millions of Colombians voted on Aug. 26 in favor of seven referendum proposals intended to fight corruption. While more than expected, the turnout failed to reach the minimum vote threshold, stopping the initiatives from moving forward.

The referendum included measures such as establishing congressional term limits, cutting lawmakers' salaries by 40 percent and imposing tougher penalties on corrupt officials. The referendum's passage with the necessary quorum would have required Congress to pass legislation implementing the proposals over the next year, or force President Iván Duque to issue a decree doing so. What do the referendum results mean for the future of the proposals? Would the initiatives that were included reduce corruption in Colombia? Will Congress consider legislation to enact any of them soon?

A Carolina Barco, former Colombian ambassador to the United States and foreign minister of foreign affairs in Colombia:

"Although Colombia has a very healthy and vibrant democracy, corruption is a serious problem in many sectors (in education, health and infrastructure, for example) and in many regions of the country. This is what prompted Colombian Senator Claudia López to initiate a referendum on legislative measures to attack the corruption that has been so harmful to our country. She obtained five million voter signatures. She also found concern and outrage among Colombians that went beyond political parties. The corruption perception index that is measured yearly by Transparency International shows that Colombia has recently fallen six positions, and in 2017, it ranked 96th out of 180 countries with

Continued on page 3

TODAY'S NEWS

POLITICAL

Brazilian Police Seek Charges Against Temer

Brazil's federal police filed a report to the country's Supreme Court, seeking charges against President Michel Temer. He is accused of pocketing \$348,000 from construction conglomerate Odebrecht and denies wrongdoing.

Page 2

BUSINESS

Consortium Wins Contract for Lima Airport Expansion

A group comprised of Italian, Spanish and U.S. companies won the contract for the project.

Page 2

POLITICAL

Guatemala's High Court Tells Gov't to Explain Barring of CICIG Chief

The court told President Jimmy Morales' government to explain why it barred Iván Velásquez, the head of the CICIG anti-corruption mission in the country, from returning to Guatemala.

Page 2



Velásquez // File Photo: U.S. State Department.

POLITICAL NEWS

Brazilian Federal Police Seek Charges Against Temer

Brazil's federal police on Wednesday filed a report to the country's top court, alleging that President Michel Temer pocketed 1.43 million reais (\$348,000) in bribes from construction conglomerate Odebrecht, Folha de S.Paulo reported. Investigators claim that Temer received the payments in March 2014 when he was the country's vice president. Brazil's Supreme Court



Dodge // File Photo: Brazilian Government.

said it will send the report to Attorney General Raquel Dodge who will decide whether to proceed with charges against Temer, the Associated Press reported. It would be the third time charges have been leveled against Temer since he took office in 2016. Temer, who has denied wrongdoing in the case, appointed Dodge. Her predecessor, Rodrigo Janot, charged Temer in the two previous instances. If Dodge decides to charge Temer, the Chamber of Deputies would have to suspend Temer in order to place him on trial. That body rejected the two previous attempts to charge him. Temer's term ends Dec. 31. On Tuesday, Brazilian prosecutors asked a judge to approve charges against former São Paulo State Governor Geraldo Alckmin, a conservative candidate in this October's presidential election. Alckmin is accused of taking \$2.5 million in illegal campaign contributions from Odebrecht during his 2014 election campaign. Alckmin has denied wrongdoing, and his lawyers have called the allegations "noise from a prosecutor" ahead of the presidential election. The same prosecutor's office on Tuesday

charged former São Paulo Mayor Fernando Haddad with corruption. Haddad is expected to replace former President Luiz Inácio Lula da Silva, who is jailed following his conviction on graft charges, as the presidential candidate of the leftist Workers' Party. Haddad denies wrongdoing.

Paraguay Angers Israel With Embassy Move to Tel Aviv

Israeli Prime Minister Benjamin Netanyahu on Wednesday ordered the closure of the country's embassy in Paraguay, in response to Paraguayan President Mario Abdo Benítez's decision earlier that day to move Paraguay's embassy back to Tel Aviv from Jerusalem, ABC Color reported. In announcing the move, Abdo, who took office last month, said he wanted "a just and durable peace" in the Middle East, BBC News reported. A statement from the Israeli prime minister's office said "Israel views with utmost gravity the extraordinary decision by Paraguay which will cloud bilateral relations,"

“ Israel views with utmost gravity the extraordinary decision by Paraguay which will cloud bilateral relations.”

