A DAILY PUBLICATION

THEDIALOGUE

Latin America Advisor

www.thedialogue.org

Friday, August 1, 2025

BOARD OF ADVISORS

Merike Blofield
Professor of Political Science,
University of Hamburg

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

Peter Hakim
President Emeritus,
Inter-American Dialogue

Donna Hrinak
Former Senior Vice President,
Royal Caribbean Group

Jon E. Huenemann
Council Member,
GLG Inc.

James R. Jones
Chairman,
Monarch Global Strategies

Craig A. Kelly
Senior Director, 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

Ernesto Revilla
Head of Latin American
Economics, Citi

Gustavo Roosen
President,
IESA

Andrés Rozental
President,
Rozental & Asociados

FEATURED Q&A

What's Behind Cristosal's Exit From El Salvador?

Human rights group Cristosal last month suspended its operations in El Salvador. Plaza Libertad in San Salvador is pictured. // File Photo: robnaw via Adobe Stock.

Q Human rights nongovernmental organization Cristosal has suspended its operations in El Salvador and removed at least 20 employees from the country amid pressure from the government of President Nayib Bukele, representatives for the group announced July 17. Cristosal, which Anglican priests founded in 2000, has investigated corruption allegations in Bukele's administration. What's behind Cristosal's decision to leave El Salvador? What does the move reflect about the state of civil society under the Bukele administration? How do Bukele's actions toward nongovernmental organizations compare to those taken by other sitting heads of state in Latin America?

A Eric Jacobstein, former U.S. deputy assistant secretary of state for Western Hemisphere affairs and senior fellow at the Inter-American Dialogue: "Cristosal—which has been at the forefront of advancing justice and the rule of law in Central America since 2000—made the right decision in leaving El Salvador, given the threats it faces from the Bukele administration and the arbitrary detention of its anti-corruption and justice unit chief, Ruth López. That decision, and Cristosal's broader mission, were further validated on July 28, when the highly reputable and nonpartisan American Bar Association announced that López will receive its 2025 International Human Rights Award—recognition of Cristosal's vital work exposing human rights abuses and corruption in El Salvador. Cristosal's departure sends a clear message to the international community—including both Republicans and Democrats in the U.S. Congress—that dissent in El Salvador comes at a cost. Just like the many Cubans, Venezuelans and Nicaraguans who

Continued on page 3

TODAY'S NEWS

ECONOMIC

U.S., Ecuador Agree to New Security Deal

The U.S. and Ecuadorean governments on Thursday signed a new security agreement to strengthen cooperation against transnational criminal groups.

Page 2

ECONOMIC

Trump Delays Higher Tariffs for Mexico, Hits Canada With 35%

U.S. President Donald Trump delayed for 90 days implementation of higher tariffs on imports from Mexico, but imposed 35 percent levies on imports from Canada.

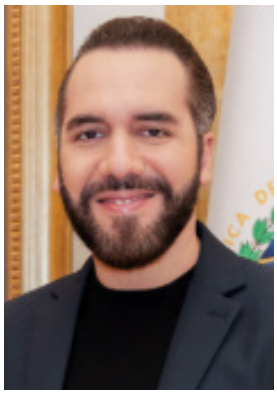
Page 3

POLITICAL

El Salvador Moves to Scrap Presidential Term Limits

El Salvador's Legislative Assembly on Thursday approved constitutional changes to scrap presidential term limits. The move would allow President Nayib Bukele to run for re-election indefinitely.

Page 2



Bukele // File Photo: Salvadoran Government.

