

BOARD OF ADVISORS

Ernesto Armenteros
Vice Chairman of the Board,
Banco de Ahorro y Crédito Unión

Pablo Barahona
President & COO,
Global Retail Markets West,
Liberty Mutual Group

Felipe Carvallo
Vice President - Analyst
Latin America Banking
Moody's Investors Service

Richard Child
CEO,
Matrix Group

Michael Diaz Jr.
Partner,
Diaz, Reus & Targ

Ernesto Fernández Holmann
Chairman of the Board,
Ayucus

Rich Fogarty
Managing Director,
Alvarez and Marsal

Desiree Green
Vice President,
International Government Affairs,
Prudential Financial

Earl Jarrett
Chief Executive Officer,
The Jamaica National Group

Thomas Morante
Chair, Insurance Regulatory &
Transactional Practice Group
Kaufman, Dolowich & Voluck

Manuel Orozco
Director,
Migration, Remittances & Development,
Inter-American Dialogue

Adalberto Palma-Gomez
Senior Partner,
Proxy, Gobernanza Corporativa

Rodolfo Pittaluga
Adjunct Professor,
Florida International University
College of Law

Fabian Saide
Founder, CEO and President,
Paykii

Roberto Teixeira da Costa
Founder & Board Member Emeritus
CEBRI

Mario Trujillo
CEO,
DolEx Dollar Express

FEATURED Q&A

How Well Is Latin America Fighting Money Laundering?



Among the officials present at the counterterrorism summit in Bogotá last month were U.S. Secretary of State Mike Pompeo (L), Colombian President Iván Duque (C) and Colombian Foreign Minister Claudia Blum (R). // Photo: @SecPompeo via Twitter.

Q Representatives of Western Hemisphere nations pledged on Jan. 20 at a counterterrorism summit in Bogotá to work to fight terrorism through a “holistic approach” that includes cutting off its financing through money laundering. How well are countries in Latin America and the Caribbean currently fighting money laundering, and what more needs to be done? How big of a problem is laundering money for the financing of terrorism in the region? How effectively are financial services providers and government agencies cooperating on the issue?

A Michael Diaz, managing partner, and Javier Coronado, associate attorney, both at Diaz, Reus & Targ: “The region is on fire, and the response is woefully weak. Countries continue to face gaps in the effective prosecution of money laundering, as well as in complying with ownership information and customer due diligence requirements. Evasion of detection and active concealment have increased. The expertise in detecting complex financial crimes is constantly confronted by the growth and sophistication of the informal networks used by money launderers. New technologies and the rapid use of mobile payments and virtual currencies have created additional risks. The region faces additional challenges stemming the tide of illicit proceeds from narcotics trafficking, public corruption, contraband smuggling, tax evasion, illegal gold mining and logging, and other crimes. The expansion of Hezbollah’s activity in the Tri-Border Area between Argentina, Paraguay and Brazil, and in Venezuela, combined with the endurance of terrorist organizations such as Ejército de Liberación Nacional (ELN) and Sendero

Continued on page 3

TOP NEWS

BANKING

Banco Bradesco Reports 14% Rise in Profit for Q4

Brazil’s Banco Bradesco reported a 14 percent increase in recurring net profit. The bank said its insurance operation and consumer lending drove earnings.

Page 3

BANKING

Banco do Brasil Labor Charges ‘Absurd’: Union

State-controlled lender Banco do Brasil’s plan to make it easier to hire and fire staff is “absurd,” said a bank employees union. A leader of the union called the plan an attack on workers’ rights.

Page 2

BANKING

Venezuelan Banks Storing Millions in Dollars, Euros

At least six Venezuelan banks reportedly have begun storing millions of dollars and euros that businesses have accumulated in cash during an unexpected liberalization under President Nicolás Maduro.

Page 2



Maduro // File Photo: Venezuelan Government.

