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## FEATURED Q&A

### Has Interest in Haiti Waned Five Months After the Quake?

**Q** The Atlantic hurricane season began June 1 while some 1.5 million people remain homeless in Haiti nearly five months after the impoverished country's Jan. 12 earthquake. What is the progress of Haiti's relief and rebuilding efforts? Are international donors making good on their promises, or has interest in Haiti waned? What actions have been taken to strengthen private businesses in Haiti and have they been successful?

**A** Robert Maguire, chair of the Haiti Working Group at the United States Institute of Peace and associate professor of international affairs at Trinity Washington University: "I think the progress on relief and rebuilding has been a mixed bag given the enormity of the tragedy. The international response and Haitian response was the best you could expect, but obviously there are still strides to be taken, particularly in assuring the safety and well being of those displaced in the Port-au-Prince area with the approaching hurricane season. It seems to me that is an extremely urgent need. It's too soon to know if the international donors are making good on their promises because the mechanisms in which they will work are really only now being set up, that is, the Interim Haiti Recovery Commission and the Multidonor Trust Fund. But there is a need to make sure donors make good on their promises because following both the 2006 and the

2009 donors conferences, there were short-falls going from pledges to actual contributions. Has interest in Haiti waned? I think many people have moved on beyond Haiti, of course, with the panoply of other compelling international issues. However, the continuing engagement of the United Nations, former President Bill Clinton, the Obama administration and the Latin American governments that are part of Minustah have helped to ensure that attention to Haiti will be maintained. That said, it is now hurricane season and if a storm or

*Continued on page 2*



### OAS May Discuss Honduras Membership During Meeting

Representatives of Organization of American States member countries may discuss readmitting Honduras during their upcoming meeting in Lima, Secretary General José Miguel Insulza said Thursday. See story on page 2.

*File Photo: Organization of American States.*

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## NEWS BRIEFS

**Former Surinamese Dictator, Ex-Rival Form Parliamentary Alliance**

Surinamese former dictator Desi Bouterse and a one-time rival, Ronnie Brunswijk, on Thursday agreed to form an alliance in parliament that will hold a majority of seats but not the two-thirds necessary to elect a president, the Associated Press reported. Both Bouterse, whose Mega Combination coalition won the most seats in last month's parliamentary elections, and Brunswijk have been convicted separately in Dutch courts of drug trafficking but have not been extradited.

**Production Bottlenecks May Limit Argentine Automakers' Output**

Suppliers to Argentina's auto industry are working at full capacity, but production bottlenecks could limit the industry's output this year, Bloomberg News reported Thursday. Automakers' demand is outstripping "scarce" investments among the country's auto parts suppliers, Cesar Ramirez Rojas, president of Argentina's Automakers Association told the news service. Automobile production increased 40 percent year-on-year in May, according to the association.

**Codelco, Freeport See Continued Volatility in Copper Market**

Chile's state-owned Codelco and U.S.-based Freeport-McMoRan Copper & Gold say the Chinese government's plans to trim stimulus measures could mean continued volatility for copper prices for the next year, Bloomberg News reported Thursday. China's efforts to pull money out of the financial system with moves such as raising reserve requirements could reduce copper demand after prices for the metal fell 15 percent in past two months.

## Political News

**OAS Members May Discuss Readmitting Honduras: Insulza**

Member nations of the Organization of American States may discuss readmitting Honduras to the organization during the three-day OAS General Assembly meeting that begins Sunday in Lima, Secretary General José Miguel Insulza said Thursday, Peru's state-run Agencia Andina reported. "On Monday afternoon, ministers can deal with other subjects and surely there are other subjects such as Honduras that they are going to deal with," Insulza told reporters in the Peruvian capital. The OAS suspended Honduras' membership after the coup that deposed then-President Manuel Zelaya on June 28 of last year. Since the inauguration of President Porfirio Lobo, who was elected in November, Zelaya has been living in exile in the Dominican Republic following his failed attempts to

return to power. Insulza expressed hope that representatives at the meeting in Lima can make progress on readmitting Honduras, which he said hinges on countries' recognition of Lobo's government. The meeting will include foreign ministers from throughout the hemisphere, including U.S. Secretary of State Hillary Clinton.