COPYRIGHT © 2025, INTER-AMERICAN DIALOGUE

POLITICAL NEWS

El Salvador Approves Scrapping Term Limits for President

El Salvador's Legislative Assembly, which is dominated by the party of President Nayib Bukele, on Thursday overwhelmingly approved constitutional changes that will allow indefinite presidential re-election and also extend the president's term to six years, the Associated Press reported. The changes, which were approved on a vote of 57-3, also include eliminating runoff votes in presidential elections, the wire service reported. Legislator Ana Figueroa of Bukele's New Ideas party proposed the legislation that changes five articles of the country's constitution. Figueroa said federal lawmakers and mayors can already seek indefinite re-election. "All of them have had the possibility of re-election through popular vote, the only exception until now has been the presidency," she said, the AP reported. She added, "The people will decide, however many times they want, whether to continue backing the path of transformation that our nation is living through," The Wall Street Journal reported. The changes, which require a second vote by the National Assembly for ratification, were approved on Thursday in less than an hour, the newspaper reported. The opposition's Marcela Villatoro was one of the three lawmakers to vote against the changes. "Democracy in El Salvador died today," she said, The Wall Street Journal reported. Bukele was first elected in 2019. He won re-election last year with nearly 85 percent of the vote after the country's Supreme Court, which Bukele's allies filled with new judges, in 2021 ruled that the president could be elected to consecutive terms. The move drew international condemnation from critics who said the move violated the constitution. Bukele has been extremely popular in El Salvador amid his tough treatment of violent gangs. The country's homicide rate dropped last year to a record low, but its mass incarcerations under Bukele have drawn criticism from human rights groups, the AP reported.

U.S., Ecuador Sign Deal on Bolstering Security Cooperation

The U.S. and Ecuadorean governments on Thursday signed an agreement to strengthen security cooperation against transnational criminal groups, the Associated Press reported. The deal, which was signed during a visit by U.S. Homeland Security Secretary Kristi Noem to Ecuador, makes it easier for the two countries to exchange information on criminals, as well as on risk assessments related to travelers and cargo. The efforts are "crucial steps to improve security and ensure that migration is carried out within the framework of the law," Noem said, the AP reported. The deal comes amid efforts by the administration of U.S. President Donald Trump to strengthen regional cooperation to fight transnational criminal organizations; the administration designated the Venezuelan Tren de Aragua gang as a terrorist group earlier this year. Ecuador has seen escalating violence in recent years. Last year, the country's homicide rate stood at 38 per 100,000 residents, more than six times its level in 2024, CBS News reported last week. Among the latest incidents of violence, gunmen killed 17 people and injured 11 others in an attack at a bar in Guayas province, Reuters reported. President Daniel Noboa last year declared an "internal armed conflict" with criminal groups. The country's interior ministry said the number violent deaths declined 15 percent last year as compared to 2023, but that rate surged 47 percent in the first six months of this year as compared to the same period last year, hitting 4,619, Reuters reported. In June, the country's National Assembly approved a reform that allows the government more power to confront criminal groups and dismantle drug-trafficking rings. "The connections between Ecuador's gangs and transnational organized crime and systemic failures in its criminal justice institutions—that is, the police, courts and prisons—are still present and unresolved," Hernán Flom, senior lecturer in the Department of Political Science at Trinity College, told the Advisor in a **Q&A** published March 7.

NEWS BRIEFS

Judge Blocks Ending Protections for Migrants From Three Countries

A federal judge in northern California on Thursday blocked the administration of U.S. President Donald Trump from revoking deportation protections from more than 60,000 people from Honduras, Nicaragua and Nepal, The New York Times reported. Judge Trina L. Thompson's order delays until at least November the Department of Homeland Security's recent move to terminate Temporary Protected Status from citizens of the three countries, according to the newspaper.

One Killed, Work Halted at Chile Mine in Chile After Earthquake

Chilean state-owned mining company Codelco said Thursday that it had shut down its El Teniente copper mine after a worker was killed when the area was hit by an earthquake, The New York Times reported. The worker, Paulo Marín Tapia, was killed in a partial collapse as a result of the 5.0-magnitude earthquake.

