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Santos rejigs cabinet in final push for peace in Colombia

"Peace, equity and education." These are the three pillars upon which Colombia's President Juan Manuel Santos is promising to build his government. Santos was sworn in for a second term in office on 7 August, striking a delicate balance between the parties that make up his ruling Unidad Nacional (UN) coalition in a reshaped and reshuffled 'cabinet for peace'. While Santos is keen to move swiftly to conclude the peace process to enable the construction of a country that "nobody can stop", Colombia's two main guerrilla groups, Fuerzas Armadas Revolucionarias de Colombia (Farc) and Ejército de Liberación Nacional (ELN), released statements suggesting that they are in no hurry whatsoever.

Given that it was the cornerstone of his re-election strategy it was no surprise that peace featured prominently in President Santos's inaugural address. Less predictable was the focus he placed on equity and education. Colombia is one of the most unequal countries in Latin America and its education system, by comparison with the rest of the region, is underwhelming. Santos set the target of 2025, seven years after he leaves office, for Colombia to have achieved "total peace and equity and to be the best educated in Latin America".

Santos boasted that for the first time in Colombia's recent history more budgetary resources were being assigned to education in 2015 than security and defence. He also said he would improve the national system of learning (Sena) and the coverage of pre-school education (0-5 years). First Lady María Clemencia Rodríguez de Santos is coordinating a scheme called 'De cero a siempre' (From Zero to Always) to enhance the development of children over the first six years of their lives covering areas such as social protection, health, education and nutrition. Through inter-institutional coordination, policy-making and programming, focusing on the 1.2m children from backgrounds of extreme poverty, its ambitious goal is to produce a generation raised with the principles of equity and break a cycle of poverty and inequality.

Santos promoted Gina Parody, who was in charge of the Sena, to head the education ministry, replacing María Fernanda Campo. Parody is one of seven female ministers, nearly half the 16-strong cabinet appointed by Santos. Santos was also keen to stress that 11 of the 16 ministers are from the regions in a sign that he will run a genuinely national, rather than Bogotá-centric, government as so often in the past. But perhaps the most important consideration for Santos when naming his cabinet was to ensure an equitable balance of power between the parties comprising his ruling coalition.

The main beneficiaries of the cabinet changes were the two mainstays in the coalition, the Partido Liberal (PL) and the Partido de la U (PU), which finished

La Guajira

President Santos's very first port of call after his investiture was the northernmost department of La Guajira, which has been suffering from a serious drought for a year. Speaking from Nazareth, a remote town inhabited by the Wayuú indigenous people, Santos announced the perforation of 100 deep wells. In the meantime he said the population would receive water canisters. Santos said he had come to underscore his commitment to La Guajira, a department which has long been considered on the political periphery and neglected accordingly. The poverty rate in La Guajira is 58.4% compared to a national average of 32.7%.

with five ministries apiece (*see box below*). The PL was awarded five heavy-weight ministries: María Ángela Holguín was kept on as foreign minister; Juan Fernando Cristo, one of the architects of the victims' and land restitution law, was appointed interior minister; Alejandro Gaviria as health and social protection minister; Diego Molano as IT and communications minister; and Yesid Reyes picked up possibly the most important post of all – justice.

Reyes will have to undertake a judicial reform and design the architecture of the transitional justice law for those involved in the armed conflict, if a peace accord is concluded, to provide truth, justice and compensation to satisfy victims, guerrillas and the public. Reyes was an adroit choice by Santos not just because he is a talented lawyer but because he is also one of Colombia's many victims of the armed conflict - his father was Alfonso Reyes Echandía, the president of the supreme court who was killed when the palace of justice, taken over by M-19 guerrillas, was stormed by the military in November 1985. His background in the justice system means Reyes should be listened to by the courts and ensure a harmonious relationship in marked contrast to when former president Alvaro Uribe (2002-2010) was in office and was engaged in a perpetual conflict of powers with the judiciary which he accused of practising "selective justice" and having an ideological bias in favour of the country's guerrilla groups.

The PU was also awarded five big ministries, although PU Senator Armando Benedetti caustically remarked that "In the U we are surprised to see so many new members of the party in the cabinet", arguing that they were not all bona fide. The PU retains Juan Carlos Pinzón as defence minister. The combative Pinzón is despised by the Farc, and it was speculated that Santos might replace him in the pursuit of peace, but Santos clearly decided Pinzón's bellicosity was useful to assure the public that the government will remain tough on the guerrillas. In addition to the education ministry, the PU also picked up the agriculture and rural development ministry under Aurelio Iragorri, who was replaced by Cristo at the interior ministry. Iragorri will face the challenge of defusing tension with farmers after major rural strikes in recent months, and leading Santos's drive to reduce the disparity between rural and urban development.

New cabinet

<i>Vice-President</i>	Germán Vargas Lleras (Cambio Radical)
<i>Interior</i>	Juan Fernando Cristo (Partido Liberal)
<i>*Foreign affairs</i>	María Ángela Holguín (Partido Liberal)
<i>Justice</i>	Yesid Reyes (Partido Liberal)
<i>*Health and social protection</i>	Alejandro Gaviria Uribe (Partido Liberal)
<i>*IT and communications</i>	Diego Molano Vega (Partido Liberal)
<i>Defence</i>	Juan Carlos Pinzón (Partido de la U)
<i>Agriculture and rural development</i>	Aurelio Iragorri (Partido de la U)
<i>Education</i>	Gina Parody (Partido de la U)
<i>Commerce, industry & tourism</i>	Cecilia Álvarez (Partido de la U)
<i>Environment and sustainable development</i>	Gabriel Vallejo (Partido de la U)
<i>*Finance and public credit</i>	Mauricio Cárdenas (Partido Conservador)
<i>Mines and energy</i>	Tomás González Estrada (Partido Conservador)
<i>*Housing</i>	Luis Felipe Henao (Cambio Radical)
<i>Transport</i>	Natalia Abello (Cambio Radical)
<i>Labour</i>	Luis Eduardo Garzón (Independent)
<i>*Culture</i>	Mariana Garcés (Independent)

*Denotes ministers ratified in their posts

Cambio Radical (CR) also fared well. Santos confirmed that the party's leader, Germán Vargas Lleras, would be an active Vice-President, coordinating ministerial work, and it will also run two of the plum big spending

Political reform

The new interior minister, Juan Fernando Cristo, said the ruling Unidad Nacional coalition would push forward with the most cherished proposals of member parties, as well as President Santos's main political reform proposal to end re-election, which he said had undermined the balance of power, and replace it with one five or six year term. Former president Uribe amended the constitution to run for a second term and had sought to do so again to run for a third term but was blocked by the constitutional court. The reform would also look at the competences of other state institutions - a clear allusion to the prosecutor general's office, which was heavily criticised for dismissing the mayor of Bogotá, Gustavo Petro, last year.

ministries: housing under Luis Felipe Henao, who Santos retained, and transport under Natalia Abello. The Partido Conservador (PC), which was divided in its support of Santos during his re-election campaign, keeps Mauricio Cárdenas as finance minister and sees its deputy minister at mines and energy, Tomás González, pick up the top job.