BANKING NEWS

Banco do Brasil's Labor Changes 'Absurd': Union

A bank employees union in Brazil said state-controlled Banco do Brasil's plans to make it easier to hire and fire staff are "absurd," adding that workers at the lender will fight against it, Reuters reported Jan. 28. "This is an attack against employees' rights and, thus, workers will not allow it to happen," Ernesto Izumi, a leader of the São-Paulo based union, said in a statement posted to the union's website. The union, which has 140,000 members, is the largest one representing bank employees in the South American country. Banco do Brasil is reportedly planning reforms in a bid to better compete with private rivals. Among the planned changes are weaker job protections for its 94,000 employees, according to sources. The government-run bank's board has already approved the plan, and talks are underway with the economy ministry, according to the wire service. The Brazilian government would need to first approve the modifications before reform plans can go forward, Reuters reported.

Banco Daycoval Plans \$1 Billion Brazil IPO: Reuters Report

Brazilian lender Banco Daycoval is planning to launch an initial public offering in April that could raise nearly \$1 billion, Reuters reported Jan. 30. The move would re-list its shares on the São Paulo stock exchange three years after taking the company private, three sources with knowledge of the matter told the news agency. The bank's Lebanese-born founders, Ibrahim and Sasson Dayan, and other family members have hired investment banks to manage the IPO. The family is counting on a recovering Brazilian economy and high valuations for a series of financial start-ups to boost the shares' value in the second IPO, the sources told Reuters. In

a recent report, Moody's Investors Service said the bank had shown "steady earnings generation, disciplined business and risk profiles that support superior asset quality compared to same sized peers." Other financial newcomers planning to list their shares this year amid an ongoing stock market rally include retail lender Banco Votorantim and insurer Caixa Seguridade.

Venezuelan Banks Storing Millions in Dollars, Euros: Report

At least six Venezuelan banks have begun storing millions of dollars and euros that businesses have accumulated in cash during an unexpected economic liberalization under President Nicolás Maduro, Reuters reported Feb. 4, citing unnamed sources. Approximately \$1.8 billion has flowed into Venezuela over the last year, according to three senior banking sources, mainly from remittances and from the

Most of Venezuela's dollar inflows come from remittances and the country's oil and gold exports to allied nations.

country's oil and gold exports to allied nations, including Turkey and Russia. The private lenders' custodial services are new, reportedly beginning discreetly late last year. The service is only available for well-known firms with significant revenue and longstanding accounts, four finance industry senior executives told Reuters. "It is a service for traditional customers," one said. Such a move aims to circumvent U.S. sanctions that ban companies from doing business with Maduro's government. Clients of the custodial service pay monthly commissions of 1 percent or 2 percent of the deposits, and the banks offer instant access to cash and regular

NEWS BRIEFS

Caribbean Assurance Brokers Issues Prospectus for IPO

Jamaica-based Caribbean Assurance Brokers has issued a prospectus for its initial public offering of 20 percent of the company's shares, Loop News reported Feb. 10. In the offering, the insurance broker is planning to offer 52.5 million ordinary shares at 1.91 Jamaican dollars (\$0.014) apiece. The IPO includes 44.36 million shares to be offered to reserved share applicants and 8.14 million shares to be made available to the general public. The company said it plans to use the proceeds to fund expansion plans in Trinidad and Tobago and other countries in the English-speaking Caribbean.

Santander México Taps Barroso to Lead Board of Directors

The Mexican unit of Banco Santander's board of directors has named Laura Diez Barroso Azcárraga as the board's chairman, Santander México announced Jan. 30. In that position, she will succeed Marcos Martínez Gavica, whose appointment as the board's chairman expires in April. Martínez Gavica has been chairman since 2016 and previously served as the unit's chief executive officer. Barroso currently serves as the board chairman of Grupo Aeroportuario del Pacífico and chief executive officer of LCA Capital.

Mexico's Stori Raises \$10 Million in Financing Round

Mexican digital bank Stori has raised \$10 million in a financing round led by Bertelsmann Investments and Source Code Capital, Stori announced Feb. 4. Vision Plus Capital, which previously invested in the company, also joined the round. Stori, which has also launched a credit card, began operations in 2018 and has raised more than \$17 million from investors.

security checks, according to the report. The sources asked for the banks not to be named for security reasons.