— Israeli Prime Minister's Office

Reuters reported. Paraguay's foreign minister, Luis Castiglioni, called Israel's decision "disproportionate," "temperamental" and "miserable," ABC Color reported. Former Paraguayan President Horacio Cartes shifted the South American country's embassy in Israel to Jerusalem in May, following the United States and Guatemala in a controversial foreign policy move that many other countries shunned. U.S. President Donald Trump in December recognized Jerusalem as Israel's capital. The status of Jerusalem has long been a contentious issue in forging a peace deal between Israel

NEWS BRIEFS

Guatemala's High Court Tells Gov't to Explain Barring of CICIG Chief

Guatemala's highest court on Wednesday told the government of President Jimmy Morales that it had 48 hours to explain its decision to bar Iván Velásquez, the head of the U.N. anti-corruption body in the country, from returning to Guatemala, Reuters reported. The government said the previous day that it had barred Velásquez, who is attending meetings in the United States, from re-entering. Last week, Morales announced that he would end the mandate of CICIG, which has targeted his government in investigations, next year.

Consortium Wins Contract for Expansion of Lima Airport

Lima Airport Partners, the airport operator of the Jorge Chávez International Airport in Lima, Peru, said on Wednesday that a consortium composed of Italian builder Salini, Spain's FCC Construcción and U.S.-based AECOM had won a contract to expand the airport, Reuters reported. The estimated cost of the project surpasses \$1.5 billion, and includes adding a second runway and passenger terminal to the airport.

ConocoPhillips Still Awaiting Arbitration Payment From Venezuela

U.S. energy corporation ConocoPhillips is still waiting for Venezuela to pay a \$2 billion arbitration settlement it had agreed to last month with the South American country's state oil company PDVSA, Conoco's chief executive Ryan Lance said Wednesday, Reuters reported. The deal gives Venezuela 90 days to make an initial \$500 million payment. Lance said he expects Venezuela to honor the agreement, pointing out that Conoco has two other pending arbitration decisions involving Venezuela.

and Palestinians, with both claiming sovereignty over the historic city, Reuters reported. In response to the news, the Palestinian Authority said it would “immediately” open an embassy in Asunción. Palestinian Foreign Minister Riyad al-Maliki met with Abdo two weeks ago.

ECONOMIC NEWS

Mexico's AMLO Details Plans for \$8 Bn Oil Refinery

Mexican President-elect Andrés Manuel López Obrador on Tuesday gave new details about his plan to build an \$8 billion oil refinery, which could be the country's largest, Reuters reported. Construction could begin next year, López Obrador told a group of business leaders in Monterrey. He has previously said that the facility would be located in Dos Bocas, in Tabasco State. “It will be a refinery that will produce 400,000 barrels per day of gasoline with an approximate cost of \$8 billion that we want to build in three years,” said López Obrador, who takes office Dec. 1. The president-elect wants to end Mexico's massive imports of fuel, which predominantly come from the United States. He also has said he wants to increase domestic refining during the first three years of his six-year term. López Obrador's aides have previously provided some information about the plans for the new refinery, but the comments Tuesday marked the first time López Obrador has provided numbers. Currently, Mexico's largest refinery is the Salinas Cruz facility, which processes 330,000 barrels per day. Pemex owns the facility, which is located in Oaxaca State. Like the state oil company's five other refineries, the output of the Santa Cruz refinery is far below capacity as a result of accidents and operational problems. Pemex also has concentrated on maximizing its own oil's value, even if that causes lower levels of domestic refining. Also during his appearance in Monterrey, López Obrador said there would be no increases in gasoline prices during his term, state news agency Notimex reported.

FEATURED Q&A / Continued from page 1

a score of 37 out of 100. That is a shameful position for a country that has been so proud of its democratic institutions. On the day of the referendum, some 11.7 million Colombian citizens voted in favor of attacking corruption through the proposed legislative measures. Unfortunately, the referendum failed to reach the threshold required to pass, which is one-third of the eligible voters in the country, or approximately 12.4 million votes. However, the turnout was highly significant, and the voters' voices were loud and clear. President Duque and members of Congress immediately sat down to discuss laws that will be presented to Congress in the next few days based on the proposed measures of the referendum. He is pursuing a multi-partisan consensus to present 10 laws to Congress addressing the various issues related to the referendum. Citizens' active participation in addressing one of the biggest challenges of our political system has strengthened our democracy.”