Santos tried to no avail to persuade the left-wing Polo Democrático Alternativo (PDA) to accept a cabinet ministry in exchange for the crucial part it played in winning him the second round of elections. He did, however, appoint Luis Eduardo 'Lucho' Garzón, a former mayor of Bogotá (2004-2007) and a member of the PDA before he left the party in 2009 to join the Partido Verde, as labour minister. Garzón, also a former member of the Partido Comunista Colombiano, was a trade union leader. This means he will be well-placed to establish an understanding with the country's trade unions which offered Santos half-hearted support in the run-off as the lesser of two evils.

Guerrilla reaction

The guerrillas were singularly unimpressed with Santos's start to his second term. The ELN, which is in exploratory peace talks with the government, released a statement arguing that his goals of peace, equity and education were unrealistic and that he was undertaking no change to "the neoliberal model that privileges extractivist plunder, and the military doctrine of repression and extermination". It added that: "Just as the Zionist government of Israel classifies every action by the Palestinians as terrorism, while it carries out a devastating genocide; Santos classifies any action carried out by Colombian guerrillas as terrorist, while continuing with indiscriminate bombardment."

Meanwhile, the Farc leader, 'Timochenko' (Rodrigo Londoño), ruled out signing a peace accord with the government this year. In an interview on the Farc website, Timochenko explained that the complexity of the negotiations over compensation for victims of the conflict meant it was unfeasible. A 'historic commission' starts work on 21 August and will have four months to complete a report into the causes of the conflict. "We must also bear in mind," he added with uncharacteristic understatement, "that disarmament and a bilateral ceasefire are not going to be simple." A sub-commission in Cuba will begin to discuss disarmament and the end of the conflict on 22 August.

Uribe snub

Former president Senator Alvaro Uribe declined to attend his successor's investiture for a second term. Uribe read a statement to the press explaining that his Centro Democrático (CD) was not prepared to take part in the ceremony because representatives of Venezuela's President Nicolás Maduro would be present (the planning minister Ricardo Menéndez), a country that "has harboured Colombian narcoterrorists and violates human rights and freedom of the press". He also claimed that President Santos had secured his re-election thanks to "abuse of power", benefiting from the intimidatory tactics of the Farc and the ELN in various regions of the country.

The new interior minister, Juan Fernando Cristo, in an interview with the national daily *El Tiempo* on 9 August (see sidebar), reached out to the CD, expressing his hope for a "minimum consensus" in the future. The CD responded the following day by saying that "minimum consensus" could be possible in an eventual political reform, for instance, such as the composition of the senate to guarantee the representation of all departments, but that no such consensus could be found around the peace talks.

Uribe and the CD will shortly have to call a ceasefire in their attacks on the government and go on the defensive. The senate's second committee last week set the date of 18 September for a debate on Senator Uribe's alleged ties to paramilitary death squads and drug trafficking. Iván Cepeda, a senator and human rights activist who vehemently opposed Uribe throughout his presidency (2002-2010), had sought to get the debate held by the full senate. "We are going to have a calm, fact-based, democratic debate," Cepeda said. Uribe said the debate was an attempt to "defame" him.

Venezuela high risk

Dagong Global Credit, one of China's main ratings agencies, in a new report warns that "serious macroeconomic imbalances" will keep Venezuela in recession in the short term, potentially exacerbating social unrest and political instability. The agency noted that a high fiscal deficit (which it forecast at a whopping 14.7% in 2014), low international reserves and pressure for currency devaluation were contributing to deteriorating solvency levels, while it also noted the Maduro government's "ineffectiveness" at tackling the various challenges facing the country. The agency forecast a GDP contraction of 2.3% this year, with public debt rising to 52% of GDP. The dour report comes just weeks after China's President Xi Jinping visited Caracas and purportedly agreed to a new US\$4.0bn oil-backed loan for the cash-strapped Maduro administration.

ANDEAN COUNTRIES

VENEZUELA | POLITICS

Colombia fumes over 'unilateral' border closures

Colombia's foreign minister, María Ángela Holguín, on 13 August severely questioned Venezuela's "unilateral" decision to implement overnight (10pm-5am) border closures for 30 days in a crackdown on smuggling of food, fuel and merchandise goods into Colombia. Holguín's stern words suggest the Colombian government feels that Venezuelan President Nicolás Maduro's administration overstepped the mark in its growing urgency to regain control of the flailing domestic economy.

"At no time was this a decision agreed between the presidents [Maduro and Colombia's Juan Manuel Santos] in the Cartagena meeting [on 1 August]. This is a decision taken by Venezuela as a unilateral measure," Holguín said. She went on to note that while contraband should be tackled, Colombia did not think this was the way to do it: "We are convinced about working together, on cooperation and the exchange of information, on the one hand, so that contraband doesn't enter from Venezuela; and, on the other, that the Colombian armed forces and the Dian [the tax agency] manage to stop it at the border." She said that much of the smuggling takes place through clandestine border crossings, and as such, bilateral information sharing is critical. Holguín did not mince her words in noting that much of the trade is the probable result of Venezuela's huge subsidies (for food and fuel in particular), which leads to massive price distortions between the two countries. She said she was in permanent contact with her Venezuelan peer, Elías Jaua, in a bid to "overcome" the measure.

The Venezuelan military's strategic commander, General Vladimir Padrino López, assigned by Maduro to run the new 'Bi-National Command and Control Centre Against Contraband', the outline establishment of which he and Santos agreed at their Cartagena meeting, said on 11 August that 17,000 Venezuelan soldiers would man the border as part of the latest effort. Padrino López was accompanied in that announcement by Brigadier General Gustavo Moreno Maldonado, the director general of Colombia's fiscal and customs police (Polfa), a unit of the national police. Curiously, it now appears that the Polfa official was acting without central government approval.

Stuck in the MUD

"The [opposition Mesa de la Unidad] MUD is refreshing, renewing, consolidating and remains committed to the political change that the country needs and deserves," declared Delsa Solórzano, vice president of the conservative opposition Un Nuevo Tiempo, following a meeting of the so-called G7, the MUD's 'strategic group'. Solórzano said 25 of the 26 parties in the coalition later inked "a unity document" ahead of the 2015 midterm legislative elections.