Banco Bradesco Reports 14% Rise in Profit for Q4

Brazil's Banco Bradesco on Feb. 5 reported a 14-percent increase in recurring net income for the fourth quarter, year-on-year, Reuters reported. The bank, Brazil's second-largest private lender, said its insurance operation and consumer lending business helped to drive profits, though it also issued a more cautious outlook for this year. Recurring profit, which excludes one-off items, amounted to 6.645 billion reais (\$1.56 billion) in the fourth quarter. That topped analysts' estimates of 6.508 billion reais in a poll by Refinitiv, the wire service reported. Bradesco said its insurance business profit grew 10.1 percent as compared to the same quarter a year earlier, while its loan book grew 4.6 percent in the final three months of the year. Consumer loans fueled profit in the bank's lending business, Bradesco said. Loans in arrears for more than 90 days amounted to 3.3 percent, a decline of 0.2 of a percentage point as compared to the third quarter. However, the bank's loan-loss provisions rose 19.3 percent in the fourth quarter as the bank said disbursements were higher for small businesses and consumers. Bradesco also said its net interest income rose 4.4 percent in the fourth quarter as compared to the same quarter a year earlier. Its return on equity for the quarter was 21.2 percent, an increase of one percentage point as compared to the third quarter. Bradesco said its loan book will likely grow between 9 percent and 13 percent this year, a lower increase than the bank saw last year. Bradesco added that its loan-loss provisions may amount to 16.5 billion reais this year, a higher level than last year. Bradesco's release of its results for the fourth quarter came a day after Brazil's Economy Ministry cleared the bank on a tax probe, saying that it was unable to prove that Bradesco tried to avoid paying a tax fine of 3 billion reais, Reuters reported.

FEATURED Q&A / Continued from page 1

Luminoso, should spur further cooperation between government agencies and financial institutions against the funding of terrorism in the region. Government agencies should not focus simply on enforcing regulations, but also mobilize human resources to deliver financial institutions a range of training programs, mentoring and other capacity building support; leveraging those institutions' unique reach to detect money from terrorism and prevent it from entering the system while alerting law enforcement agencies so that they can take immediate action. There is vast potential in the anti-money laundering sphere for the relationship between government agencies and financial institutions to be more collaborative."

A **Julia Yansura, Latin America research analyst at Global Financial Integrity:** "Western Hemisphere countries are right to address the tremendous challenge of curtailing illicit financial flows. The question at hand is not so much of laundering money to finance terrorism, but rather the use of proceeds from criminal activities such as drug trafficking, illegal mining and counterfeiting to finance terrorist activity. Such funds sustain the operations of transnational criminal organizations and terrorist

The government's decision was published in its official gazette, and the bank did not comment on the decision.

Itaú Reports 12.6% Rise in Net Income for Fourth Quarter

Itaú Unibanco Holding, Brazil's largest lender, on Feb. 10 reported 7.296 billion reais (\$1.69 billion) in net income for the fourth quarter, a 12.6 percent rise from the same quarter a year earlier. The bank's profit met analysts' estimates, Reuters reported. In a Refinitiv survey,

groups while also contributing to high levels of violence in local communities. Though some progress has been made at addressing illicit financial flows in banking, more needs to be done within the trade sector. At Global Financial Integrity, we have analyzed how import and export invoices submitted to

“Recent U.S. approaches, including those at the Bogotá summit, risk politicizing this effort rather than looking for pragmatic, technical solutions.”

— Julia Yansura

customs authorities are falsified as a way of illicitly moving funds in or out of a country. Analyzing U.N. trade data as reported by Latin American countries and their international trading partners, we found a gap of over \$120 billion. This is indicative of trade misinvoicing, which can be used to launder drug trafficking proceeds back into Latin America. Country cooperation is key to prevention. However, recent U.S. approaches, including those at the Bogotá summit, risk politicizing

Continued on page 6

the consensus estimate was for profit of 7.242 billion reais. Itaú said consumer-credit growth and fees from investment banking and fund management drove results. The bank reported a 23.7 percent return on equity, above analysts' estimate of 22.4 percent, the wire service reported. Fueled by consumer lending, Itaú's loan portfolio grew 2.6 percent in the fourth quarter. However, it also reported higher losses on corporate loans, particularly in its units in Chile and Colombia. Itaú also said its loan-loss provisions grew 70.1 percent year-on-year in the fourth quarter to 5.811 billion reais. The bank's fee income and insurance gains grew 11.9 percent in the quarter. Fee management, investment banking and card issuance have

been offsetting an increased level of competition in payments from new providers such as PagSeguro Digital and StoneCo. Looking ahead, Itaú said it expects its loan book to grow between 8.5 percent and 11.5 percent this year, in line with last year's growth of 10.9 percent.