Chevron to Give Portion of Oil Production in Venezuela to Gov't: Report

As part of its new arrangement allowing full-scale oil production and export operations in Venezuela, U.S. oil major Chevron has agreed to hand over an undisclosed share of oil output directly to the government of Venezuelan President Nicolás Maduro, people with knowledge of the matter told Bloomberg News on Thursday. The plan would satisfy the U.S. State Department's demand that Maduro not directly benefit from the resumption of multinational oil company activity in the country, but it would still ultimately lead to a revenue boost for the Venezuelan government, Bloomberg News reported.

COPYRIGHT © 2025, INTER-AMERICAN DIALOGUE

ECONOMIC NEWS

Trump Delays Higher Tariffs on Mexico, Hits Canada With 35%

U.S. President Donald Trump on Thursday paused implementation of higher tariffs on imports from Mexico for 90 days, but ordered higher levies on imports from Canada, effective today, The Guardian reported. Trump announced the delay on the higher tariffs on goods from Mexico after speaking by phone with Mexican President Claudia Sheinbaum, CNN reported. For now, goods from Mexico will continue to face 25 percent tariffs unless they comply with the USMCA trade accord. In raising tariffs on Canadian goods to 35 percent from 25 percent, the White House said Canada had failed to "do more to arrest, seize, detain or otherwise intercept ... traffickers, criminals at large and illicit drugs," the Associated Press reported. Also on Thursday, Trump signed an order imposing new tariffs on imports from numerous other trading partners, including 15 percent levies on imports from Bolivia, Ecuador and Guyana, which are to take effect Aug. 7.

BUSINESS NEWS

Grupo Cox Buys Iberdrola's Mexico Holdings for $4.2 Bn

Spanish water distribution and energy firm Grupo Cox has purchased Bilbao-based utility giant Iberdrola's remaining holdings in Mexico for $4.2 billion, Cox announced in a statement on Thursday. Iberdrola had sold some of its assets last year to Mexico's government for $6 billion; the firm was looking to shed its remaining power plants in the country in response to recent regulatory changes, Spanish newspaper El Confidencial reported last week. Cox is now set to take over Iberdrola's remaining 2.5 gigawatts of power capacity in Mexico, in addition to a pipeline of 11.8 gigawatts worth of new electricity generation projects that are currently under development across various energy sources. Cox plans to invest an additional $4 billion on power projects in Mexico by 2030 in order to bring these projects to operational status, the firm said. The company will fund 75 percent of its acquisition of Iberdrola Mexico with debt and the rest with equity, Reuters reported.

FEATURED Q&A / Continued from page 1

for years have been forced into exile out of fear of government retaliation, Salvadoran nongovernmental organizations must now consider the risks of speaking up. With increasingly shrinking civic space in El Salvador and emerging reports of torture in the CECOT prison from the now-released Venezuelan detainees, the Salvadoran government finds much of the international community considering it indistinguishable from other authoritarian governments in the region. Of course, the Bukele administration can change course and promote foreign investment in the country by both permitting civil society organizations to operate without interference and allowing for a full return to due process. Without a significant shift, El Salvador will continue to be seen in the same light as the leftist authoritarian countries in Latin America and the Caribbean from which so many have fled."

Ellen Moodie, associate professor of anthropology and director of Global Studies at the University of Illinois at Urbana-Champaign: "Today only one Cristosal staff member remains in El Salvador: Ruth López, the internationally renowned head of the anti-corruption unit. Bukele's police arrested her in May, accusing her of illicit enrichment while a public employee. Her treatment adheres to conditions set by the state of exception, renewed 40 times in a 'war on gangs' that suspends constitutional protections. More than 2 percent of El Salvador's adult population is in prison. Polls show the majority of Salvadorans support Bukele—but they also say they fear criticizing the government. Cristosal has not been afraid. It has documented numerous human-rights violations—notably, torture and death in the penitentiary system. López led investigations exposing corruption, including the misuse of public funds to surveil journalists and human rights defenders. Before a court hearing she shouted, 'I am a political prisoner!' López's arrest was a 'breaking point,' Cristosal director Noah Bullock said. 'In the total absence of any institutions where we could defend ourselves—without minimal rule of law and due process—we felt we couldn't continue to expose the organization and its staff,' he added. 'In Bukele's narrative, there are no activists, journalists, cooperatives or environmentalists,' the digital newspaper El Faro recently editorialized. 'There are opponents.' Legislators in June passed a law to foil those opponents. It heavily taxes nongovernmental organizations with foreign funding, including El Faro and Cristosal. It prohibits such organizations from any kind of political activities—crippling a weak civil society. The law echoes similar moves under the dictator Daniel Ortega in neighboring Nicaragua, as well as in Peru. Still, throughout Latin America, civil society is under threat. In Brazil, Colombia, Guatemala, Honduras and Mexico, journalists, environmental defenders, Indigenous communities and human rights groups are encountering repression, just as in El Salvador."