Meanwhile, a new MUD initiative, 'Congreso Ciudadano', designed to reach out to civil society groups and ordinary voters, has begun assemblies with a view to listening and learning ahead of 2015. The initiative is backed by the jailed leader of Voluntad Popular, Leopoldo López, along with his ally María Corina Machado, plus the likes of Proyecto Venezuela and the conservative Copei. The student movement is reportedly also interested. Yet there was little support from either the MUD's former secretary general, Ramón Guillermo Avelledo, who recently stepped down alleging moves against him by opposition hardliners (led by López), or from the MUD's twice former presidential candidate Henrique Capriles Radonski. Capriles was dismissive, sniffing, "Those wanting change can't be blundering around all over the place; we Venezuelans need someone to orient us" (presumably in reference to himself). Despite all the talk of renewal, the battle for power between moderate and radical MUD wings looks no closer to resolution.

Polls

The first polls released since the line-up of presidential contenders was confirmed on 15 July [WR-14-29], suggest an easy victory for President Morales. An Ipsos Bolivia poll gave him 59% of voting intentions, well ahead of Samuel Doria Medina, of the centre-right opposition coalition Unidad Demócrata (UD), on 18%; Juan del Granado, of the left-wing Movimiento Sin Miedo (MSM) and former president Jorge Quiroga (2001-2002), of the Partido Demócrata Cristiano (PDC), each took 4%. Two other polls also showed Morales with a big victory margin – one by Tal Cual gave him 44.6% to 19.8% for Doria Medina and the other by Captura Consulting which gave him 50.2% to 24.4% for Doria Medina. An absolute majority is necessary for a first-round victory or at least 40% of the valid vote with a margin of 10% or more over the second-placed candidate.

Reigniting judicial concerns

The suspension of two magistrates from the seven-member plurinational constitutional court (TCP) for alleged negligence of duties and malfeasance is fuelling calls for an overhaul of the judiciary. Reforming the judiciary is one of the few issues on which the presidential candidates competing in the 12 October elections agree [WR-14-27]. The move against the magistrates – the first sitting justices elected in unprecedented national elections in October 2011 to be suspended – has not only fanned concerns that the Movimiento al Socialismo (MAS) government led by President Evo Morales is seeking to undermine the independence of the judiciary. It has also exposed plans by the MAS to amend the 2009 constitution to allow for indefinite consecutive re-election.

On 28 July Bolivia's 130-member lower chamber voted to suspend TCP magistrates Ligia Velásquez and Soraida Cháñez for suspending the application of the law on notarial acts (Ley del Notariado Plurinacional) earlier in the year. The case now goes to the 38-member senate (where the MAS has 28 seats) which is tasked with sentencing the judges. The new constitution (articles 159 and 160) establishes that the lower chamber is authorised to present accusations against justices from the top courts for failing to carry out their duties while the senate is responsible for issuing sentences. A third TCP magistrate, Gualberto Cusi, is also likely to face legal action for the same charges although he was replaced by his alternate on 3 July due to health reasons (Cusi has been in hospital with tuberculosis).

The mayor of La Paz, Luis Revilla, of the left-wing opposition Movimiento Sin Miedo, filed a complaint on 1 August before the legislature against the TCP president, Efrén Choque, over another case: malfeasance in relation to the approval of municipal founding charters. The moves against the judges follow other signs of crisis in the judiciary - namely the resignations of the presidents of the TCP and the supreme court (CSJ), Ruddy Flores and Gonzalo Hurtado, respectively in February [WR-14-09]. At the time Flores said he had been the target of alleged phone tapping and initially alleged that he had been targeted by "State intelligence", only to subsequently retract that claim. Hurtado cited stress. Meanwhile on 10 April four of seven magistrates from the new environmental court (TA) voted to sack their president, Bernardo Huarachi, for inefficiency.

Re-election?

The ejection of the judges has left the opposition accusing the government of seeking to undermine the separation of powers, particularly after Cháñez suggested that her removal may be linked to efforts by the MAS to control the TCP with a view to changing the constitution in order to allow for indefinite re-election. The constitution currently allows for just two consecutive presidential terms and Morales, who was first elected president in 2005 and again in 2009, was allowed to run for the presidency in October's general elections on the grounds that he is currently only serving his first term under the new constitution and so is eligible to stand for re-election.

Two days after the justices were suspended a MAS deputy Edwin Tupa and a MAS senator Efraín Condori revealed that discussions were underway within the party regarding a possible amendment to the constitution to remove the ban on term limits. While Tupa told reporters that these talks were in the initial stages, Condori maintained that such a move was necessary on the grounds that one more term in office would not be sufficient to complete the process of change begun by the MAS under Morales who remains highly popular due to his efforts to reduce poverty and social inequality (*see sidebar*).

Sentiment on Peru dips

Moody's Investors Service, which upped Peru's sovereign rating in July following congressional approval of the government's latest economic stimulus package, has now cut its 2014 GDP growth forecast for the country to 4.1% from 5.2% previously, and revised its 2015 forecast down to 5.8%, from 6.1% previously. Peru posted a trade deficit of US\$2.2bn in the first half, on exports of US\$18.1bn (down 10.6% year-on-year) and imports of US\$20.3bn (down 2.1%). The country registered its first trade deficit in over a decade last year (US\$509m) and is set for another – likely higher – one this year. The external trade and tourism minister, Magali Silva, said the government would discuss proposals put forward by the influential Exporters Association (Adex) to facilitate export growth. These include tax and labour reforms, plus measures to reduce logistics costs.

BOLIVIA | The model country. Bolivia posted real annual GDP growth of 5.6% in the first quarter, according to Economy Minister Luis Arce, who said the result was the fruit of ongoing investment in the key hydrocarbons sector, which has thrived in spite of serious concerns about its future upon its nationalisation in 2005 by the first administration led by President Evo Morales. Arce noted that Bolivia's nominal GDP is worth some US\$36bn now, compared to just US\$9.5bn in 2005, a transformative increase of US\$27bn that has allowed the country to reduce its extreme poverty rate from 34% to 18%. External debt now stands at 17% of GDP, he said, down from 52% in previous years (Bolivia was once ranked among the Highly Indebted Poor Countries), with domestic savings (i.e. international reserves) of US\$15bn.

Bolivia has run a small but steady fiscal surplus since 2012, with a current account surplus of 3.3% of GDP last year. Arce said the government expected real GDP growth of between 5.5% and 5.7% this year. The UN Economic Commission for Latin America and the Caribbean (Eclac) concurs, expecting an annual result of 5.5%. In 2013 Bolivia posted growth of 6.8%, the highest in 38 years, and the Morales government's economic policy management has won plaudits from the likes of the International Monetary Fund (IMF).

ECUADOR | Also bucking the trend. Ecuador registered real GDP growth of 4.9% year-on-year (y-o-y) and 0.5% quarter-on-quarter in the first three months of the year, according to the central bank (BCE), led mainly on the demand side by exports (up 7.4% y-o-y). Gross fixed capital investment rose 4.9% y-o-y and household consumption 3.7%, while government consumption was slower at 2.8%. Import growth was also slower at 1.1%. On the output side, the non-oil sector underpinned first quarter growth (contributing 3.7 percentage points to the headline result). Sectoral growth was led by agriculture and fishing, up a strong 21% y-o-y, followed by oil refining (21.1%), oil and mining (12.2%), accommodation and food services (10.3%), professional activities (9.4%) and construction (8.5%).