## Economic News

**Jamaica Seeks \$1 Billion in Grants, Loans to Fight Drug Gangs**

Jamaica's government is seeking \$1 billion in grants and loans to fight drug traffickers that have become entrenched in the island nation's poor neighborhoods, Finance Minister Audley Shaw told Bloomberg News Thursday in an interview. Government officials discussed their request Monday with representatives of the United Nations, World Bank and Inter-American Development Bank, said

**Featured Q&A**

*Continued from page 1*

hurricane should strike Haiti, we will see how the international community responds again, hopefully robustly. Two of the biggest challenges right now are how to find good ways of working with the government of Haiti so there can be a robust partner that is present in the lives and minds of Haiti's people and also to pursue as robustly and quickly as possible the proposed decentralization of programs in the government's recovery plan."

**A Ernest H. Preeg, former U.S. ambassador to Haiti and chairman of the Haiti Democracy Project:** "The immediate priority in Haiti is disaster relief for human suffering, but longer-term development also needs to be programmed, and thus far specific support for job-creating private investment is disappointing. A central challenge for private-sector development concerns government-dominated

donor coordination. The recently established Interim Haiti Reconstruction Commission (IHRC) will be run by the Haitian government in collaboration with official aid donors, with little private-sector participation. The initial financial Action Plan allocates excessive funding for government budget support and public-sector job creation, and sparse funding for private sector projects. A positive step to bring better balance and stronger management to this multibillion-dollar aid commitment would be to appoint an able, nonpolitical Haitian business leader to the still unfilled position of executive director of the IHRC. A wide range of unfavorable business conditions also needs to be addressed; Haiti ranks 151 out of 183 countries in the World Bank's Ease of Doing Business Index. Some initiatives have already been taken to support private-sector job creation. The World Bank's International Finance

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Shaw. The funds would be used to expand the police force and also strengthen communities where drug gangs have exerted power, he added. "It saps the energy of the country, it saps all productive capacity," Shaw told the news service. "Our investment partners have recognized that this government is demonstrating it knows how to deal with the crime problem."



Shaw

File Photo: Jamaican Government.

Jamaican Prime Minister Bruce Golding on May 23 declared a state of emergency amid violence as authorities attempted to arrest alleged drug lord Christopher "Dudus" Coke, who faces drug and weapons charges in the United States. At least 74 people have been killed during the manhunt for Coke, who remains at large. The violence has mainly affected Kingston, which is miles away from the beaches that are popular with tourists, whose spending supports accounts for about 10 percent of Jamaica's gross domestic product. Still, the violence has hurt the country's economy as tourists have canceled trips. The violence could cost the tourism industry \$350 million this year, Tourism Minister Edmund Bartlett said Tuesday.

## Company News

### Cemex Reduces Earnings, Cash Flow Forecast on Weakening Currencies

Mexican cement maker **Cemex** is cutting its earnings and cash flow forecasts in U.S. dollars because of the weakness of the Mexican peso and the euro, CEO Lorenzo Zambrano said Thursday, Bloomberg News reported. Cemex's earnings before interest, taxes, depreciation and amortization will total \$2.75 billion this year, a decline from the company's goal of \$2.9 billion, said Zambrano. Free cash flow will amount to about \$800 million, down from the previous forecast of approximately \$1 billion, he added.

## Capitol Hill Watch

### A Look at U.S. Congressional Activity on Latin America

#### Dodd, Warner Doubtful Congress Will Act This Year on Colombia Trade Deal

During a visit this week to Colombia, two Democratic senators said it was doubtful Congress would pass a free trade agreement between the United States and Colombia before the end of the year, according to wire reports. Senators Christopher Dodd of Connecticut and Mark Warner of Virginia made the comments following a meeting with President Álvaro Uribe on Tuesday in Bogotá. "I hope we can [approve the FTA], but I'm not sure it will be possible this year," Dodd was quoted as saying by Agence-France Presse, adding that Congress is only in session 40 more days until the November midterm elections. The two lawmakers are visiting Colombia, Peru and Ecuador this week to discuss trade, renewable energy cooperation, anti-drug efforts and other regional security concerns, Warner's office said. In related news, 16 Republican senators sent a letter to U.S. President Barack Obama on Tuesday requesting he provide the governments of Colombia, South Korea and Panama with a "well-defined and finite list of those outstanding issues they need to accomplish" in order for the United States to move ahead with pending trade agreements. The letter also asked the administration to propose a "specific timeline for the enactment" of the FTAs.

#### Cuba's Decision to Move Jailed Dissidents a 'Farce': Ros-Lehtinen

Rep. Ileana Ros-Lehtinen (R-Fla.) on Wednesday criticized the Cuban government's decision to transfer some jailed dissidents on the island to prisons closer to their homes. In a statement, the ranking member of the House Foreign Affairs Committee and outspoken opponent of the Castro regime called the move a "farce," adding "no one should be taken in by it." Cuba agreed to the transfers in talks last month with local Catholic Church leaders. At least seven political prisoners have been moved so far, Reuters reported Tuesday. In related news, Sen. Bill Nelson (D-Fla.) said a Senate panel on May 27 approved his amendment to a defense spending bill that would require the Pentagon to "submit reports to Congress detailing international terrorism links with Cuba and Venezuela." The full Senate is expected to vote on the \$760 billion defense spending bill sometime this summer.

