

## BOARD OF ADVISORS

**Diego Arria**  
Director, Columbus Group

**Devry Boughner Vorwerk**  
CEO,  
DevryBV Sustainable Strategies

**Joyce Chang**  
Global Head of Research,  
JPMorgan Chase & Co.

**Paula Cifuentes**  
Director of Economic & Fiscal Affairs,  
Latin America & Canada,  
Philip Morris International

**Marlene Fernández**  
Corporate Vice President for  
Government Relations,  
Arcos Dorados (McDonald's)

**Peter Hakim**  
President Emeritus,  
Inter-American Dialogue

**Donna Hrinak**  
Senior VP, Corporate Affairs,  
Royal Caribbean Group

**Jon E. Huenemann**  
Former Corporate and  
Government Senior Executive

**James R. Jones**  
Chairman,  
Monarch Global Strategies

**Craig A. Kelly**  
Senior Director, Americas  
Int'l 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

**Beatrice Rangel**  
Director,  
AMLA Consulting LLC

**Jaana Remes**  
Partner,  
McKinsey Global Institute

**Ernesto Revilla**  
Head of Latin American  
Economics, Citi

**Gustavo Roosen**  
Chairman of the Board,  
Envases Venezolanos

**Andrés Rozental**  
President, Rozental &  
Asociados

**Shelly Shetty**  
Managing Director, Sovereigns  
Fitch Ratings

## FEATURED Q&A

# Would the Escazú Agreement Improve the Environment?



Argentina last month ratified the so-called Escazú Agreement. Martín García Moritán, Argentina's then-ambassador to the United Nations, is pictured signing the accord in 2018. // File Photo: Argentine Foreign Ministry.

**Q** Argentina last month ratified a new regional environmental treaty, the so-called Escazú Agreement, which now needs just one more country in Latin America and the Caribbean to ratify it in order for it to come into force. What is the Escazú Agreement, and what are its most important and innovative elements? What would enactment of the treaty mean in practice, and what implications would it have for businesses operating in the region? What has held back countries' ratification of the environmental pact, and is it likely to come into effect soon?

**A** Leila Salazar-López, executive director of Amazon Watch: "The proposed Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean, also known as the Escazú Agreement, is a historic regional environmental treaty. Its purpose is to set new standards for protection of the environment and human rights in the region. If ratified, it would be the first international treaty to include specific measures for the protection of environmental rights defenders, a provision that is particularly important for Indigenous peoples across the Amazon who are increasingly under threat for defending their rights, lives and lands. Of the 23 countries that have signed the agreement over the last few years, 10 have ratified it: Antigua and Barbuda, Argentina, Bolivia, Ecuador, Guyana, Nicaragua, Panama, Saint Kitts and Nevis, Saint Vincent and the Grenadines, and Uruguay. It requires one more country to ratify it to enter into force. While the closing period for signatures on the agreement closed at the end of September, there is still hope for the pe-

Continued on page 3

## TODAY'S NEWS

### POLITICAL

## Chileans Vote Overwhelmingly to Rewrite Constitution

In Sunday's referendum, more than 78 percent voted to rewrite the country's dictatorship-era constitution. They also voted overwhelmingly for it to be written by a newly elected body.

Page 2

### BUSINESS

## Julius Baer to Withhold Bonuses Following Scandal

Julius Baer plans to hold back millions of francs in bonuses from two former executives following a money-laundering scandal in South America.

Page 3

### POLITICAL

## Venezuela's López Flees to Spain After Years of Confinement

Venezuelan opposition leader Leopoldo López, who has been in confinement for six years, fled Venezuela and was reunited with his family in Spain.

Page 2



López was reunited with his family. // Photo: Facebook site of López.