A **Andrés Hernández Montes, executive director of Transparencia por Colombia, Transparency International's Colombian chapter:** “Although the results of the referendum did not reach the minimum number of votes required, it is the first time we have been able to put into motion an active citizen participation mechanism to address such an important issue for the country. The mobilization of more than 11 million Colombians voting in favor of the referendum's questions gives political leaders in Colombia, particularly in the executive branch and in Congress, a citizen mandate so significant that it is hard to ignore. At present, Colombia faces a historic opportunity to fight corruption with this mandate. It's crucial to understand that any one legislative anti-corruption measure would not immediately reduce or end the high levels of corruption in Colombia. Nonetheless, the issues included in the referendum, as well as the measures proposed by the government that

could become part of an anti-corruption bill, build a broad agenda to fight corruption that involves the country's public contracts, including transparency in the allocation of the national budget, accountability in Congress and strengthening sanctions against people and businesses involved in corruption. The biggest challenge is for measures included in the bill to be adequately processed in Congress and effectively become law, as well as having their content be relevant. Citizens' demands will be key to pushing these measures forward. The political effect that the referendum results have brought is very close to what would have happened had the minimum threshold been reached—that is, Congress will begin drafting legislation to prevent corruption. We are looking at an important anti-corruption legislative initiative, involving both the executive branch and Congress, which have guaranteed swift action on the proposals for the rest of the year. Certainly, the new political leaders understand that the 11 million votes in favor of the anti-corruption referendum demand that the measures be approved soon.”

A **Michael Camilleri, director of the Peter D. Bell Rule of Law program at the Inter-American Dialogue:** “While Colombia's popular referendum on anti-corruption measures fell just short of the votes necessary to require enactment of the seven measures proposed, it succeeded in sending a resounding message to the country's political class. More than 11 million Colombians voted in favor of the referendum, a higher number than voted for Iván Duque in this past June's presidential election. The result represented an unlikely and extraordinary victory for the referendum's quixotic promoters and a rare defeat for Senator Álvaro Uribe. Notwithstanding Uribe's opposition, President Duque smartly allied himself with the cause by supporting the referendum, and he understood the implications of the vote itself. Duque immediately convened a meeting

Continued on page 4

FEATURED Q&A / Continued from page 3

of the referendum organizers and congressional leaders to discuss a package of anti-corruption measures. To have an impact, this package should incorporate the proposals from the referendum, which included useful measures to improve public procurement and require asset declarations from elected officials. The efforts should not stop there, however. To get to the heart of the country's corruption challenge, legislators will need to address clientelism and bring transparency to political finance. Duque has pledged to govern without the infamous 'mermelada' of Colombian politics, but passing meaningful reform will not be easy. Following the referendum, politicians can have no doubt what the public expects of them."

A **Beatrice Rangel, member of the Advisor board and director of AMLA Consulting in Miami Beach:** "Common wisdom has it that fighting corruption is a law enforcement task. I believe that without fundamental institutional change, corruption will continue thrive in Latin America. To be sure, corruption springs from economic-cum-political institutions that set the wrong rewards for any given conduct. Fortunately for the country's future, not enough Colombians showed up at the polls because the policies they had to decide on were utterly inappropriate to fight corruption. Truth is that corruption is one of the chains keeping Colombia in the realms of underdevelopment. It distorts markets, holds productivity hostage and deprives the poor from accessing efficient public services, thus perpetuating economic dualism. But this negative impact upon development is not visible. The effective way to address this scourge is by bringing down the punitive regulatory edifice built by Philip II of Spain to control the colonies and to adopt simple and transparent rules that are universally understood and easy to apply. Accountability by public servants, true separation of powers and citizens engagement in policy-making and execution also are effective in fighting corruption."

A **Patricia Polo, consultant, executive coach and corruption prevention expert based in Colombia:** "The results of the referendum are historic. Hearing that Colombians are tired of corruption is nothing new. Annual surveys of entrepreneurs and citizens have shown this. What is interesting is that some 11.7 million citizens said it in unison, going beyond criticism or apathy to express a common desire and ideal: a corruption-free Colombia. Although the minimum threshold for the referendum to have a binding effect was not reached, there was a clear message

“ This is a historic political and social opportunity for the anti-corruption cause.”
— Patricia Polo

to the political class. A higher number of Colombians voted 'yes' to the referendum than those who voted to elect President Duque—there was not a single question in which 'no' had more than 1 percent of the vote. This is a historic political and social opportunity for the anti-corruption cause. Although the measures don't guarantee a significant reduction in corruption per se, since it is such a complex and multidimensional issue, they do represent—to use Victor Hugo's words—"an idea whose time has come." Advancing the corrective measures now will undoubtedly mean planting new seeds in a more fertile ground. The harvest will depend, of course, on how well we care for it. The anti-corruption referendum is the first step toward the national pact against corruption that President Duque has convened. This month, new bills will be proposed, endorsed by all the political forces represented in Colombia's Congress."

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