POLITICAL NEWS

Criticism Continues to Build Against El Salvador's Bukele

Salvadoran President Nayib Bukele's display of military force on Feb. 9 in the country's National Assembly building drew condemnation from opposition parties and some foreign nations the following day, NBC News reported. Lawmakers met on Feb. 10 in an emergency session and condemned what Assembly President Mario Ponce called "an attempted coup." "We cannot respond to the executive branch with a



Engel // File Photo: Organization of American States.

gun to our head," he said, BBC News reported. Bukele showed up unannounced to the session on Feb. 9, which many opposition lawmakers boycotted, with a group of uniformed soldiers wielding automatic weapons. Officials in the United States, which has been an ally to Bukele, also chimed in Feb. 10. "The Salvadoran military should not be used to resolve disputes between the president and congress. Civilian differences should be resolved by civilian institutions," said Eliot Engel (D-N.Y.), chairman of the U.S. House of Representatives' Foreign Affairs Committee. "The eyes of the world are on El Salvador and @nayibbukele at this critical

ADVISOR Q&A

Is the Coronavirus a Major Threat to Latin America?

Q Some analysts in Brazil have revised down their economic forecasts in light of the coronavirus epidemic that started in China, as the fast-spreading illness' potential effects on global trade and supply chains sparked concerns. Meanwhile, commodity prices have been volatile, leaving exporting countries of Latin America wondering what they stand to lose, or gain, as a result of increasing global disruptions. How serious is the risk of the coronavirus spreading to Latin America and the Caribbean? What will be the disease's global economic fallout, and how will such trends affect Latin American and Caribbean economies? Which sectors in the region could be hurt the most, and which industries might benefit from the trade disruptions?

A Fiona Mackie, regional director for Latin America and the Caribbean at The Economist Intelligence Unit: "Although there is still a lot of uncertainty around the eventual path of the coronavirus, there is clear evidence already of an impact on emerging market financial markets and on commodities that will transmit rapidly to Latin America, and especially South America's large commodity exporters. There will be a direct impact from reduced trade with China, and the region's open economies that export a lot to China will be particularly vulnerable here. There will be indirect impacts too from commodity prices, exchange-rate

moment," he added in a post on the committee's Twitter account. Bukele, 38, also warned lawmakers on Feb. 9 that the people have a right to "insurrection." Both of El Salvador's traditional parties, the conservative ARENA and leftist FMLN, founded by former guerrillas,

movements and the uncertainty effect on global business investment. All this raises questions as to how much policy space Latin America has to support growth in the near term. Most Latin American economies are in monetary easing mode, but coronavirus-related currency weakening could now complicate monetary policy. Space for fiscal stimulus will be even more limited. The relatively good news is that, based on our provisional baseline scenario for the spread of the coronavirus in China (which assumes the outbreak comes under control by end-March), we expect a recovery in China's import demand and in commodity prices in the second half of 2020. On this basis, although we expect first-quarter data to be very weak, significant downward revisions to our GDP growth forecasts are likely to be limited to countries most exposed to commodity prices and to demand from China, including Chile and Peru. In Brazil, for example, we have for now revised down our 2020 growth forecast by only 0.1 percentage points in response to the coronavirus. However, substantial downside risks to the region are clear. If our assumptions about the spread of the coronavirus ultimately prove too benign, much larger effects from global investor uncertainty would start to hit hard."

EDITOR'S NOTE: More commentary on this topic appears in the Feb. 11 issue of the Latin America Advisor.

accused Bukele of attempting a type of "coup" against other branches of government. Óscar Ortiz, secretary general of the FMLN, said Bukele's actions marked "the blackest day" for the country's democracy. Bukele's right-wing Great National Alliance (GAN) party and its

NEWS BRIEFS

Former Bolivian President in Cuba for Treatment

Former Bolivian President Evo Morales, who is in self-exile in Argentina, traveled to Cuba on Feb. 10 in an unscheduled trip for medical treatment, Argentine President Alberto Fernández said, the Associated Press reported. "Nothing impedes him as a political refugee from going to Cuba," Fernández added. He did not detail what sort of treatment Morales would receive. He has gone to Cuba several times for medical care before.