## POLITICAL NEWS

## Chileans Vote to Rewrite Constitution, 78 Percent in Favor

In Sunday's referendum, Chileans overwhelmingly voted to rewrite their country's constitution, with 78.3 percent saying the country needs a new charter to replace the current one, which was put in place four decades ago during the dictatorship of Augusto Pinochet, El Mercurio reported. At the same time, 79 percent voted to reform the constitution through a convention of 155 elected members, half of which will be women, rather than a convention that is half elected and half made up by members of Congress. The vote to elect the members of the convention is expected on April 11, and the new constitution is to be put to a vote in an plebiscite in 2022. In Santiago, thousands of people gathered to sing and wave flags in celebration of the vote. "This is historic," Roger Figueroa, 32, told The Wall Street Journal. "This isn't only a benefit for us, but for our children, grandchildren and the generations to come." Some Chileans have opposed a constitutional rewrite, saying the current charter has been a foundation for the country's economic progress through providing strong protections for private property and enshrining the autonomy of the central bank. However, others say the current constitution has hampered social reforms and is illegitimate because of its origins during the Pinochet dictatorship.

### CORRECTION

An article in Friday's Advisor misidentified the Argentine bondholder groups that criticized the country's government over its economic plans. The statement came from the Exchange Bondholder Group and the Argentina Creditor Committee. A third group, the Ad Hoc Argentine Bondholder Group, did not sign the statement. The "Ad Hoc Group of Argentina Exchange Bondholders," which was mentioned in the article, does not exist.

## Venezuela's López Flees to Spain After Years in Confinement

After years in confinement, Venezuelan opposition leader Leopoldo López has fled the country and arrived Spain, The New York Times reported Sunday. López, 49, had spent the last six years confined to jail, house arrest and, since he helped to lead a failed uprising against Venezuela's government in April 2019, in the Spanish ambassador's residence in Caracas. López arrived Sunday in Madrid, where he was reunited with family members, the Associated Press reported. Two people close to López told the wire service he fled Venezuela by sea on Friday, arriving first in Aruba. The sources spoke on condition of anonymity because they were not authorized to discuss López's escape, which reportedly came after months of planning. López's aides said his escape was not the result of negotiations with Venezuelan President Nicolás Maduro's government, the AP reported. Venezuela's SEBIN intelligence agency has detained several people at Spain's diplomatic mission in Caracas, including private security guards and a woman who served meals to López. On Saturday, SEBIN attempted to search the homes of Spanish National Police officers assigned to the Spanish diplomatic compound in Caracas, and Spain's government condemned that move, saying it violated the Vienna convention that governs diplomatic relations between countries. On Sunday, Venezuela's government criticized Spain saying it assisted the escape of López, whom it called a "terrorist." On Saturday night, López said leaving Venezuela was not "simple." He added, "We'll continue working day and night to attain the freedom that we Venezuelans all deserve." His Popular Will party added, "After seven years of persecution and unjust imprisonment inside Venezuela, Leopoldo López is still not totally free, like all Venezuelans, so long as there exists a dictatorship that violates the human rights of the people." In 2015, López was sentenced to nearly 14 years in prison after being convicted of inciting violence during deadly anti-government protests.

## NEWS BRIEFS

## Brazil's Health Regulator Authorizes Import of Sinovac's Potential Vaccine

Brazilian health regulator Anvisa said on Friday that it had authorized São Paulo's Butantan Institute, a biologic research center, to import six million doses of a Covid-19 vaccine candidate that China's Sinovac is developing, Reuters reported. CoronaVac, the potential vaccine, is still in phase 3 clinical trials in Brazil. Anvisa said it has not yet been registered for wider use. Brazilian President Jair Bolsonaro has opposed the import of the potential vaccine, saying China did not have the credibility to develop a vaccine for the virus, Bloomberg News reported.

## Colombian Vice President Ramírez Tests Positive for Novel Coronavirus

Colombian Vice President Marta Lucía Ramírez announced Friday that she had tested positive for the novel coronavirus. Ramírez, 66, took a test the previous day before a conference with provincial governors, her office said in a statement, which also said she had no symptoms and "is in good health." President Iván Duque was also tested for Covid-19 on Thursday, and the result was negative, his office said.

