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FEATURED Q&A

Will Haiti Run a Smooth Election Next Month?



Interim Haitian President Jocelerme Privert has vowed that next month's presidential election will proceed as scheduled. // File Photo: Haitian Government.

Q The Organization of American States released a report last month saying it would observe Haiti's presidential election on Oct. 9, but called on the country to adopt changes that would strengthen its elections process in order to avoid the procedural breakdowns and fraud allegations that marred the last vote and led to widespread violence earlier this year. Will Haiti adopt the changes the OAS wants, and what else should officials do to ensure the next elections are valid? Who should pay for the reforms the OAS and others have suggested? How likely is it that political stability will be maintained ahead of and in the aftermath of the election? What is the outlook for Haiti's economy and business climate, assuming the elections proceed without incident?

A Raymond A. Joseph, former Haitian presidential candidate and former ambassador of Haiti to the United States: "Hopefully the Oct. 9 elections will wipe out the memory of the Aug. 9, 2015 vote that was marred by violence, and the fraudulent Oct. 25 presidential election that plunged the country into disarray. Following the OAS' suggestions, the Provisional Electoral Council (CEP) dismissed several officials who were in charge of the old electoral machine. Whether they've been sanctioned is another matter. The number of party representatives, the CEP said, will be significantly curtailed and will only vote where they are registered. In the last presidential election, these infamous 'mandataires' accounted for 60 percent of the 1,538,393 votes cast. The October election seems on course. The campaign was

Continued on page 2

TODAY'S NEWS

POLITICAL

Clinton Declines Invitation From Peña Nieto

U.S. Democratic presidential nominee Hillary Clinton said she declined an invitation from President Enrique Peña Nieto to visit Mexico before the U.S. presidential election in November. Her opponent, Donald Trump, visited Mexico City last week.

Page 2

BUSINESS

Brazilian Police Launch Probe of Pension Funds

Authorities said they were investigating alleged fraud amounting to some \$2.5 billion at four of the country's largest pension funds.

Page 3

POLITICAL

Colombia Peace Deal to Be Signed Sept. 26

Colombian President Juan Manuel Santos said the final accord between the country's government and the FARC rebels would be signed in Cartagena. Voters must approve the deal in order for it to take effect.

Page 2



Santos // File Photo: Colombian Government.

POLITICAL NEWS

Colombia Peace Deal to Be Signed Sept. 26

The peace accord between Colombia's government and the Revolutionary Armed Forces of Colombia, or FARC, rebels will be signed on Sept. 26, President Juan Manuel Santos announced, BBC News reported Saturday. Santos called it "perhaps the most important announcement" of his life. Santos said the final peace deal, which negotiators from the two sides agreed upon last month in Havana, will be signed in Cartagena. There had been speculation that the peace deal would be signed at the United Nations in New York. Before the accord can take effect, however, Colombians must ratify it in a referendum scheduled for Oct. 2. In order for it to be approved, more Colombians must vote "yes" than "no," and votes to approve the deal must total at least 4.4 million, 13 percent of Colombia's electorate, AFP reported. The ballot question will ask voters, "Do you support the final accord to end the conflict and build a stable and lasting peace?"

The FARC is expected to hold a separate vote on approving the peace deal, BBC News reported. The deal between the government and the rebels includes an agreement by the rebels to disarm within 180 days of the final peace deal. It also would establish temporary transition zones and camps for the FARC as well as a provision that civilians will be barred from entering FARC camps. In addition, the deal provides that U.N. monitors will receive all of the FARC's weapons. [Editor's note: See related [Q&A](#) in the Aug. 25 issue of the Advisor.]

Clinton Declines Peña Nieto's Invitation to Mexico

Democratic U.S. presidential candidate Hillary Clinton said Monday that she declined Mexican President Enrique Peña Nieto's invitation to visit the country before the November presidential election. When asked by David Muir of ABC News whether she would travel to Mexico before Election Day, Clinton responded, "No." She added, "I'm going to continue to focus on

NEWS BRIEFS

Hurricane Newton Lashes Baja California Peninsula

Hurricane Newton slammed into the southern end of Mexico's Baja California Peninsula early this morning, lashing the area's upscale resorts, NBC News reported. The Category 2 hurricane struck the peninsula just before 2 a.m. local time with driving rain and 90 mile-an-hour winds, according to the U.S. National Hurricane Center.