> **"Polls show the majority of Salvadorans support Bukele—but they also say they fear criticizing the government."**
>
> **— Ellen Moodie**

Continued on page 4

COPYRIGHT © 2025, INTER-AMERICAN DIALOGUE

FEATURED Q&A / Continued from page 3

R. Elizabeth Velásquez Estrada, residential fellow at the National Humanities Center and assistant professor of Latina/Latino Studies at the University of Illinois at Urbana-Champaign: "Cristosal may be leaving El Salvador, but it is not abandoning El Salvador. The capture of Cristosal's human rights attorney, Ruth López, is part of a wave of arrests beginning with lawyer and environmental activist, Alejandro Henriquez, and the peasant leader and pastor, José Angel Pérez, who were working against the eviction of 300 rural families from their lands. These arrests reflect a level of harassment and persecution that makes it impossible to operate openly within the borders of the country.

Two years ago, the renowned investigative newspaper El Faro relocated to Costa Rica. In June, prominent El Diario de Hoy Journalist Paolo Luers confessed to readers that he was hiding outside the country. The growing consensus is that organized opposition to Bukele cannot survive within the boundaries of El Salvador. Ruth López's arrest occurred under El Salvador's regime of exception law, implemented as part of the war on gangs, which has been renewed at least 38 times. According to El Salvador's National Assembly press office, this measure suspends constitutional guarantees, including freedom of association and assembly, privacy of communications and the right to be informed of the reasons for detention or brought before a judge within 72 hours. The fear that opposition political leaders, journalists and NGOs have experienced is now being more generally felt throughout the country. A poll by the University Institute of Public Opinion at José Simeón Cañas Central American University found that 58 percent of Salvadorans fear retaliation if they express disapproval of the government, and 48 percent believe critics could face arrest and imprisonment. This fear reflects a society that doesn't feel free to exercise its constitutional rights.

Cristosal's roots are in the Anglican Church. Generally, church-based organizations have not been the recent target of sitting heads of state in Latin America. The exception is Nicaragua's president, Daniel Ortega, who has targeted both the Catholic Church and evangelical groups."

[Editor's note: The Advisor requested a commentary for this issue from El Salvador's embassy in the United States but received no response. Additionally, the commentaries above were submitted to the Advisor before El Salvador's Legislative Assembly voted Thursday to eliminate presidential term limits.]

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.

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

Gene Kuleta
Editor

Jack Quinn
Reporter

THEDIALOGUE

Rebecca Bill Chavez, Ph.D., President & CEO
Lila Abed, Director, Mexico Program
Alfonso Blanco, Director, Energy Transition & Climate Program
Margaret Myers, Senior Advisor, Asia & Latin America Program
Manuel Orozco, Director, Migration, Remittances and Development Program
Tamara Taraciuk Broner, Director, Peter D. Bell Rule of Law Program
Lydia Maria Dibos, Director of Development
Peter Hakim, President Emeritus

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

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the Inter-American Dialogue. 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 Inter-American Dialogue.

Upcoming Event

ONLINE EVENT: After the Vote—What's Next for Mexico's Judiciary?

August 14, 2025 | 10:00 a.m. ET