Although the 0.5% quarter-on-quarter result was weak, the latest results do appear to confirm a gradual recovery, after a dip in growth to below 5.0% last year. The government led by President Rafael Correa is aiming for growth of 4.5% this year, which should be achievable. In its latest regional update, the UN Economic Commission for Latin America and the Caribbean (Eclac) revised its growth forecast for Ecuador up to 5.0%, even as it revised down its overall regional forecast.

ECUADOR | Big turnaround in trade figures. Ecuador posted a trade surplus of US\$621.3m in the first half of 2014, a turnaround from a deficit of US\$758.4m in the equivalent year-earlier period, on latest data from the central bank (BCE). This impressive reversal in the trade position comes on the back of a 9.8% year-on-year increase in the value of exports to US\$13.4bn, while imports fell 1.5% to US\$12.8bn. First half oil exports rose 7.2% year on year to US\$7.24bn, on increased volumes (volumes shipped rose 8.1%, compensating for a 0.8% decline in the average price of Ecuador's oil barrel). Non-oil exports came in at US\$6.1bn, up 13% year-on-year, with traditional exports up over a quarter (26%) to US\$3.1bn, and non-traditional exports up 1.8% to US\$2.9bn.

Imports have fallen across the board since the Correa government imposed further import restrictions in December 2013 as part of its official bid to promote domestic industrialisation. Although complaints by private manufacturers prompted it to roll back some of the restrictions in January and February, the impact is clearly visible in the first half figures, with imports of capital goods and primary materials down 6.2% and 2.8% year-on-year (to US\$3.2bn and US\$3.9bn respectively), while consumer goods fell 3.4% to US\$2.3bn. By contrast, imports of fuels and lubricants rose a sharp 7.5% to US\$3.2bn, as ongoing maintenance work at the main Esmeraldas oil refinery obliges the country to rely heavily on imported fuel this year.

While the government will tout the latest result as a success for its import substitution policy (ISP), local manufacturers say they are struggling to source inputs on the domestic market, warning that production is being hindered rather than helped by the ISP. This could impact negatively on future economic growth.

Campos' death shakes up election campaign

Eduardo Campos, the presidential candidate of the centre-left Partido Socialista Brasileiro (PSB), was just 49 at the time of his death in a plane crash in the coastal city of Santos on the morning of 13 August. Though he seemed unlikely to win election this year, he looked a promising bet for 2018. He also represented a break from the Partido dos Trabalhadores (PT)-Partido da Social Democracia Brasileira (PSDB) duopoly that has dominated Brazilian politics for the past 20 years. Now, the key question is how his vote will split between the remaining candidates for the presidency.

Campos was flying in a private jet from Rio de Janeiro to Guaraja airport, outside São Paulo, when the plane hit bad weather. It plunged into several houses in a densely populated area of Santos. All seven people aboard the plane, including a campaign photographer and cameraman, a press adviser, and the two pilots, died in the crash. A number of people on the ground were injured, none of them seriously. Three days of national mourning have now been declared.

In the last Ibope opinion poll conducted before his death, Campos was running in third, on 9% of voter intentions, behind Aécio Neves (PSDB) on 23% and President Dilma Rousseff (PT) on 38%. Both Neves and Rousseff have temporarily suspended campaigning. Rousseff spoke of "the whole of Brazil" being in mourning over the loss of a "young, promising politician". Neves said Campos represented the tradition of "good politics" in the country, and that their differences did not stop them from discussing what was in the interests of Brazil.

Marina Silva, Campos's vice-presidential candidate, is widely expected to step up as his successor. However, her promotion is not entirely straightforward. The third-placed candidate in 2010, Silva, an environment minister under former president Lula da Silva (2003-2010), won 20m votes. When her attempts to register a new party, Rede Sustentabilidade, failed in 2013, she teamed up with Campos. Though Campos was also a minister in Lula's government, the choice was considered surprising, given Campos's backing by agri-business and Silva's repeated clashes with the industry.

However, after the initial flurry of excitement last year among political wonks, their campaign gained little traction. Campos was accused of failing to make the best out of Silva's proven electoral attractions; Silva, in turn, was suspected of a lack of commitment to the PSB. The other six, smaller, parties in the electoral coalition, which span a range of leftish opinion, were divided as to the merits of their partnership.

Now the question of Silva's fealty to the PSB, and vice-versa, will be put to the test. If she runs, Silva is expected to benefit from a wave of sympathy support from young, possibly PT-inclined voters. On the other hand, she is likely to lose the backing of the agri-business vote, which Campos had courted so assiduously. In order to avoid that, the PSB will be keen to put one of its own, more business-friendly members on the party ticket. Under Brazilian electoral law, the party has 10 days to choose a replacement.

In 2010, Silva took votes from Rousseff and the PT. Rousseff will be more worried than Neves about a Silva candidacy. For several months now, a second round run-off has looked increasingly likely; Campos's death only makes it more so. That would seem to benefit Neves, who never looked likely to win a first round, but does seem the most likely to go through to a second, with Rousseff.

Eduardo Campos

A former two-term governor of the north-eastern state of Pernambuco, Eduardo Campos was just 49 at the time of his death, and is survived by his wife and five children. He died on the same day as his grandfather, Miguel Arraes, a leading opponent of the military dictatorship and also a former governor of Pernambuco. Campos is to be buried alongside him at the family tomb in Recife. The day of the funeral has not yet been disclosed.

Rio's response

Rio de Janeiro's state governor, Luiz Fernando Pezão, has demanded a meeting with the São Paulo authorities and threatened legal action. "São Paulo cannot take a unilateral decision. I am certain that the federal government, via the national water regulator (ANA), will determine what ought to be done with the Paraíba do Sul river. We can't make this a battle," he said. On 13 August, Jerson Kelman, a former president of ANA, said the supply to households in the city of Rio de Janeiro could be affected by the decision.

However, many of the polls conducted over the past few months have obscured the widespread indifference and ignorance of the electorate. Despite a prohibition on some election advertising, campaigning has already begun: flyers and banners are visible in cities and towns across Brazil. Over the past week, the leading candidates have been subject to live 15-minute interviews on *Jornal Nacional*, the main evening news on the Globo network.

These interviews are precursors to the start of the TV and radio airtime, allotted to candidates in accordance with their legislative support, due to begin on 19 August. This is considered vital to the campaign in a country which still has significant areas of illiteracy and where most news is received via a TV screen. Though Campos had been polling below 10%, some of this poor performance was attributed to his lack of name recognition. Until his death, Campos, a former governor of Pernambuco, was not widely known outside of the north-east.

