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FEATURED Q&A

Can Mexico and the U.S. Tackle the Root Causes of Migration?



Mexican Foreign Minister Marcelo Ebrard announced the Sembrando Oportunidades initiative after the "Three Amigos" summit took place last month. // File Photo: Mexican Government.

Q Last month the United States and Mexico announced Sembrando Oportunidades, a new plan to address the root causes and drivers of irregular migration from northern Central America. Through the bilateral agreement, each country's respective aid organizations are to coordinate development resources to support citizens to "build prosperous futures in their home communities." What kinds of programs and mechanisms are included in the Sembrando Oportunidades framework, and what are their expected effects on Central and North American migration patterns? What root causes and drivers of migration does this plan seek to address? What does the initiative, along with the Biden administration's revival of the so-called "Remain in Mexico" policy, mean for cooperation between Mexico and the United States on migration-related issues?

A Mileydi Guilarte, deputy assistant administrator in the Bureau for Latin America and the Caribbean at USAID: "USAID is committed to advancing the vision laid out by President Biden and Vice President Harris in the Root Causes and Collaborative Migration Management strategies launched in July 2021. We know that irregular migration from El Salvador, Guatemala and Honduras is the result of multiple challenges, including the lack of economic opportunity. Sembrando Oportunidades is a framework for efforts that are carried out jointly between USAID and the Mexican Agency for International Development and Cooperation (Amexcid) to address such drivers. Under this new framework, USAID and Amexcid will share development resources and expertise to provide hope and opportunity so that the peo-

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TODAY'S NEWS

ECONOMIC

Colombia Raises Rates Sharply to Stem Inflation

Colombia's central bank on Friday raised interest rates by 50 basis points to 3 percent, as the rate of inflation in recent months has risen above the government's target ceiling.

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BUSINESS

Foreign Firms Bid Strongly in Brazil Oil Auction

France's TotalEnergies, the U.K.'s Royal Dutch Shell, Malaysia's Petronas and Qatar Energy paid nearly \$2 billion for minority shares in offshore oil fields in Brazil's auction Friday.

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POLITICAL

Boric Defeats Kast in Chilean Presidential Vote

Leftist congressman Gabriel Boric, 35, became the youngest person ever elected president of Chile in Sunday's runoff vote, defeating far-right candidate José Antonio Kast with 56 percent of the vote to 44 percent for Kast.

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Boric // File Photo: via Twitter @gabrielboric.

POLITICAL NEWS

Boric Defeats Kast in Chilean Presidential Vote

Gabriel Boric, 35, became the youngest person ever elected president of Chile in Sunday's runoff vote, *La Tercera* reported. He defeated José Antonio Kast, a far-right candidate, by a larger margin than most polls had predicted, with 56 percent of the vote as compared to 44 percent for Kast. A leftist congressman, Boric also became the most voted-for president in the history of the country, receiving 4.6 million votes, surpassing the 4 million that Eduardo Frei received in 1993. A key to his success was the ability to draw out new voters, according to the report. More than a million additional voters turned out for Sunday's election than had voted in the first round. Both candidates courted moderate voters in the weeks leading up to the election. Kast conceded defeat as results came in Sunday, tweeting a photo of himself on the phone congratulating his opponent on his "grand triumph," the Associated Press reported. He later traveled personally to Boric's campaign headquarters to meet with the president-elect. Outgoing President Sebastián Piñera, a conservative, held a video conference with Boric to offer his government's full support during the three-month transition. In his victory speech, Boric said he will be president of "all Chileans." Earlier in his campaign,

Boric took aggressively progressive positions, such as a promise to fight climate change by blocking a proposed mining project, sparking fears that the country's critical mining sector could face a more difficult business climate. He also promised to end Chile's private pension system. The millennial president will have to contend with a Congress that is about equally split between left- and right-wing parties, *Agence France-Presse* reported. "Governing is going to be very, very difficult," Michael Shifter, president of the Inter-American Dialogue, told the wire service. The new president is "going to have to negotiate and make deals and alliances," he added.

ECONOMIC NEWS

Colombia Raises Rates to 3 Percent Over Inflation Fears

Colombia's central bank on Friday raised interest rates by 50 basis points to 3 percent. The peso's value jumped 1 percent at the news, as the Colombian and other Latin American central banks attempt to slow higher rates of inflation brought on by global forces unleashed by the still-spreading Covid-19 pandemic, *Reuters* reported. Colombia's government reduced its fiscal deficit target for 2021, citing a larger tax collection following an improvement in economic growth. "Inflation expectations have in-

NEWS BRIEFS

Peru's New Envoy to Washington Presents Credentials to Biden

Peruvian President Pedro Castillo's pick for ambassador to the United States, Oswaldo de Rivero Barreto, formally presented his credentials to U.S. President Joe Biden on Friday, state news agency *Andina* reported. The career diplomat previously served as permanent representative to the United Nations in New York City and had previously held the post as Peru's ambassador to the World Trade Organization.

