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Guaidó endures first big setback in Venezuela

The entry of humanitarian aid into Venezuela did not provide the tipping point the opposition had counted on to expedite a democratic transition process. While there were a significant number of defections by frontline troops in the military and national guard, the big push on 23 February to force lorries laden with food and medicine across the border from Colombia (and to a lesser extent, Brazil) was largely frustrated, fortifying the government led by Nicolás Maduro. Juan Guaidó has made big strides since proclaiming himself interim president on 23 January but his disappointment will have been compounded by the indirect rejection of his subsequent call for “all options” to be considered to topple Maduro as the hemispheric Lima Group emphatically ruled out foreign military intervention.

The long weekend seemed to start auspiciously for Guaidó as he addressed thousands of people gathered for a ‘Venezuela Live Aid’ concert in the Colombian border city of Cúcuta on 22 February, while the Maduro government’s rival concert on the other side of the border, ‘Hands Off Venezuela’, was sparsely attended. But the following day did not go to plan. At least five people were killed and some 300 injured as humanitarian aid was blocked from entering Venezuela.

The opposition had calculated that when push came to shove the security forces would stand aside and allow the aid to enter, disobeying the Maduro government’s express orders. Colombian authorities reported that 326 members of the Bolivarian armed forces (FANB) and national guard (GNB) had defected (Venezuela’s Defence Minister Vladimir Padrino López claimed on 27 February that the figure was lower but that 109 members of the FANB had been expelled after defecting), but many held their ground, using tear gas, rubber bullets, and live ammunition.

The fatalities occurred in Santa Elena de Uairén, near the Brazilian border, where at least five people appear to have been killed and dozens injured in clashes between the security forces and the Pemón indigenous community, trying to bring in aid supplies from the state of Roraima. Some of the most violent repression against protesters was carried out by colectivos (pro-government militias) and paramilitary groups.

The prisons minister, Iris Varela, joined militias and a group of GNB on the Francisco de Paula Santander international bridge to block aid entering. “How proud we are to be Bolivarian Venezuelans...defending our country,” Varela tweeted. The communications minister, Jorge Rodríguez, claimed that two aid lorries which were set ablaze contained no food or medicine, pointing the finger at opposition militants intent on denigrating the government. The opposition blamed members of the national police. On 25 February Guaidó, appearing before a meeting of the Lima Group in Bogotá, described the burning of the two trucks as “a crime against humanity”.

US sanctions

US Treasury Secretary Steven Mnuchin announced yet more sanctions this week against four Venezuelan state governors of Apure, Ramón Carrizalez, and Zulia, Omar José Prieto, both on the border with Colombia, and the coastal states of Carabobo, Rafael Lacava, and Vargas, Jorge Luis García Carneiro, for preventing humanitarian aid from entering Venezuela and for systemic corruption.

The president of Venezuela's legislative commission for humanitarian aid, Miguel Pizarro, said that aid had entered the country "in other ways" but this was a reality check for the opposition, confirming that dislodging Maduro is likely to require sustained pressure over time. Guaidó called on the Lima Group to redouble pressure on the Maduro administration to restore the democratic order. "Today the regime thinks that blocking humanitarian aid was an achievement, it is celebrating a victory and dancing on the graves of indigenous people...today the regime set the price of democracy by using its last line of defence: prisoners, armed colectivos, and urban paramilitaries". Guaidó argued that "to allow this usurpation of power would be a threat to democracy in the Americas".

Earlier, on *Twitter*, Guaidó had said he would "formally propose to the international community that we must have all options open to secure the freedom of our country". But the Lima group demurred. It approved a resolution condemning the Maduro government's "deliberate" destruction of humanitarian aid; expressed its full support for Guaidó; and demanded free and fair elections, organised by an impartial electoral authority, under international observation, requiring the "immediate exit" of Maduro. It made clear, however, that military intervention was not an option. The final 18-point declaration, which was read by the Colombian foreign minister, Carlos Holmes Trujillo, stressed that the transition to democracy "must be driven by the Venezuelan people themselves, peacefully and within the framework of the constitution and international law, supported by political and diplomatic means, without the use of force".

US Vice-President Mike Pence cut a lonely figure at the meeting in repeating President Donald Trump's admonition that "all options are on the table". His Brazilian peer Hamilton Mourao said that "no one [in the Lima Group] supports a military solution". Guaidó, whose return to Venezuela is problematic as the supreme court had barred him from leaving the country, is heading to Brazil on 28 February ahead of a two-day visit to the country during which he will hold talks with President Jair Bolsonaro in Brasília. The two men are expected to discuss concrete steps to tighten "the diplomatic noose" on Maduro.

Guaidó is conscious of the need to preserve a broad coalition of international support to avoid the charge of being an imperialist stooge. Venezuela's foreign minister Jorge Arreaza accused Guaidó this week of following Pence's orders. Arreaza, who branded the US national security advisor John Bolton "a gangster", maintained that "[the US] wants Maduro out so that it can recover control of the Venezuelan economy".