No Confirmed Cases of Zika Among Olympic Athletes, Spectators: WHO

The World Health Organization announced there were no confirmed cases of Zika among travelers and athletes at the Rio Olympic Games, BBC News reported Friday. Before the Games, the WHO had said the Olympics would not contribute in any significant way to the spread of the Zika virus. At a news conference, the head of the WHO's health emergency program, Peter Salama, said of the Paralympics set to start Wednesday that, "We are optimistic that the same risk assessment will hold and there will be little additional risks."

Bombardier Expects Growing Argentina Sales

Canadian multinational aerospace and transportation company Bombardier expects the company's business jet sales will recover in Argentina under President Mauricio Macri, which would help offset the country's struggling sales in Brazil and Venezuela, Bloomberg News reported today. "Argentina has reopened for the past seven months, and we've seen tremendous traction," said Stephane Leroy, Bombardier's sales head for the region. "We had virtually nothing for three years because customers couldn't buy for regulatory reasons, tax reasons and foreign-exchange reasons." In contrast, he said, the plane maker now receives an inquiry about its jets every week.

FEATURED Q&A / Continued from page 1

officially launched last month, and ballots printed in Dubai began arriving Aug. 30, with the last shipment of ballots scheduled to arrive later this month. The government released \$15 million to the CEP. The United Nations Development Program used \$6 million remaining from last year's elections for equipment and ballots. There seems to be enough money for the first round, which is estimated to cost \$25 million. No doubt there will be a scaling-down of the original budget of \$55 million. If the vote takes place without incident, Haiti will still face the major challenge of the threat of losing international connection to U.S. correspondent banks. This results from the lack of long-awaited reforms in the banking industry and from Parliament failing to pass laws to deal with money laundering, especially from drug trafficking. If the reforms aren't enacted

by November, the central bank governor said, Haiti's 'de-risking' will affect '93 percent of exports, 75 percent of money transfers received and 72 percent of transfers abroad.' So democratic and transparent elections aren't the only challenge Haiti faces in gaining favor with investors, local or foreign."

A James Morrell, executive director of the Haiti Democracy Project: "The tinkering proposed by the OAS isn't needed, because Haiti already achieved proficiency in its October 2015 election. All three international observer groups, including the OAS, gave it high marks. The latest opinion poll gives the losing candidates, who created all the brouhaha, exactly the same 12 and 8 percent that they received in the election. The poll puts the top four candidates in the same order as

Continued on page 4

what we're doing to create jobs here at home, what we're doing to make sure Americans have the best possible opportunities in the future." Clinton's opponent, Republican presidential nominee Donald Trump, met with Peña Nieto last week in Mexico City. After the meeting,



Clinton // File Photo: Clinton Campaign.

Trump told reporters that he and the Mexican president did not discuss who would pay for one of Trump's signature proposals—a wall between the two countries. Hours later, Peña Nieto tweeted that he indeed told Trump right away that Mexico would not pay for such a wall. Trump "did choke" at the meeting, said Clinton, adding that Trump's trip created a "diplomatic incident."

BUSINESS NEWS

Brazilian Police Launch Probe of Pension Funds

Brazilian police on Monday said they had initiated an investigation into alleged fraud amounting to some \$2.5 billion at four of the country's largest pension funds, all of which are linked to state-run companies, The Wall Street Journal reported. Judge Vallisney de Souza Oliveira ordered the freezing of assets totaling the value of that sum, which belongs to a total of 103 people and companies that are under investigation. The assets include 90 properties, 139 cars, a plane, bank accounts and shares. The Federal Police said its officers and other agencies are investigating into fraud at Previ, the employee pension fund for Banco do Brasil; Funcef, the employee pension fund for state-controlled Caixa Econômica Federal;

COMINGS & GOINGS

García Belaunde Tapped as Peru's Envoy to Spain

Peruvian career diplomat José Antonio García Belaunde was named ambassador to Spain, El Comercio reported on Sept. 1. He has served in numerous high-level diplomatic posts over his long career, including a stint as Peru's foreign minister and another as a member of the country's delegation to the International Court of Justice during Peru's maritime dispute with Chile. President Pedro Pablo Kuczynski's government also named José Jesús Guillermo Betancourt Rivera as ambassador to Honduras, Carlos Manuel Alfredo Velasco Mendiola as ambassador to Qatar and Alfredo Raúl Chiquihua Chil as ambassador to Israel.

Barrick Names Bee SVP for Lama, Distrito Frontera

Toronto-based Barrick Gold, the world's largest gold miner, named George Bee senior vice president for its Lama and Distrito Frontera projects, Reuters reported on Sept. 1. Barrick hopes the appointment will advance development of the controversial Pascua-Lama mine, which is located on the border between Argentina and Chile. The project had been suspended due to environmental concerns, local opposition, labor disputes and the bureaucratic challenges of a border mine. Bee, who spent 16 years at Barrick and was recently CEO of Jaguar Mining, said his company will develop the Argentine side during the first stage.