Argentina Caps Corn, Wheat Exports to Slow Rise in Consumer Prices

The administration of Argentine President Alberto Fernández said Friday it was putting a cap on exports of corn and wheat in an effort to slow fast-rising prices for food at home, *Bloomberg News* reported. The government said that corn exports would be limited to 41.6 million metric tons, while wheat would be limited to 12.5 million metric tons, *In Freight News* reported. The South American country is the world's second largest corn exporter and a top global supplier of wheat. Argentina's annual inflation rate remains high at 51 percent, the government said last week, *Reuters* reported.

Jamaican Utility Regulator Looks Into Rate Increases

Jamaica's Office of Utilities Regulation (OUR) said Friday that it has stepped in to verify the details behind the country's state power and light company warnings to customers last week about pending higher bills due to rising fuel charges, the *Jamaica Gleaner* reported. The Jamaica Public Service company this month urged customers to conserve energy in order to limit their bills, saying higher commodity prices and the devaluation of the Jamaican dollar would lead to bigger bills in the weeks ahead.

FEATURED Q&A / Continued from page 1

ple of El Salvador, Guatemala and Honduras can confidently build their lives in their home communities. Our complementary efforts are set to begin in Honduras, where we aim to equip more than 500,000 at-risk youth in the country with skills and experience that can lead to long-term employment. Moving forward, we will grow our partnership to include agriculture and youth workforce development activities, pending the availability of funds. For example, in El Salvador

USAID plans to support Amexcid's Jóvenes Construyendo el Futuro program by linking scholarship opportunities as an option for youth graduating from Amexcid assistance. Amexcid also plans to assist small farmers through their agriculture and reforestation program, while USAID intends on connecting farmers with new and higher value market opportunities. *Sembrando Oportunidades* is the result of the common interest of both the United States and Mexico to address

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creased above the 3 percent target. That risks inducing an indexation process that would lead to higher inflation levels," Bloomberg News quoted a central bank statement as saying. Colombia's yearly inflation accelerated to 5.3 percent in October, its fastest pace since early 2017 and above the 3 percent target, the report added. Policy makers estimate the Colombian economy will grow nearly 10 percent this year, following a recession brought on by the pandemic and strict quarantine measures in 2020. "We have to continue adjusting upwards to bring it to a more neutral level, closer to monetary normality," central bank chief Leonardo Villar was quoted by Bloomberg as saying. "Conditions are no longer what we had in 2020 or early 2021 when we were facing a major recession," Villar added.

BUSINESS NEWS

Foreign Companies Bid Strongly in Brazil Offshore Oil Auction

In a closely watched oil auction on Friday, France's TotalEnergies, the U.K.'s Royal Dutch Shell, Malaysia's Petronas and Qatar Energy won large offshore fields in Brazil together with state-owned Petrobras, Reuters reported. The companies paid nearly \$2 billion to Brazil's government for the minority shares in the fields. The auction, which the government declared a success, was seen as a test of Brazil's investment climate and of large oil producers' willingness to keep spending big on traditional oil assets, according to the report. Two years ago, international oil companies shunned an attempted sale of the blocs. A second failure would have been an embarrassment for the administration of President Jair Bolsonaro, Bloomberg News reported. "I'd like to celebrate this process and the increase in the number of participants," Economy Minister Paulo Guedes told reporters at the auction. "More players means more investment and production." [Editor's note: See [Q&A](#) on Petrobras' five-year strategy in last week's Energy Advisor.]

RESEARCH ALERT

Time to Engage: Mobilizing the Private Sector for Health Emergencies Response and Recovery in the Americas

As the historic coronavirus pandemic stretches into a third year, the Inter-American Dialogue last month convened a high-level roundtable to discuss how the private sector can better address health priorities in the Americas.

This [rapporteur's report](#) identifies the circumstances that both private enterprises and governments faced during the pandemic. It then looks at specific challenges, such as an urgent backlog in patients suffering from non-communicable diseases and other non-Covid-19 related conditions that were prevented access to diagnosis, treatment or care during the pandemic. It describes a lack of trust between stakeholders that will have to be addressed to create a more resilient system for future health emergencies. Lastly, the report concludes with policy recommendations, such as collaborating at both the subnational and global levels, improving data sharing, encouraging dialogue between the private and public sectors to boost trust, and generating new sources of funding countries in the region to address a lack of investment in health.

Key Takeaways:

The private sector has played a key role in producing essential medical supplies, providing valuable data for policymaking and collaborating with public health services to improve patients' access to care. In future emergencies, the private sector must be prepared to expand production and ensure an adequate reserve of basic medical supplies.

The private sector will be essential in creating responses to future emergencies and finding solutions to long-term health care issues, as well as initiating a digital transformation of the health sector to improve information sharing.

Stakeholders should act now to create new designs for public and private sector cooperation, before the next health emergency.

Governments must begin prioritizing soft infrastructure projects in health and education and coordinate world-wide on regulations and priorities. Non-governmental organizations must seek to collaborate at the sub-national level with governments.