#### House Members Question Speed of Disbursing Mérida Initiative Funds

House lawmakers last week pressed Obama administration officials to explain why disbursement of U.S. security aid for Mexico under the Mérida Initiative has been delayed. "To date Mexico has received only a fraction of the funds the United States has promised under this program," said Rep. Bennie Thompson (D-Miss.), chair of the Homeland Security Committee, which held a hearing May 27 on the next steps for Mérida, Agence-France Presse reported. "Mexico has received only \$161 million of the \$1.3 billion" promised under Mérida, he added. Other congressman, including Reps. Connie Mack (R-Fla.) and Henry Cuellar (D-Tex.), also expressed concern about the speed of disbursement. In testimony before the committee, U.S. Deputy Assistant Secretary of Western Hemisphere Affairs Roberta Jacobson said \$400 million had been delivered thus far and that the sum will rise to between \$600 million and \$700 million by the end of 2010.

**Featured Q&A***Continued from page 2*

Corporation has approved two small projects since the earthquake. Recent U.S. legislation expands trade preferences for Haitian textile exports and a proposed bill would create a Haitian-American Small-Enterprise Fund for small and medium-sized businesses. The Strategic

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“In the 1980s, Haiti had a burgeoning labor-intensive export sector ... which can be restored.”

— Ernest H. Preeg

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Plan for National Salvation, produced by a group of Haitian nongovernment civic leaders, proposes a Multidonor Trust Fund for private investment. These initial steps need to be brought together within a highly feasible national strategy for sustained private-sector job creation. In the 1980s, Haiti had a burgeoning labor-intensive export sector, including textiles, electronics, footwear, toys and sporting goods, which can be restored. Tourism is ripe for development, particularly on the north coast. Developing a vibrant job-creating private sector in Haiti will require a comprehensive, adequately-funded program, and far more integrated private-public sector management than the separation and mistrust of recent years.”

**A** **Mark L. Schneider, senior vice president at the International Crisis Group:** “Torrential downpours are inflicting even more misery on the people displaced by the earthquake. The victims continue to depend on food aid for survival, and are living in tents and plastic sheeting in 1,200 makeshift camps scattered around the nation's capital. It is a race against time for President René Prével's government, U.N. peacekeepers and interna-

tional donors to generate a sense of progress on relief and reconstruction before the very real popular frustration is distorted by political forces, which are gearing up for year-end elections. Already, rock-throwing crowds have been met with tear gas and demonstrations are ongoing. The \$5.3 billion promised for the first 18 months of relief and reconstruction still needs multiple traditional donor approvals. The Obama administration's \$1.3 billion emergency Haiti funding, now entwined in the Iraq/Afghanistan war spending bill, saw the goal line for congressional passage shifted from the Memorial Day to the July 4 recess. The Interim Haiti Reconstruction Commission (IHRC), which will manage the first chapter of recovery, held its first meeting Wednesday in the Dominican Republic. It is headed by President Prével and co-chaired by former U.S. President Clinton and Haitian Prime Minister Bellerive, but for the moment it only has an acting executive director and a fraction of its board members. Final resettlement decisions also are pending and will involve relocating entire camps with as many as 60,000 people. Latin American-led U.N. peacekeepers also need to bolster their police units to help confront rising levels of criminal activity from revived gangs. In Haiti's justice sector, plans to reduce prolonged pretrial detention and prison overcrowding must be implemented. Haiti's national police, rocked by deaths, desertions and scandal, must complete internal vetting and return to the reform path that it had begun before the quake, a critical institutional task for stability in reconstructing a new Haiti.”

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*Editor's note: The Haitian Embassy in Washington was invited to submit a comment, but did not do so by our deadline.*

*The Advisor welcomes reactions to the Q&A above. Readers can write editor Gene Kuleta at [gkuleta@thedialogue.org](mailto:gkuleta@thedialogue.org) with comments.*

**Latin America Advisor**

*is published every business day by the Inter-American Dialogue, Copyright © 2010*

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**Latin America Advisor** is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at: 1211 Connecticut Avenue, Suite 510 Washington, DC 20036 Phone: 202-822-9002 Fax: 202-822-9553 [www.thedialogue.org](http://www.thedialogue.org)

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