On 26 February the US special envoy for Venezuela, Elliot Abrams, sought to persuade members of the United Nations Security Council (UNSC) to adopt a resolution calling for humanitarian aid to be admitted to Venezuela, while urging the international community to impose more sanctions and apply more pressure to push Maduro out peacefully. The UNSC is expected to vote on the resolution on 28 February, as well as a counter resolution presented by Russia supporting Maduro, and insisting upon the principles of national sovereignty and non-intervention.

China, which has extended significant loans to the Maduro government, continues to keep a low-profile, with rare interjections marked by rhetorical pragmatism. The spokesperson for the foreign ministry, Lu Kang, said this week that the "unstable, even turbulent, situation inside and outside Venezuela is not good for either side". He urged the international community not to "politicise" humanitarian aid, and called for "political solutions through dialogue and consultation within the legal and constitutional framework".

Reaction

Chile's government spokesperson Cecilia Pérez accused Cuban President Miguel Díaz-Canel of "insolence... and a lack of respect" for his portrayal of Chile's President Sebastián Piñera as "a clown". She said Díaz-Canel shared certain common traits with Nicolás Maduro "repressing their people, violating human rights, and not allowing freedom of expression or information". Colombia's President Iván Duque, also on the receiving end of Díaz-Canel's barb, retained the focus on Venezuela: "the situation in Venezuela is not a dilemma between war and peace; the true dilemma in Venezuela is the continuation of dictatorship or the return of democracy". Duque also insisted that Maduro had suffered "a moral and diplomatic defeat" by rejecting humanitarian aid as "the world could see the barbarity of the dictatorship oppressing Venezuela".

Carvajal

The Venezuelan opposition is opposed to any dialogue which keeps Maduro in power and will try and ramp up its efforts to sow division in the security forces. In its resolution, the Lima Group called upon the security forces "to be at the exclusive service of the nation and not one person, ceasing to serve as an instrument of an illegitimate regime". Hugo 'El Pollo' Carvajal, who served as head of military intelligence for over a decade under the presidency of the late Hugo Chávez (1999-2013), tweeted on 27 February that "90% of the FANB" wanted to fulfil its constitutional duty but to control it "the legitimate government... would have to dismantle the Cuban intelligence apparatus and control mechanisms". Carvajal said he would pass on to Guaidó ideas for adopting "a strategy to achieve this".

Carvajal enlisted as "one more soldier" in support of "freedom and democracy" behind Guaidó on 21 February, expressing his hope that he could play a useful role in "re-establishing the constitutional order to allow free elections". In video recordings and an interview with *The New York Times*, Carvajal called on the military hierarchy, "subordinated to Cuban guidelines", to alter course before it is too late. Addressing the FANB directly he said that "it is up to you brothers in arms the way in which this all pans out. Be in no doubt that this is the right side of history".

Carvajal, who won a seat in the national assembly for the ruling Partido Socialista Unido de Venezuela (PSUV) in 2015, had been estranged from the government for some time, having criticised the establishment in 2017 of the government-controlled constituent assembly to supplant the national assembly. But, his decision to throw in his lot with Guaidó, will give other prominent Chavistas, especially those side-lined by Maduro, pause for thought.

Carvajal said he had decided to back Guaidó because Venezuela is facing the most serious humanitarian crisis in its history, but he has an ulterior motive. Carvajal was sanctioned by the US government for drug trafficking and ties with the Fuerzas Armadas Revolucionarias de Colombia (Farc) way back in 2008. Carvajal's claim that he only had dealings with drug traffickers in order to investigate them, while pointing the finger at Néstor Reverol, the interior minister, who he said had taken bribes to allow drug shipments to pass through the country while serving as director of the national anti-drug office (ONA), lacks credibility. Carvajal's decision to back Guaidó now suggests he is keen to grab an amnesty while it is on offer, believing Maduro's days are numbered.

Cuba

Carvajal's reference to the profound influence of Cuban military intelligence and intervention in the FANB came shortly after Cuba's President Miguel Díaz-Canel echoed the Maduro administration's line that the humanitarian aid Guaidó sought to force into Venezuela was a cover for foreign intervention. Díaz-Canel described Colombia's President Iván Duque and Chilean peer Sebastián Piñera as "clowns" for gathering on the border to oversee the humanitarian aid. Díaz-Canel claimed that they faced "more problems [at home] than Venezuela" and were "accomplices in a US plan to fracture our identities, and enforce the standardisation of North American culture in a bid to dominate the world".

Díaz-Canel adjured Cubans to vote on 24 February not just to approve a new constitution [WR-18-31] but "also for Venezuela... and against imperial intervention in Latin America". The last constitution, in 1976, was supported by 97% of Cubans with a turnout of 98%; this time participation was down at 84% with 86.8% backing the constitution, 9% rejecting it, and 4.1% casting blank ballots, a notable level of dissidence in a totalitarian state.