Green to Head IFC's Jamaica Operations

The International Finance Corporation, a member of the World Bank Group, on Aug. 30 announced the appointment of Judith Green as head of operations for Jamaica and the English-speaking Caribbean. Green, a Jamaican, previously worked for the IFC from 2011 to 2013 before leaving to direct the Jamaican government's Coordination and Implementation Unit. As of last month, IFC's investment in the Caribbean totaled nearly \$900 million.

Mayer Brown Hires Ramos as Partner in Mexico City

International law firm Mayer Brown announced on Sept. 1 that it has hired Ariel Ramos as a partner in its Mexico City office. Before joining Mayer Brown, Ramos previously spent time at Ramos Marín Abogados, Haynes and Boone and White and Case. Ramos, who will lead a team of two new associates, "will advise clients on energy, infrastructure and projects transactions," Mayer Brown said.

Petros, the employee pension fund of Petrobras; and Postalís, the employee pension fund for the country's postal service. The Wall Street Journal was unable to immediately reach the pension funds' lawyers for comment, and press officials at the four funds did not respond to the newspaper's requests for comment. The investigation involves allegations that the pension funds had purchased shares in independent

investment vehicles that had paid too much for company stocks or bonds, according to court documents released by prosecutors. The valuations upon which the investment vehicles had based the purchases of stocks or bonds were "unreal and technically irregular," according to the documents, and were based on information provided by, in at least some of the cases, the companies seeking investment.

FEATURED Q&A / Continued from page 2

the electoral results did. Give Haiti credit for mastering the procedure. What Haiti can't do is protect the elections it successfully administers. From the overthrow of the democratically elected Jean-Bertrand Aristide in 1991, to his discarding of a million votes for opposition candidates in 2000, to blank-ballot manipulation in 2006, ballot-stuffing in 2009 and 2010, and the scuttling of a whole presidential election in 2015-16, political actors have freely subverted the results of elections. Their culture can be easily expressed: a fraudulent election is one that you lose. Zombie votes are those cast for other candidates. Meanwhile, the potent U.N. military mission, funded by more than half a billion dollars per year by the West, sat on its haunches as an election was overturned by violence, leaving Haiti without an elected president. A July 15 bipartisan letter by U.S. Senators Bob Corker and Benjamin Cardin, chairman and ranking member of the Senate Foreign Relations Committee, points the way forward. It backs the administration in refusing to fund the same election twice and foresees defunding the entire Haitian government if it won't elect a president. However, it puts discerning members of Congress in support of any 'effective steps to resolve Haiti's political crisis.' That's a green light for the administration to get significant work out of the U.N. mission and activate its many other unused assets."

A **Emma Fawcett, adjunct professorial lecturer at American University:** "Haiti has thus far made a handful of the changes recommended by the OAS, but it lacks the institutional capacity to carry out significant reforms. The OAS called for the Provisional Electoral Council (CEP) to regulate the role of political party representatives; in the October 2015 elections, loose regulations resulted in a proliferation of representatives observing polling places, and many of them voted at the stations they were supposed to observe. CEP President Leopold Berlangier says that will no longer be allowed. He

has also made assurances that the voter list—which has increased from 5.8 million voters to 6.1 million over the last year—will be more carefully controlled, in line with OAS recommendations. But it remains to be seen whether Haiti can provide the estimated \$55 million necessary to hold the elections. The Haitian government has allocated \$48.5 million, but the United States, which financed most of the 2015 elections, has refused to contribute additional funds. While the campaign season is thus far off to a quiet start, the protracted electoral process has left Hai-

“ Haiti has thus far made a handful of the changes recommended by the OAS, but it lacks the institutional capacity to carry out significant reforms.”

— Emma Fawcett

tians incredibly frustrated. Interim President Privert has promised that the elections will proceed: 'I cannot even picture a Plan B. The risk for the country is too large,' he said. The political stagnation and lack of accountability has dire economic impacts, too. The gourde has continued to weaken against the dollar; already limited public funds have been diverted from infrastructure and other projects to finance the next round of elections; and foreign investors remain skittish, as evidenced by Haiti's abysmal growth rate, just 1.7 percent in 2015. If—and only if—the elections proceed without incident and a peaceful transition of power takes place, it will be possible for Haiti to return to the 3-4 percent growth rates in experienced in the years immediately following the 2010 earthquake."

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