## Brazil's Bank Lending Grows 2.1% in September

Brazil's level of bank lending grew 2.1 percent in September as compared to August, driven by corporate loans, Reuters reported Friday. Corporate loans grew 3.1 percent, while loans to individuals increased 1.4 percent, according to the Brazilian banking association, Febraban. In the 12-month period ending in September, Brazil's bank lending grew 13.3 percent, up 1.2 percent from the 12-month period through August, Febraban said. Government loan programs to help small companies weather the economic downturn are fueling growth, it said.

## BUSINESS NEWS

## Julius Baer Holding Back Bonuses After Laundering Scandal

Swiss private banking company Julius Baer is planning to withhold millions of francs in bonuses from two of its former chief executives following a money-laundering scandal in South America during their times heading the wealth manager, the Financial Times reported Friday, citing sources familiar with the matter. The bank will withhold more than 2.5 million Swiss francs (\$2.8 million) of former CEO Boris Collardi's total deferred pay after an internal investigation concluded he failed to properly oversee the private bank, which has 400 billion in assets. Collardi left in 2017 after eight years leading Julius Baer. A spokesman for Collardi confirmed to the Financial Times an outstanding deferred cash compensation of about 1.3 million francs, adding that he was not aware of any other Julius Baer outstanding deferred compensation owed to Collardi. Julius Baer is also planning to withhold a similar amount from Bernhard Hodler, who was the former chief risk officer who succeeded Collardi before being replaced in 2019. Leadership of the wealth manager's Latin American business and compliance staff involved were also reportedly under investigation and will have some of their pay held back. Collardi is reportedly fighting the move. Hodler did not immediately respond to the Financial Times' requests for comment, and a spokesman for Julius Baer declined to comment. The Swiss Financial Supervisory Authority, or Finma, earlier this year penalized the company for not doing enough to combat money laundering in relation to the alleged cases of corruption linked to Venezuelan state oil company PDVSA and world soccer federation FIFA, International Investment reported. Finma ordered Julius Baer to pursue effective measures to comply with its legal obligations in fighting money laundering, including changes in how it recruits and manages client advisors, as well as in how it adjusts remuneration and disciplinary policies.

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

riod to be extended. Although the Peruvian government signed the Escazú Agreement, the ratification process was shelved earlier last week by the Foreign Relations Committee of Congress, alleging a 'violation of national sovereignty' and 'loss of state rights' over the Amazon due to business lobby claims of international NGO involvement, supposedly guided by the political interests of northern countries. In reality, national and international business interests are violating human rights and acting with impunity with government support. In Brazil, Bolsonaro's regime is actively undermining the kind of groundbreaking socioenvironmental reforms proposed by the Escazú treaty. It is precisely for this reason that upholding its tenets is urgently needed to protect the rights of threatened Indigenous peoples while ensuring transparency and public engagement in the country's development trajectory."

**A Paola Holguín, senator representing Colombia's ruling Centro Democrático party:** "As a senator, I swore to comply with the Constitution and the law while watching over the interests of my fellow citizens. With this in mind, I have always fought for issues such as sustainable development, legal security and sovereignty. Because of this, and after listening to various sectors in my country, I oppose the Escazú Agreement for several reasons. First, incorporating the agreement is a risk to national sovereignty. Article 7.3 of the agreement establishes that issues related to environmental matters will be subject to public participation, and this concept explicitly includes land use planning and policymaking. In other words, it limits local communities' rights to define their development projects and participate in the management of their territory, instead transferring it to their peers and even opening the doors to the judicialization of governmental, legislative or community decisions without internal procedures. Second, some articles of the agreement are contrary to Colombian

law and the international treaties Colombia has signed, including the protection of business information, private investment and trade secrets, as well as patents. Articles 2c, 2d, 6.9 and 7.17 of the agreement generate conflicts of interest by giving foreign citizens from member states equal access to

“**It limits local communities' rights to define their development projects and participate in the management of their territory...**”

— Paola Holguín

company information and documents. And third, the central protections for sustainable development in the agreement are already provided for in our legal system, such as the right of access to information, the right to participation and access to justice. Colombia's legal system is broad and sufficient to guarantee that we can produce while conserving, and conserve while producing, without falling into the so-called dictatorship of fundamentalist environmentalism."

