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THEDIALOGUE

FEATURED Q&A

What Should Be Done to Improve Food Security?

Colombia, Haiti and Honduras are among the countries experiencing concerning levels of hunger, according to the U.N. Food and Agriculture Organization. A community food program in the Colombian city of Cali is pictured. // File Photo: City of Cali.

Q In a report released in late January, the United Nations Food and Agriculture Organization (FAO) put three Latin American and Caribbean countries on its "hunger hotspot" list: Colombia, Haiti and Honduras. While there are multiple factors at play, the FAO cited high rates of unemployment and inflation as well as weakened currencies that have depressed purchasing power as three reasons for rising hunger. What should be done to improve food security for the most vulnerable populations in these countries? What role can international actors play to mitigate the situation? What can the private sector do differently in order to address the problem? Are pandemic-related developments, such as global supply chain bottlenecks, having a big impact on food insecurity in the region, or are the reasons for rising hunger in these countries likely to continue when those are resolved?

A Diana Chávez, executive director of the Private Sector Regional Centre for the Support of U.N. Sustainable Development Goals: "As the FAO Hunger Hotspots report confirms, the world is not yet on track to achieve zero hunger by 2030, which is one of the U.N. sustainable development goals. Latin America is the region that has experienced the largest economic losses in GDP terms due to the Covid-19 pandemic. The FAO report illustrates the situations of Colombia, Honduras and Haiti. These countries have markedly different average annual incomes—Colombia stands at about $5,300, Honduras at $2,300 and Haiti at $1,200, according to World Bank figures. Despite their differences, all have experienced a weakening currency, rising food prices

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TODAY'S NEWS

ECONOMIC

Int'l Donors Pledge $600 Mn for Haiti Relief

The United States, European Union and others pledged $600 million in funds for Haiti to help the Caribbean nation following a massive earthquake last August.

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Mexico's CFE to Launch Tender for Coal Purchases

Mexican state-owned electric utility CFE said it will launch a tender for purchases of coal and hopes to sign multi-year contracts for the commodity.

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POLITICAL

Brazil's Bolsonaro Vows 'Solidarity' With Russia

Brazilian President Jair Bolsonaro met Wednesday with Russian President Vladimir Putin and declared that the South American country was in "solidarity" with Moscow. The visit comes amid heightened concerns about a potential Russian invasion of Ukraine.

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Bolsonaro met with Putin on Wednesday in Moscow. // Photo: Brazilian Government.

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POLITICAL NEWS

Brazil's Bolsonaro Meets With Putin, Pledges 'Solidarity'

Brazilian President Jair Bolsonaro met with Russian President Vladimir Putin on Wednesday in Moscow, declaring that the South American country was in "solidarity" with Russia, The Washington Post reported. Bolsonaro's visit to Moscow had been planned since December, before concerns by the West heightened about Russian troop buildups near the country's border with Ukraine and the potential for a Russian invasion. Bolsonaro did not specify how exactly Brazil stood in solidarity with Russia, but his trip there is likely to be seen as tacit support for Moscow amid growing concerns that it could start a war in Europe, The Washington Post reported. On Wednesday, Putin called Brazil Russia's "leading partner" in South America, adding that the two countries have "friendship and mutual understanding," Agence France-Presse reported. Putin described his talks with Bolsonaro as "thorough and constructive," and the Kremlin released a statement saying the two presidents had agreed on closer cooperation on energy and trade issues. The Kremlin added that Bolsonaro and Putin "share the opinion that conflicts should be resolved through peaceful and diplomatic means." Bolsonaro said Wednesday that he and Putin spoke about Ukraine, but he said the only message he conveyed was that Brazil wanted a peaceful outcome, Reuters reported. "I told Putin that Brazil supports any country that seeks peace. And that's his intention," Bolsonaro told reporters after meeting with Putin. Also on Wednesday, Venezuelan President Nicolás Maduro met in Caracas with Russian Deputy Prime Minister Yuri Borisov and pledged a "powerful military cooperation," the Associated Press reported. "We have reviewed the powerful military cooperation, and we have ratified the path of a powerful military cooperation between Russia and Venezuela for the defense of peace, of sovereignty, the defense of territorial integrity," Maduro told reporters. "We are going to increase all the preparation, training and cooperation plans with a military power in the world such as Russia," he added. Maduro said he and Borisov also discussed economic ties, trade and tourism. Russia has been working to deepen ties in Latin America, Fabiana Perera, an adjunct professor at Georgetown University, told the Advisor in a **Q&A** published Feb. 1. "Russia's influence in Latin America has grown steadily in the diplomatic and security spheres, though its economic ties pale in relation to other competitors," she said.