Silva, on the other hand, has a degree of national prominence following the last campaign in 2010. Arguably, her surprisingly strong performance presaged the mass protests of 2013, as she represented the change candidate. Most of the leading candidates have felt obliged to reference the protesters' demands in their species and promise "newness". Silva would be the best-placed to fulfil that desire.

BRAZIL | INFRASTRUCTURE

Rio and São Paulo at odds over water supply

The city of São Paulo could run out of water in less than 100 days, according to a study published at the end of July by the public ministry, a federal regulatory agency. With no sign of the drought in Brazil's south-west coming to an end soon, water is starting to dominate much of the re-election campaign of São Paulo state governor, Geraldo Alckmin, of the Partido da Social Democracia Brasileira (PSDB).

The public ministry recommended that São Paulo state immediately commence water rationing to avoid a "collapse of reservoirs," but the state government missed an initial deadline on 6 August to take action. Because of scarce rain in 2014, water levels are low, especially at the state's Sistema Cantareira watershed. The public ministry says the watershed could soon run dry.

Residents all around the nation have complained of intermittent water shortages. In a June poll performed by Datafolha, 32% of Brazilians said they had experienced some sort of interruption to their water service in the previous month.

Though he is way ahead in the polls, and set to win re-election in a first, Alckmin has come under fire over the state's administration of its water supply. Critics in São Paulo say the problems result from inefficient water treatments and a lack of investment in infrastructure to supply demand for water, which has increased in recent years. In its study the public ministry recommended rationing water supply, a move some residents believe is already happening unofficially.

The São Paulo state water company (Sabesp), ruled out rationing. "While Sabesp recognises the importance of the public federal ministry ... the [rationing] measure would penalise the population and could lead to the opposite of what the regulators are hoping to achieve," the water company said, adding that water has been transferred from other systems and residents who reduced usage had received a discount. "Sabesp guarantees the supply of water to the entire region until the arrival of the rainy season."

An ally of the mayor of São Paulo, Fernando Haddad, of the Partido dos Trabalhadores (PT), put forward a motion in the state legislature to launch a

CDS auction

The International Swaps and Derivatives Association (ISDA) will hold an auction on 21 August to settle Argentina's outstanding credit default swaps. The auction will determine the payout that holders of Argentine debt will receive as a result of the sovereign default on 30 July.

full parliamentary inquiry into Sabesp. Thirty councillors voted in favour of a CPI, versus nine against. On 6 August the motion was approved. PSDB allies of the governor denounced the inquiry as politically motivated.

Cutting off Rio

The Jaguari river supplies water for both hydroelectricity and human consumption to São Paulo, Minas Gerais, and Rio de Janeiro. The national electricity grid operator (ONS), had recommended that the São Paulo state water authority increase the volume of water flowing into the basin of the tributary of the Paraíba do Sul river. But with the level of water in the river running low, the state company has decided to only allow a third of the water volume demand (10,000 litres per second) by the ONS through its dams (*see sidebar*).

auro Acre, the secretary of health and water resources for São Paulo state defended the decision, arguing that human consumption was a greater priority than electricity generation. He has also requested that the national water regulator (ANA), should reduce its demands on the Paraíba do Sul river in order to guarantee supply to São Paulo households. "The most serious problem is placing the human supply at risk. We can generate energy with gas and petroleum," Arce said.

ARGENTINA | POLITICS & ECONOMY

Private solution to debt dispute unlikely

On 13 August one of the holdout creditors in Argentina's debt dispute, Aurelius Capital Management, issued a statement arguing that there is "no realistic private solution" to the stand-off. A few weeks ago, there was some hope that a group of private banks, including some of the bondholders who accepted the terms of previous debt writedowns in 2005 and 2010, might buy out the defaulted bonds to protect the value of their holdings in restructured bonds. Now both the government and the holdouts have shot down that proposal.

The statement reveals how intractable the dispute has become, and the extreme distrust between the two parties: "No proposal we received was remotely acceptable. The entities making such proposals were not prepared to fund more than a small part, if any, of the payments they wanted us to accept." The note ended with the warning that for Argentina, "the worst is yet to come".

The government had already poured cold water on the idea, with both Axel Kicillof, the economy minister, and President Cristina Fernández, criticising the banks for seeking guarantees over payment. Both sides are digging in their heels, with Fernández insisting that her administration will not pay the holdouts any more than what was offered in the restructurings.

With no solution in sight, one of the so-called vulture funds, Elliot Management Corporation, has been granted permission by a US court based in Nevada to pursue the assets of Lázaro Báez, an Argentine public works magnate with close ties to the Fernández government. US Judge Cam Ferenbach granted the hedge fund's request for access to information about companies that Báez allegedly controls in Nevada, which the holdout hedge fund suspects were used to launder US\$65m of funds for the government. Elliott Management Corporation is seeking information for the companies in order to locate these funds.

This marks the latest attempt by the 'vulture' fund to seize Argentine assets abroad in its effort to get cash for defaulted bonds. It marks the first time it has won a court victory over Argentine assets abroad since the country entered into default on 30 July after missing a deadline to reach an agreement with holdouts.

Spat with Venezuela averted

On 7 August Felipe Cuevas, the youth leader of the Unión Demócrata Independiente (UDI), the senior partner in the opposition Alianza por Chile, was arrested in Caracas, threatening a spat between Venezuela and Chile. UDI president Ernesto Silva told reporters that Cuevas had been invited to Venezuela by the opposition. He met opposition leader María Corina Machado and attended the trial of another opposition figure, Leopoldo López. Chile's ambassador to Venezuela, Pedro Ramírez, told reporters that Cuevas was arrested for taking photos in an unauthorised place and for not carrying identification. Following protests from Chilean officials and threats of diplomatic measures from the likes of Jorge Tarud, the head of Chile's lower chamber foreign relations committee and a member of the ruling Nueva Mayoría's Partido por la Democracia (PPD), Cuevas was freed the following day.

Bachelet in Africa

In her most extensive tour abroad since taking office for a second time last March, President Michelle Bachelet has conducted a six-day visit to Africa, with stopovers in South Africa, Mozambique and Angola. While her agenda included issues like gender rights (Bachelet is a former head of UN Women), her trip was aimed at shoring up ties in the key areas of trade, energy and mining.

Accompanied by her energy, mining and foreign ministers, Máximo Pacheco, Aurora Williams and Heraldo Muñoz respectively, President Bachelet began her visit on 8 August with a three-day stopover in South Africa, where she met President Jacob Zuma. According to a press release by South Africa's ministry for international relations and cooperation, the two leaders discussed a range of topics, including gender equality and defence (the two acknowledged "significant scope for cooperation in exchanges of training opportunities").

Key areas up for discussion, however, given continued concerns regarding slowing growth in Chile were trade (South Africa is Chile's largest trading partner in Africa), mining and energy. On figures from Chile's central bank, South Africa accounted for just US\$225.7m out of Chile's total trade worth US\$155.86bn in 2013 while Africa accounted for US\$437.3m. A memorandum of understanding (MoU) to establish a joint bilateral trade and investment commission was inked in July 2012 and according to a joint statement by Bachelet and Zuma the first meeting of the commission will take place in Santiago "before end 2014 in order to finalise a short, medium and long term plan of action".