Brazil Inflation Rate Likely to Fall Even More: Survey

Economists in Brazil expect the inflation rate this year to fall to 3.25 percent, according to a central bank survey released Feb. 10, Reuters reported. This is the sixth consecutive week that the average 2020 inflation forecast has fallen, according to the bank's "FOCUS" survey of around 100 economists. At the start of the year, economists expected inflation to total 4.13 percent. The forecast is below the central bank's official target of 4 percent. Expectations for inflation next year remained steady at 3.75 percent.

Fitch Lowers Outlook on Panama Debt Ratings

New York-based Fitch Ratings on Feb. 7 lowered Panama's rating outlook from stable to negative, La Estrella de Panamá reported. The move follows what Fitch called a marked deterioration in Panama's fiscal deficits and a significant increase in the government's debt burden, according to the report. Although the country maintains the 'BBB' rating (investment grade), the ratings agency projects that the debt burden will continue to increase this year. Panama's economy grew by about 6 percent last year, making it one of the fastest-expanding economies in Latin America and the Caribbean, according to the World Bank.

allies control only 11 of the 84 seats in the National Assembly.

Brazilian Police Kill Prime Suspect in Franco Murder

Police in Brazil's northern state of Bahia on Feb. 9 said they killed a former policeman suspected of murdering a prominent leftist politician and activist in 2018, Folha de S.Paulo reported. Adriano da Nóbrega, who police say fired upon them as they approached, is said to have led a right-wing paramilitary group suspected of ordering the murders of Rio de Janeiro Councilwoman Marielle Franco and her driver. Franco had been critical of police tactics used in deadly raids in poor areas of the city. Last year, two former police officers were arrested in connection with the murders. Nóbrega was expelled from Rio's military police unit in 2014 and had been arrested at least twice before the Franco incident on charges of murder and attempted murder. Local media reports have been documenting Nóbrega's ties to the family of President Jair Bolsonaro, in particular his son, Flávio. Prosecutors in December said they had concluded that bank accounts controlled by Nóbrega were used to launder money taken from the salaries of officials employed in Flávio Bolsonaro's office in the state assembly.

ECONOMIC NEWS

Moody's Downgrades Costa Rica Debt

New York-based Moody's Investors Service on Feb. 10 downgraded Costa Rica's long-term issuer and senior unsecured bond ratings from B1 to B2 and changed its rating outlook from negative to stable, the ratings agency said in a statement. Among the reasons behind the downgrade, Moody's said the country's high fiscal deficits are leading to an upward trend in debt metrics, which it expects to remain above

rating peers, and recurring funding challenges prompted by relatively large borrowing requirements, which introduce risks to Costa Rica's credit profile. "The stable outlook on the B2 rating reflects Moody's view that funding and liquidity pressures will remain contained even as debt metrics continue to rise," the statement added. The agency forecasts the government's debt will reach 63 percent of GDP this year, higher than the 56-percent B peer median. Costa Rica's fiscal deficit increased last year, reaching 7 percent of GDP, La Nación reported. That figure is more than double the median for similar tested sovereigns, Moody's said in the statement, although it noted that the 2018 fiscal reform will reduce deficits gradually. The last time Moody's downgraded Costa Rica's rating was in December 2018, La Nación reported.

USTR Takes Latin American Countries Off Preference List

The administration of U.S. President Donald Trump on Feb. 10 narrowed its internal list of developing and least-developed countries in order to reduce the threshold for triggering a U.S. investigation into whether nations are harming domestic industries with unfairly subsidized exports, Bloomberg News reported. A U.S. Trade Representative notice included four self-declared developing countries from Latin America on the list, nearly a quarter of the total: Argentina, Brazil, Colombia and Costa Rica. The list also includes economic powerhouses such as China, India, Indonesia, Singapore and South Korea, among others. The change could result in more stringent penalties for some of the world's top exporters, according to the report. Officials in Brazil had been expecting the move. On his trip to Washington last year, Brazilian President Jair Bolsonaro said he was willing to give up his country's developing nation status in exchange for U.S. support for Brazil's bid to join the Organization for Economic Development and Cooperation, Folha de S.Paulo reported. Singapore and South Korea also have already agreed to relinquish their developing-country rights in future trade talks.