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and a reduction in employment. These phenomena all contribute to poverty and undermine the United Nations' zero hunger goal. The United Nations' 2030 agenda includes 17 goals for sustainable development that provide a framework for economic, social and governance (ESG) strategies to promote inclusive and sustainable economic growth through multi-stakeholder collaboration. The 2030 agenda aims to combat inequalities and affirms a strong commitment to the disaggregation of data. The private sector has proven its capacity to respond to uncertainty—keeping operations on track and taking an active role as social actors and by embedding ESG strategies in their business models. The public sector can leverage private sector contributions, helping to manage risk and provide insights into effective policy and practice. Policymakers in Colombia, Haiti and Honduras must keep in mind that promoting development requires sound cooperation policies with the private sector, multilateral organizations and civil society to facilitate strategic decisions on how to foster a sustainable economic recovery. Zero hunger has a basic and powerful tenet: to improve conditions in society by offering secure access to food. The successful implementation of the U.N. agenda will prevent civil unrest and help increase productivity and competitiveness."

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NEWS BRIEFS

At Least 94 Killed in Landslides in Brazilian City of Petrópolis

At least 94 people were killed in the Brazilian city of Petrópolis after heavy rains caused landslides that engulfed homes, carried away cars and flooded streets, local officials said Wednesday, CNN reported. Rain that fell on Tuesday afternoon exceeded the historical average for the entire month of February, said the Civil Defense of Rio de Janeiro. Brazil's National Civil Defense said it had rescued 24 people, but added that more than 400 people had lost their homes.

Judge Rules Honduras' Hernández Must Remain in Custody for a Month

Former Honduran President Juan Orlando Hernández must remain in custody in Tegucigalpa for at least a month while a U.S. extradition case against him proceeds, a judge in the country's capital ruled Wednesday, Agence France-Presse reported. Hernández is wanted on drug trafficking charges in the United States, and U.S. Secretary of State Antony Blinken alleged last week that the former president used "the proceeds of illicit activity to facilitate political campaigns." Hernández has denied wrongdoing.

Ecuador's Mining Exports Nearly Double to $2.09 Bn

Ecuador's 2021 mining exports nearly doubled in value to $2.09 billion compared to the $1.05 billion registered in 2020, the country's Ministry of Energy said in a statement Wednesday, Reuters reported. The government had initially projected that mining exports would be worth $1.6 billion in 2021. Mining is now Ecuador's fourth largest source of export income, following oil, bananas and shrimp, Reuters reported. The government expects the value of mining exports to rise to $4 billion by 2025.

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ECONOMIC NEWS

International Donors Pledge $600 Million for Haiti Relief

The United States and the European Union, among others, pledged $600 million in additional funds on Wednesday to aid hundreds of thousands of Haitians continuing to struggle following a 7.2 magnitude earthquake last August, the Associated Press reported. The pledges, which were made during a conference hosted by the United Nations and the Haitian government, failed to meet the international effort to raise $2 billion for the Caribbean country following the earthquake, which killed at least 2,200 people. Haitian Prime Minister Ariel Henry thanked international donors and said his government "is doing all it can with the means it has," the AP reported. Amina Mohammed, a deputy U.N. secretary general, also praised donor countries for their aid commitments, saying that "These contributions, large and small, demonstrate that the international community is committed to a new approach to working with the government and the people of this country," Agence France-Presse reported. Though the $600 million figure corresponds to only 30 percent of necessary funding to rebuild the areas most affected by the earthquake, it is higher than the 25 percent that had been expected for the meeting, AFP reported.

BUSINESS NEWS

Mexico's CFE to Launch Tender for Purchases of Coal

Mexico's state-owned electric utility, CFE, said it will soon launch a tender to purchase coal and hopes to sign multiple-year contracts for the fuel, Mexico Business News reported Tuesday. The utility said its expansion into coal was modest, as coal fired electricity plants would make up only a small percentage of all energy that supplies the electrical grid. The move would see the electricity produced by coal rise from the current rate of 4 percent to about 10 percent, BNAmericas reported Wednesday. CFE said the details of the 2022 coal tender will be made public in coming weeks.

THE DIALOGUE CONTINUES

Will the Dominican Republic Keep Seeing Strong Economic Growth?

Q The Dominican Republic's economy grew more than 12 percent last year, the central bank announced on Feb. 2. While the country's economic growth has strongly rebounded from the economic depths of the Covid-19 pandemic with statistics that are better than a large part of the region, poverty and extreme poverty continue to be a significant issue in the Dominican Republic, the U.N. Economic Commission for Latin America and the Caribbean said in a report released in January. While there has been an overall decrease in poverty over the past five years, there have been upticks in extreme and total poverty since 2019. Why have poverty levels increased while the country is experiencing such strong growth? How well has President Luis Abinader been managing the Dominican Republic's economy, and what more should he be doing to strengthen financial conditions for Dominicans? Which sectors of the Caribbean nation's economy have been the most critical to its recovery from the pandemic?