As regards energy the statement noted that Chile (which is seeking to address the prospect of an energy deficit [WR-14-20]) "has expressed an interest in South Africa's Master Energy Plan" and that a dialogue between the relevant ministries "should be created to investigate ways to enhance cooperation in this regard". In the area of mining the two called on the relevant authorities to finalise a proposed "bilateral agreement on cooperation in the field of Mineral Resources."

While Bachelet's visit to Mozambique failed to produce concrete agreements, her stopover in Angola yielded the promise of oil imports. Pacheco told reporters that under an existing protocol, Chile plans to import US\$300m of crude from Angola this year in three shipments, two of which have already arrived, with the third due to arrive by the end of September. He said that in 2015, imports of crude could increase to US\$900m, making Angola the country's biggest supplier of crude outside the Latin American continent.

New Codelco CEO

The directorate of Chile's state-owned copper mining company, Codelco, has named Nelson Pizarro Contador as its new CEO, replacing Thomas Keller, who was appointed in 2012 by President Bachelet's predecessor, Sebastián Piñera (2010-2014) but was asked to step down on 5 June. Keller told reporters that his vision was not in line with the rest of the directorate, particularly regarding "investments that were not going to prove profitable for the Chilean public".

The appointment of Pizarro, who most recently held the post of executive president of the Minera Lumina Copper Chile company, a subsidiary of Japan's Pan Pacific Copper, follows that of economist Oscar Landerretche who President Bachelet named to head up the Codelco board of directors last May. It comes at a key point amid efforts to overhaul the state mining company which has registered continued declines in production. On figures from the state copper commission Cochilco, Codelco produced 1.621m tonnes (t) of the total 5.776m (t) of copper in 2013, down from 1.646m t in 2012 and 1.735m t in 2011.

On 23 July, Landerretche told the congressional mining committee that Codelco would seek to issue annual debt of around US\$1.7bn to help it finance an ambitious investment plan for 2014-2018. Codelco estimates it needs to invest an average of US\$4.5bn annually over the next 5 years to upgrade its aging deposits and counter-act falling ore grades.

Peña Nieto promulgates energy reform

President Enrique Peña Nieto celebrated the final approval of the most ambitious reform contained within his cross-party 'Pact for Mexico' on 11 August. In a televised ceremony at the official residence Los Pinos, Peña Nieto promulgated the secondary legislation to enact the energy reform which will end the 75-year monopoly of the state oil company Pemex, and allow for greater private participation in the energy sector. Pemex will remain the dominant presence in the sector, however, retaining the vast majority of proven and probable reserves for oil and gas production and exploration in a licensing round two days later.

"In a matter of months we have overcome decades of inertia, breaking down barriers which prevented sustained growth in Mexico," President Peña Nieto said, addressing cabinet ministers, governors and party leaders. Peña Nieto said the entry into force of his government's energy reform "culminates the legislative phase of the reform cycle begun on 2 December 2012 [the day after he took office]. In response to criticism from the Left he said that the secondary laws were "the most analysed and debated" in congress with almost 170 hours of debate in both the lower chamber and the senate.

Peña Nieto said the new energy reform model would lift GDP growth by three percentage points by 2025; attract US\$10bn of foreign direct investment (FDI) annually; and create 500,000 jobs a year. Warned that the success of reforms would depend on the participation of all sectors, he insisted that the main challenge was to ensure that "the changes are reflected in concrete benefits for all families". He said that the cost of electricity and gas would gradually come down.

Conscious of the need to convince the public of the virtues of the reform, and allay fears of the sidelining of Pemex, the energy minister, Pedro Joaquín Coldwell, announced the results of the 'round zero' licensing awards on 13 August. Pemex was granted its request for 83% of Mexico's proven and probable oil reserves. Coldwell said these would guarantee 20 years of production at the current rate of 2.5m barrels per day. However, Pemex only received 21% of prospective reserves (it had sought 31%), meaning that private companies will be allowed to bid for 79% of these as-yet undiscovered reserves, which will require greater investment and exploration to exploit, in 'round one' early next year.

If he was disappointed by the allocation, Pemex's chief executive Emilio Lozoya did not show it. "Pemex has been waiting for these changes for decades," Lozoya said, adding that the company would set up at least 10 different joint ventures with private firms, including mature fields and plans for deep-water drilling in the Gulf of Mexico.

The entry into force of the new energy reform is a personal triumph for President Peña Nieto but it will not bring the quick results which his government urgently needs. Peña Nieto has been unable to reactivate the economy as promised. The national statistics institute (Inegi) revealed that industrial activity between May and June this year fell by 0.18%. Mexico's retailers' association (Antad) reported that same store sales (stores that have been operating for more than 12 months) between January and July increased by just 0.2% year-on-year, a sign of the weakness of consumer demand, and that the recovery is still not at hand, while the consumer confidence index (ICC) fell by 2.5% in July.

'Ley Bala'

Some 12,000 people marched against Governor Rafael Moreno Valle and his so-called 'Ley Bala', the Law to Protect Human Rights and Regulate the Legitimate Use of Public Force, in the central state of Puebla on 10 August. Approved by the Puebla state legislature on 19 May this year, hardly had it come into force when a 13 year-old boy was fatally wounded during a demonstration on 9 July. His family says he was killed by a rubber bullet fired by the police [WR-14-31].

Morena makes immediate impact

Peña Nieto's popularity

President Peña Nieto is by no means popular despite his groundbreaking reforms. At this stage in their mandates his two predecessors, Felipe Calderón (2006-2012) and Vicente Fox (2000-2006), who accomplished less in their *sexenios* than he has managed in under two years (albeit they faced an obstructive PRI in congress), enjoyed much higher approval ratings. But Peña Nieto is at least on the up. Since last December when it stood at 44% his approval rating has rebounded, reaching 50% in July, with his disapproval rating down to 46%.

The Movimiento Regeneración Nacional (Morena), the new party of the maverick leftist presidential candidate Andrés Manuel López Obrador, would be the fourth best-represented party in the lower chamber of congress if the elections due next July were held today, taking 7% of the vote. The findings of a survey carried out by the national daily *Reforma* are not quite consistent with López Obrador's boast that Morena would become the largest party in Mexico after it was formally registered by the national electoral institute (INE) on 9 July but it is a very solid showing. It will also make very encouraging reading for President Enrique Peña Nieto. Morena looks set not to oust the PRI but to split the Left, ensuring his government retains a tight grip on congress for the remainder of his term.