**A Erika Guevara-Rosas, Americas director at Amnesty International:** "The Escazú Agreement is a binding instrument for Latin American and Caribbean (LAC) states, based on international standards that promote the protection of a healthy environment and those who defend it. This agreement complements rights such as access to information, justice and reparation, and it incorporates public participation in decision-making, applying all these principles to environmental protection. With this agreement, states must ensure access to administrative and judicial mechanisms for recourse in case of adverse environmental impacts, and effective mechanisms for disclosure and

Continued on page 4

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

access to information so that the public can demand more transparency, accountability and public participation from authorities on projects that affect the environment. It also emphasizes the protection of environmental defenders, which is particularly relevant since LAC is the world's most dangerous region for environmentalists. With regard to businesses, international law obligates states to protect against human rights violations committed in their territory and/or jurisdiction by nonstate actors. Therefore, states must legally require companies to provide information on the possible negative impacts of their activities on the environment and on human rights linked to environmental protection. This information should include measures to mitigate risks and prevent the negative impacts. The region overwhelmingly supports the Escazú Agreement (24 of the 33 countries have already signed it and just one more country needs to ratify it for it to enter into force). We are optimistic the treaty will be implemented soon, meaning that the region will start to properly respond to the climate emergency and the crisis of violence against environmental defenders."

**A** **Diana Chavez, executive director of the Private Sector Regional Centre for the Support of U.N. Sustainable Development Goals (SDGs):** "While the current conversation on development tries to place sustainability as a strategic factor for global progress and the achievement of the SDGs, Latin America still finds a rather asymmetrical conversation among multinational companies operating in international markets and the local authorities of communities that host these investments. The Escazú Agreement is the first Latin American multilateral environmental treaty aimed at

fostering transparency and more active civil society participation in natural resource projects. For the first time, a binding provision on human rights defenders in environmental matters has been introduced. The treaty provides a framework of societal expectations, confirming that access to information is an intrinsic part of the social media age. The discussion on Escazú takes place during a trying time that has clearly exposed chal-

“**For the first time, a binding provision on human rights defenders in environmental matters has been introduced.”**

— Diana Chavez

lenges the region faces. ECLAC estimates that 2.7 million formal businesses will close, and unemployment will affect 44 million people, mostly women. With a 54 percent rate of informality, it is clear that a substantive investment is required to guarantee an inclusive recovery. The private sector will play a decisive role through responsible investment that creates the conditions for growth and development. Rule of law, multilateralism and public-private relationships remain crucial for a successful implementation of the Escazú Agreement. Shall the state not have the capacity to balance the conversation and prevent subjective expectations derived from the agreement, it could prevent the 21st century from being marked by sustainability and transparency."

*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 © 2020

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

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

**Anastasia Chacón González**  
Reporter & Associate Editor  
[achacon@thedialogue.org](mailto:achacon@thedialogue.org)

 THE DIALOGUE

**Michael Shifter**, President  
**Rebecca Bill Chavez**, Nonresident Senior Fellow  
**Sergio Bitar**, Nonresident Senior Fellow  
**Joan Caivano**, Senior Advisor  
**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 Fiszbein**, Director, Education Program  
**Peter Hakim**, President Emeritus  
**Nora Lustig**, Nonresident Senior Fellow  
**Margaret Myers**, Director, Asia and Latin America Program  
**Manuel Orozco**, Senior Fellow  
**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, External Relations & Special Projects

**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 [ebrand@thedialogue.org](mailto:ebrand@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.