A Kelli Bissett-Tom, director for Americas sovereign ratings at Fitch Ratings: "The Dominican Republic's ('BB-'/Stable) macroeconomy undoubtedly remains a credit strength. The policy-stabilizing measures during the pandemic—including household transfers and liquidity facilities to businesses—plus strong hard-currency inflows from other sources (higher U.S. remittances, manufactures and metals exports) preserved the economy through the 6.7 percent recession in 2020. The reopening of tourism and the rise of private investment amid strategic steps to increase confidence in the business climate contributed to the 12.3 percent GDP recovery in 2021. In the fourth quarter of 2021, the number of nonresident tourists was 114 percent of its volume in the fourth quarter of 2019, despite Omicron. The economic resiliency, budget belt-tightening and energy efficiencies led us to revise the 'BB-' outlook to stable in December. We expect rising investment to drive GDP growth of 5.7 percent in 2022 and 5.3 percent in 2023 (above the averages of 2.7 percent for Latin America and 3.7 percent for the 'BB' median in 2022-2023). Institutional strengthening, policies to shift greater local institutional investment toward the local private capital market, efforts to increase private investment (including foreign direct investment) in strategic sectors and infrastructure, and the nearshoring opportunities for U.S. supply chains are driving firm investment expectations. We expect FDI flows into tourism and manufacturing in 2022-2023 to add to private investment in the electricity system, mining and real estate. The authorities expect up to $6.115 billion in private investment between 2022 and 2023, about $3.38 billion of which is through private investment in mass transport or public-private partnerships under the Dominican Republic's new legal framework. The central bank estimates that FDI rose last year by 17 percent to nearly $3 billion, 3.2 percent of GDP, up from $2.5 billion in 2020."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in the Feb. 15 issue of the Advisor.

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Adrian Hearn, professor of Spanish and Latin American Studies at the University of Melbourne: "Despite the efforts of governments, the private sector and civil society to stimulate economically viable agriculture systems, progress has been slow. The FAO's warning of 'hunger hotspots' in Colombia, Haiti and Honduras, as well as other Central American nations, signals the need for fresh thinking about the scale and purpose of agriculture in the region. The World Trade Organization's 1993 Agreement on Agriculture has created favorable conditions for private investment and the expansion of farms, contributing to GDP growth. But while food exports have increased, investment and technical support for farmers who produce for domestic markets has been insufficient. This imbalance has weakened the ability of Colombia, Haiti and Honduras to confront international price fluctuations, economic downturns, droughts and floods, social unrest, Covid-19 and other problems. In Colombia, the inflation of consumable foods averaged 17.2 percent in 2021, compared to general inflation of 5.6 percent. Basic food constitutes 45 percent of household expenditure for refugees (particularly from Venezuela) compared to 29 percent for permanent residents. Haiti and Honduras also face rising inflation, compounded by natural and climate-related disasters and the pandemic, putting mothers and infants particularly at risk. These pressures underscore the need for more locally accessible food options, which the private sector and international actors could help to fill. Market demand for fresh, locally produced food is increasing among the region's growing populations, and it is augmented by government procurement. Opportunities to engage local governments and domestically oriented private farmers are emerging for investors who seek economic returns alongside positive social and environmental impacts."

Monica Ganley, principal at food and agriculture firm Quarterra Consulting & Advisory: "Food security is a critical issue across Latin America as it underpins the region's stability. In a region that is already exposed to many forms of turbulence, ensuring that the population has access to a continuous and affordable food supply is not only a moral imperative, but also a key ingredient to ensure that the proper conditions exist for future social and economic advancement. Therefore, it is of tremendous interest both to sovereign governments within the region, as well as other interested international actors, to ensure that the issue of hunger is addressed comprehensively across Latin America. The impact of Covid-19 has been particularly hard on the region, and even as caseloads wane and vaccination programs progress, the economic scars of the pandemic will last well into the future. While the current environment of galloping inflation and deteriorating domestic currencies has exacerbated the issue, the underlying causes of food security existed well before the pandemic and will persist unless fundamental steps are taken to promote domestic agriculture, embrace agricultural trade, develop robust food supply chains and implement policies that bolster consumer purchasing power. It was instructive that many countries experienced success with wealth transfer programs during the most uncertain moments of the pandemic. But these programs were temporary, and as they have been repealed, people have once again been plunged into food insecurity at a time of rapidly rising prices and great economic uncertainty. Future solutions should capitalize on learnings from pandemic programs while emphasizing long-term viability."

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at **gkuleta@thedialogue.org**.

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