If the elections for the lower chamber of congress were held now the ruling Partido Revolucionario Institucional (PRI) would win 40% of the vote, followed in a distant second by the right-of-centre Partido Acción Nacional (PAN) with 22%. The left-wing Partido de la Revolución Democrática (PRD) would come third with 16%, with Morena coming fourth with 7%. This is more than established parties like the Partido Verde Ecologista de México (PVEM), a PRI ally, which came fifth with 5%. Two other left-wing parties, Movimiento Ciudadano (MC) and Partido del Trabajo (PT) would take 4% and 3% respectively, according to the survey. The Left in total could muster 30%, significantly more than the PAN, but it is a divided force with Morena seeking to subsume the MC and PT and displace the PRD. The two other parties registered by the INE last month, Encuentro Social and Partido Humanista, finished on 0%.

The poor performance of the PAN, which is accustomed to winning more than a third of the vote, will put renewed pressure on the party president Gustavo Madero to make a clear break from the cross-party 'Pact for Mexico' now and move into open opposition with the PRI. With the energy reform completely approved by congress thanks to the PAN lending its votes to the PRI, Madero's detractors argue that it is high time the PAN cut loose, although many fear the damage has already been done.

Morena can only climb between now and the congressional elections next July. Many Mexicans still associate López Obrador with the PRD. Disabused of this, they are likely to transfer their allegiance to Morena. The survey showed that the majority of those who would back Morena considered themselves to be 'independent' with just one in 10 transferring allegiance from the PRD to Morena. This all suggests that the blithe indifference of the PRD hierarchy to the threat that López Obrador poses is affected. The damage to the PRD could be very serious indeed if the poll is accurate and Morena already enjoys almost half of the PRD's support just weeks after the party's registration.

In the Distrito Federal (DF) Morena would take 14% of the vote to 29% for the PRD, again practically half its support. This is a big threat to the PRD extending its period of dominance in the capital, presenting the PRI with a good chance to capitalise on the Left's fragmentation.

However, López Obrador's "mother of all battles" over the 'privatisation' of Mexico's energy sector has been a bit of a damp squib so far. The rallies have not been anywhere near as large as he promised and public opposition to the energy reform is attenuating. Only a few months ago the public mood was resolutely opposed to the reform by 70% to 30% but now just 40% oppose it and 34% approve of it. This suggests that even a united Left could struggle to overturn the reform in a mooted referendum on the matter next year.

Wave of dawn arrests and disappearances

The opposition Partido Liberal Independiente (PLI), the Roman Catholic Church and rights advocacy groups have accused the Frente Sandinista de Liberación Nacional (FSLN) government of President Daniel Ortega of launching a wave of unacknowledged arrests and 'forced disappearances' in the northern departments of Matagalpa and Jinotega in its search for the 'intellectual authors' of the armed attacks that killed five Sandinistas and injured another 19 on 19 July [WR-14-30].

The PLI, already rattled by the murder of one of its rural leaders in Jinotega on 26 July, says that four party members were roused from their homes at night in early August and taken away to unknown destinations. PLI legislator Luis Callejas says that many other people have suffered the same fate and their whereabouts remain unknown until they turn up several days later in police cells. "Nobody knows who is acting," he says; "whether it is the police or the army or masked civilians."

There have been reports that the military have been deployed in the north as well as police personnel, and some human rights activists have been describing the situation of some communities in that part of the country as "militarised".

By 3 August the police had acknowledged that they were investigating 19 people, of whom 14 were in custody (see sidebar). The police's stated view is that those who did the killing were hired 'common criminals'; seven initially suspected of direct involvement have been freed. The implication is that the instigators were politically motivated.

General Julio César Avilés, the commander-in-chief of the army, has described the 19 July attacks as "merely criminal [...] beyond any political colouration" and reiterated the claim that there are no "armed groups" operating in Nicaragua. The four suspected perpetrators have been formally charged with murder and causing grave injury, as well as with conspiring and instigating the commission of crimes.

The Roman Catholic bishops issued a communiqué expressing "pain and great concern for the situation of persecutions, unjust detentions, inexplicable disappearance of persons, terror and death that has been unleashed in some of the country's municipalities." It added, "The authorities commit a most grave error if they seek to restore justice by acting unjustly and with methods akin to those of terrorism. We exhort them to act at every moment respecting human rights and without resorting to any kind of pressure, intimidation, torture or violence against anyone."

Among the human rights advocacy groups, the Comisión Permanente de Derechos Humanos (CPDH) has denounced the disappearance of "at least five persons". The Centro Nicaragüense de Derechos Humanos (Cenidh) says, "There have been detentions en masse. The Cenidh has permanently followed the cases of more than 40 people who have been persecuted, harassed, mistreated, in communities of Matagalpa and Jinotega [...] We cannot speak of arrests because there have been no court-issued arrest warrants. Their relatives were not told that they had been arrested; they were simply taken from their homes and the police refuse to say why. These are forced disappearances."

Eleven charged

So far 11 men have been charged with the attacks that killed five Sandinistas and injured another 19 on 19 July. The head of the appeals court in Managua, Gerardo Rodríguez, announced on 12 August that the case would be heard in Managua and not the department of Matagalpa.

Bold plan to drive development

President Otto Pérez Molina presented an ambitious long-term 20-year sustainable development plan this week. Dubbed 'K'atun 2032'—one 'k'atun' represents 20 years of the Mayan calendar—the plan aims to accelerate economic growth; reduce poverty and malnutrition; guarantee food security; and promote conservation, with a special emphasis on enhancing the prospects of Guatemala's large marginalised indigenous population.

Flanked by Vice-President Roxana Baldetti and the head of the secretariat of planning and programming, Ekaterina Parrilla, President Pérez Molina presented the initiative to representatives of the private sector, indigenous groups, civil society, and the international community, as well as deputies and academics. Parrilla went into the details of the plan which she said was conceived over the last 18 months (since Pérez Molina took office) by the national council of urban and rural development (Conadur) in 380 meetings in which more than 13,000 people participated. Parrilla said that the plan contained 36 priorities, 80 goals, 123 expected results and 730 strategic action guidelines all contained within five overarching themes to bring sustainable development to a country affected by widespread exclusion, especially the indigenous population.

The first theme, 'Urban and rural Guatemala', for instance, includes 'priorities' such as developing rural and urban areas sustainably, with 'goals' like increasing the earnings of farmers and adopting a regional model to support departmental and municipal authorities. The second theme, 'Citizen well-being', includes social equality and protection, and guaranteeing food security for children under five as 'priorities', and reducing chronic malnutrition by 25 percentage points as a 'goal'.

The other three themes are 'Wealth for all', which is based around productive and industrial development, IT and workforce training; 'Natural resources today and for the future', which includes conservation, water management and mitigating the effects of climate change; and 'State guarantor of human rights', which focuses on State reform, political accords, decentralisation, and security and justice with racial equality.

The most ambitious goals are eradicating illiteracy among 15-30 year olds; the 25-point reduction in malnutrition; and posting real GDP growth of no less than 5.4%. The first two goals are at least in the government's own hands, while the third goal is outside of its control, depending in large part on external factors and external actors, notably the performance of the US economy.