For the 2021 Leadership for the Americas Gala, the Inter-American Dialogue convened public and private sector leaders in a high-level roundtable discussion on the topic *Time to Engage: Mobilizing the Private Sector for Health Emergencies Response and Recovery in the Americas*. In the midst of a historic pandemic, the roundtable offered participants an opportunity to listen to the concerns and recommendations of diverse viewpoints on how to best address challenges facing healthcare systems across Latin American and the Caribbean. The leaders participating in the roundtable concluded that continued dialogue and planning between private business, public institutions at both the national and subnational level, and citizens on topics ranging from data sharing to healthcare investment will be necessary to create a strong and resilient health ecosystem for the future.

This report begins by discussing the challenges and solutions that both private enterprise and governments faced during the pandemic. Then, the report will discuss specific challenges, such as an urgent backlog in patients suffering from non-communicable diseases and other non-Covid-19 related conditions that were prevented access to diagnosis, treatment or palliative care during the pandemic, and a lack of trust between stakeholders that will have to be addressed to have a more resilient system for future health emergencies in the region. Lastly, the report will outline policy recommendations, such as collaborating at both the subnational and global levels, improving data sharing, encouraging dialogue between the private and public sectors to boost trust, and generating new sources of funding for Latin American and Caribbean countries to address a lack of investment in health.

Key Takeaways:

- In the pandemic, the private sector played a key role in developing and manufacturing essential medical supplies, providing valuable data for policymaking and collaborating with public health services to improve patients' access to care. In future emergencies, the private sector must be prepared to expand production and ensure an adequate reserve of basic medical supplies.
- The private sector will be essential in creating responses to future emergencies and finding solutions to long-term health care issues, as well as initiating a digital transformation of the health sector to improve information sharing.
- Stakeholders should act now to create designs for public and private sector cooperation before the next health emergency, enabling governments to quickly implement effective and collaborative response plans.
- Governments must begin prioritizing soft infrastructure projects in health and education and coordinate world-wide on regulations and priorities. Non-governmental organizations must seek to collaborate at the sub-national level with governments.

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irregular migration from the region, and represents our joint commitment to foster more inclusive and sustainable development in northern Central America.”

A **Andrew Rudman, director, and Rachel Scalisi, graduate intern, of the Mexico Institute at the Wilson Center:** “A fusion of Mexican President Andrés Manuel López Obrador’s signature *Sembrando Vida* and *Jóvenes Construyendo el Futuro* development programs, the *Sembrando Oportunidades* framework released by the United States and Mexico promises to address the economic and environmental issues that fuel irregular migration from Central America. USAID and Amexcid plan to expand Mexico’s current agricultural projects for farmers, as well as workforce development activities for at-risk youth, beginning in Honduras, with the goal of creating sustainable economic opportunities at home for would-be migrants while fostering environmental sustainability. This goal is consistent with ECLAC’s overall regional development objective to make migration an option, not an obligation. The *Sembrando Oportunidades* initiative, coupled with the Biden administration’s coerced revival of the Migrant Protection Protocols (MPP), underscores the ‘inter-estic’ nature of migration policy as does the (not-so) coincidental timing of the creation of *Sembrando Oportunidades* and the revival of the MPP. U.S. financial and technical support for AMLO’s signature programs suggest the recognition of Mexico’s support for U.S. migration policies in the short-term. Mexican enforcement cooperation provides Mexico with significant leverage that AMLO may draw upon in response to perceived U.S. intervention in Mexican domestic policy (for example, electricity reform). While the announcement of the framework provides a generic plan, it does not include specific funding commitments. This makes it difficult to assess at this time whether *Sembrando Oportunidades* will ultimately reduce migration flows in the long term, or if it will

be seen as a U.S. effort to ‘throw money at the problem’ to ensure Mexico’s short-term cooperation on migration policy.”

A **Nicolás Mariscal, member of the Advisor board and chairman of Grupo Marhnos in Mexico City:** “*Sembrando Oportunidades* is an agreement that emanates from each country’s strategies for the region: the U.S. Strategy for Addressing the Root Causes of Migration in Central America; and Mexico’s *Sembrando Vida* and *Jóvenes Construyendo el Futuro* programs. The plan seeks to address the root causes of migration such as corruption, violence, poverty and extreme weather conditions. The first main mechanism under this agreement is that of scholarships and job training for youth, which is based on the *Jóvenes Construyendo el Futuro* program. This will be financed by Amexcid, USAID and the International Organization for Migration. Another main mechanism is financial support for small farmers to plant trees. This is based on the controversial *Sembrando Vida* program, which according to experts has promoted deforestation in some regions of Mexico. A third primary mechanism of this agreement is to help farmers access new high-value market opportunities and conditional cash transfer pilot projects, which will be led by USAID. As part of a broader strategy led by the United States in alliance with the U.N., other countries’ governments and private and social sectors, there will also be actions to strengthen political will for structural reforms, to address economic insecurity through calls on businesses to invest in the region, to combat corruption through an Anticorruption Task Force, to counter violence through the prosecution of transnational criminal operations and to reinforce disaster response capabilities. The initiative aims to reduce migration to the United States from Southern Mexico, Guatemala, Honduras and El Salvador. It will also reduce pressure from Mexico’s government due to the reactivation of the ‘*Quédate en México*’ program.”

LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue ISSN 2163-7962

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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

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