FEATURED Q&A / Continued from page 3

this effort rather than looking for pragmatic, technical solutions. Issues such as defining Mexican cartels as terrorist organizations, sanctioning Hezbollah and addressing the challenges of Venezuela are politically complex. Without debating their individual merits, it is clear that fundamental political divisions within the Western Hemisphere make it difficult to arrive at consensus. Less politicized but highly effective alternatives would include building capacity within customs departments and financial intelligence units to better detect trade-based money laundering."

A **Clifford E. Griffin, associate professor of political science in the School of Public and International Affairs at North Carolina State University:** "The anarchy, diversity and complexity of international relations calls for a nuanced answer to the question. An informed answer must address the irony that OECD countries, whose institutions and metrics, including the Basel anti-money laundering scores, are used to label Latin American and Caribbean countries as facilitators of money-laundering and terrorism financing when they, including and especially the United States and United Kingdom, are among the major money laundering and tax evasion centers. The

results of enhanced anti-money laundering and counterterrorism financing (AML/CFT) efforts are mixed. On the one hand, Canada's three largest Caribbean banks—CIBC, Scotiabank and RBC—have been forced to 'de-risk' by selling their operations to Republic Financial Holdings, Ltd., resulting in reduced competition, increased transactional costs and the emergence of the Caribbean's largest indigenous regional bank. On the other hand, U.S. economic might in the region has been strengthened against Chinese and Russian influence, although some Citizenship by Investment programs still need to be addressed. But what explains the establishment of the Inter-American Network on Counterterrorism? Asserting a linkage between the alleged presence of Colombia's ELN group in Venezuela and its leader in refuge in Cuba, the United States can paint the Maduro regime as a supporter of terrorism, thereby justifying further isolation of his regime. Supporting Luis Almagro's re-election bid for OAS secretary general and dividing the 15-member Caricom group constitute aspects of the U.S. geo-economic strategy. Caricom, however, wants the OAS to remain neutral regarding Venezuela, especially due to Venezuela's Petrocaribe program. The group also supports an alternate candidate. Latin America and the Caribbean remains in a no-win situation."

Advisor Video

The 2020 U.S. Presidential Race & its Impact on Latin America

With fewer than 10 months until the U.S. presidential election, the Latin America Advisor sat down with Dan Erikson, managing director of Blue Star Strategies and a senior fellow at the Penn Biden Center, to talk about how the race is shaping up, which candidate proposals are the most relevant for Latin America and how U.S. policy toward the region could be affected.

PLAY



FINANCIAL SERVICES ADVISOR

is published biweekly by the
Inter-American Dialogue, Copyright © 2020

Erik Brand

Publisher
ebrand@thedialogue.org

Gene Kuleta

Editor
gkuleta@thedialogue.org

Anastasia Chacón González

Reporter & Associate Editor
achacon@thedialogue.org



Michael Shifter, President

Rebecca Bill Chavez, Nonresident Senior Fellow

Sergio Bitar, Nonresident Senior Fellow

Joan Caivano, Director, Special Projects

Michael Camilleri, Director, Rule of Law Program

Kevin Casas-Zamora, Nonresident Senior Fellow

Héctor Castro Vizcarra, Nonresident Senior Fellow

Julia Dias Leite, Nonresident Senior Fellow

Ariel Fiszbain, Director, Education Program

Peter Hakim, President Emeritus

Nora Lustig, Nonresident Senior Fellow

Margaret Myers, Director, Asia and Latin America Program

Manuel Orozco, Director, Migration, Remittances & Development

Xiaoyu Pu, Nonresident Senior Fellow

Jeffrey Puryear, Senior Fellow

Mateo Samper, Nonresident Senior Fellow

Tamar Solnik, Director, Finance & Administration

Lisa Viscidi, Director, Energy Program

Denisse Yanovich, Director of Development and External Relations

Financial Services Advisor is published biweekly, with the exception of major holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005

www.thedialogue.org

ISSN 2163-7962

Subscription inquiries are welcomed at freetrial@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.