Challenges ahead

Pérez Molina said that the plan would start with the rural economy and indigenous peoples. Óscar Pop, the representative of indigenous peoples at the launch of 'K'atun 2032', threw his weight behind the plan but urged that for it to stand a chance of overcoming the country's "abysmal contradictions", racism and marginalisation, it be kept untainted by "ideological or political matters".

This underscores the most obvious difficulty with a long-term plan - policy continuity. 'K'atun 2032' would span five electoral cycles. With weak political parties that habitually fail to secure a second term (there is no presidential re-election), the survival of this plan until 2032 is almost as unlikely as the fulfilment of its myriad priorities and goals.

'K'atun 2032'

The most urgent 'priorities' within 'K'atun 2032' are tax modernisation (particularly increasing the tax take); food security; security and justice; infrastructure improvements; and access to health services. Vice-President Roxana Baldetti stressed that the plan was not just the work of one government but would have to be driven by every sector of society.

Unaccompanied minors

Data recently published by the US think tank, Pew Research, focuses on the rapid increase in the number of girls among the unaccompanied minors apprehended upon entering the US over the eight months to the end of May. They totalled 13,008, or 77% more than in the whole of US fiscal year 2013. Among those 12 and younger, the number of girls apprehended has grown even faster, increasing 140% over the last fiscal year. Apprehensions of unaccompanied teenage girls are up 62% to 9,597. The largest number of unaccompanied girls had come from Honduras (5,300), followed by El Salvador (3,792) and Guatemala (2,699).

The government is not blind to this challenge. Parrilla conceded that while there was some policy continuity between governments it was often all change, with new officials taking a while to get up to speed and embarking on new schemes. She expressed her hope that with all sectors onboard politicians would adhere to the plan. Pérez Molina, meanwhile, said the plan could be modified and enlarged, with each government able to choose how much budget to assign to it.

Armando Boesche, a representative of the private sector on Conadur, said that meetings between civil society and all the political parties were underway to ensure policy continuity from one government to the next, underlining the need for a special oversight commission to evaluate the fulfilment of the goals. Political parties were not included in the plan's design, however, so they will neither embrace it as readily nor feel compelled to sustain it.

NORTHERN TRIANGLE | MIGRATION

Acting to stem the northbound flow

At least two of the Northern Triangle countries—Guatemala and Honduras—have begun to take well-publicised steps to curb the flow of ‘unauthorised’ migrants to the US from their territories. Their visible targets are the coyotes or people-traffickers, and in at least one case the US government is helping identify and locate them.

On 6 August the Guatemalan police arrested seven suspected coyotes in the municipality of San Francisco La Unión in the department of Quetzaltenango. The public prosecutor, Alex Coop, told the media that the operation had enjoyed the “support” of the US embassy in Guatemala. This network, seven more of whose alleged members are still being sought, are said to have specialised in the transport to the US of unaccompanied minors.

These were first taken to a hotel in Quetzaltenango, where they were held until the first instalment of a payment (which could total US\$6,400) was made. They were then taken to La Mesilla in the north-western border department of Huehuetenango, where they were handed over to others who took care of the passage through Mexico to the US border. Interior minister Mauricio López Bonilla said that this ring, headed by Antonio Rolando Chávez (one of those arrested), had amassed about US\$3m from their traffic.

The Guatemalan foreign affairs ministry has said that in recent months the US authorities had apprehended about 14,000 Guatemalan minors who had been taken across the border.

Also on 6 August the Honduran police announced the arrest in Guasaule, on the border with Nicaragua, of one Nicaraguan national and two from the Dominican Republic, formally because of “irregularities in their documents”. The Nicaraguan, according to a police source speaking off the record, is being investigated on suspicion of involvement in people trafficking, while the status of the other two is being “reviewed”.

Honduras is clearly not confining its efforts to curb migration to its border with Guatemala—the stepping-stone to Mexico and subsequently to the US—but is also tightening the controls at its other points of entry. On 30 July it apprehended 22 undocumented Cubans at the far western Agua Caliente border crossing into Guatemala, and another five who arrived by sea to Puerto Cortés, on the country's north-western Caribbean coast.

Since the beginning of the year the Honduran authorities have apprehended more than 1,500 undocumented people from Caribbean countries, all ultimately aiming to reach the US.

Quotes of the week

“This vision, Colombia in peace, with equity and educated, is easy to remember, hard to achieve and profound in its significance.”

Colombia's President Juan Manuel Santos.

“The road will not be easy nor the results immediate. However, today we have the juridical framework and the institutional structure in place to start on the route towards a new Mexico.”

Mexico's President Enrique Peña Nieto on the promulgation of his government's energy reform.

“Who can doubt that there are serious economic difficulties? Nobody can doubt it [...] Difficulties and obstacles are what test the mettle of a people.”

Venezuela's President Nicolás Maduro.

Convicted criminals seeking election in Peru

With Peru's regional and municipal elections rapidly approaching the electoral authorities (JNE) revealed this week that as many as 345 candidates have current convictions for various crimes, including three apiece for drug-trafficking, terrorism and kidnapping. On 5 October voters will elect 25 new regional presidents, 195 provincial mayors and 1,647 municipal mayors nationwide.

There is far more scrutiny on the regional and municipal elections than is customary. The government of President Ollanta Humala was compelled to launch investigations into the running of regional governments in the wake of the March 2014 murder of a candidate for president in the northern region of Áncash, Ezequiel Nolasco, which led to the arrest of the incumbent president, César Álvarez Aguilar, on suspicion of involvement, and the subsequent revelation of a plethora of regional corruption scandals.

Of the 345 candidates barred from standing by the JNE, 80 carry convictions for failing to fulfil child maintenance commitments, 41 for embezzlement, 20 for falsifying documents, and 16 for aggravated theft. The region with the highest number of competing candidates carrying convictions is Ancash with 40.

Interior Minister Daniel Urresti excited controversy last week for warning that drug trafficking organisations (DTOs) were endeavouring to penetrate Peru's regional and municipal governments with their chosen candidates. Urresti provided the JNE with a list of 151 candidates in the elections who had previous involvement with drug-trafficking. Not all of these were guilty of wrongdoing. Some had been accused and acquitted or even just summoned to testify in a drug-trafficking case. Urresti said the public had a right to know.

Urresti seems less concerned that the public has a right to know about his own checkered past. A retired army general, Urresti is being investigated for ordering the murder of a journalist in 1988 [WR-14-27]. Despite the controversy surrounding him, Urresti is fast emerging as the most popular minister in President Humala's cabinet. His approval rating jumped 17 percentage points on July to 46% in August, according to an opinion survey published by local pollster Datum this week. His no-nonsense style has also helped lift Humala's approval rating from a nadir of 24% in July to 32% this month, the Datum poll showed.

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