Big twist in anti-corruption fight

Ecuador's President Lenín Moreno announced last week the creation of an international anti-corruption commission to fulfil one of the electoral-campaign promises he made in 2017 to improve the prevention, investigation, and prosecution of corruption. Shortly afterwards former president Rafael Correa (2007-2017) accused Moreno of corruption.

The international anti-corruption commission will operate in coordination with the United Nations (UN), the Organization of American States (OAS), the Inter-American Development Bank (IDB), and the anti-corruption NGO Transparency International (TI). During a televised address, President Moreno called upon his foreign minister, José Valencia, to hold meetings with representatives of these bodies and the diplomatic corps "to implement this initiative immediately", arguing that the country would "emerge strengthened from this experience". In a joint press conference, Valencia, and Iván Granda, the newly appointed national anti-corruption secretary, outlined the next steps to be taken (*see sidebar*).

Moreno lamented the inaction of certain prosecutors and judges in investigating alleged corruption cases in Ecuador, which he said underscored the need to seek external support to ensure that the corrupt are punished and stolen money recovered. He singled out the verdict of innocence handed down earlier this month in favour of Iván Espinel, who ran for the presidency in February 2017, winning some 300,000 votes (3.2%) advocating a 'Ley bisturí' ('scalpel law') against corruption, including the introduction of 40-year prison sentences (up from 13) for misappropriation of public funds.

Moreno awarded Espinel a cabinet ministry, but he resigned shortly afterwards accused of embezzlement while he was working at Ecuador's social security institute (IESS), which sustained US\$43m in losses between 2012 and 2015 when Espinel was its provincial director in Guayas. The attorney general's office appealed the favourable ruling for Espinel handed down by the Guayas provincial court. Granda, meanwhile, called for the judges sitting on the court to be investigated by the judicial council, which responded by stressing the importance of judicial independence.

Political tensions

Movimiento Revolución Ciudadana (MRC), a breakaway faction of the ruling left-wing Alianza País (AP) which is loyal to Correa, supported a petition presented to the national electoral council (CNE) on 26 February to sanction a recall referendum on Moreno for breaking his electoral promises and for alleged corruption. This refers to recent media allegations against one of Moreno's brothers, Edwin, who has been accused of tax evasion through the setting up of an undeclared offshore account in a tax haven and the dubious acquisition of a luxury property in Spain.

Moreno batted away the allegations, saying that he had never had an offshore account and had nothing to do with his brother's business dealings. He also claimed that the rumours were designed to destabilise his government ahead of local elections on 24 March and had been "orchestrated by a fugitive former president, the cause of the greatest moral, economic, and social debacle Ecuador has ever endured".

Moreno has long claimed that his government inherited a broken economy and unsustainable debt from the Correa administration and argued in a tele-

Corruption

A group of five independent international experts will sit on the international anti-corruption commission supporting Ecuador's institutions in detecting, investigating, and prosecuting acts of corruption.

Press freedom

“Today we have a different Ecuador, with an open, tolerant and democratic government as you envisioned it when you took office in 2017,” IAPA President María Elvira Domínguez, editor of Colombia’s *El País* newspaper, said during President Moreno’s ceremonial signing of the Declaration of Chapultepec. “Your government has made a commitment to respect freedom of the press and expression, to tolerate criticism and dissent, and to end the premeditated persecution of the media and journalists. A commitment that you fulfilled,” she added.

vised address days earlier that it was only thanks to the decisions of his government that Ecuador was not “what Venezuela is today”. Moreno was attempting to justify his government’s decision on 21 February to announce a US\$4.2bn deal with the International Monetary Fund (IMF), in addition to a further US\$6bn in credit agreements with other multilateral lenders, including the World Bank and the IDB.

Economy and Finance Minister Richard Martínez announced in January that the government had repaired its relations with the IMF, reviled by Correa. Under the deal, the IMF will provide Ecuador with financial assistance over the course of the next three years to help build “a more dynamic, sustainable, and inclusive economy...based on four key tenets; to boost competitiveness and job creation; to protect the poor and most vulnerable; to strengthen fiscal sustainability...and to improve transparency and strengthen the fight against corruption”.

Moreno was keen to stress that the funds would go towards social investment, constructing more housing and more schools, and creating job opportunities, but it was not an ‘easy sell’ as the public perception of the IMF is far from positive. Correa reacted by criticising the IMF deal as “unnecessary” and “a blow to the Ecuadorean people...highly costly at a social...political and even economic level”. He said, “everything is upside down in Ecuador, where this is presented as an achievement [but] Ecuador has now had 14 ‘achievements’, accords, including this one...the previous 13 being one disaster after another”. Correa added: “If this were the solution, we would be doing better than Switzerland now”.

Moreno hails restoration of press freedom

President Moreno signed the Declaration of Chapultepec, a 10-article statement of principles on freedom of expression and of the press, on 20 February. “This is a very important day for our country, a day for freedom,” Moreno said, while signing the declaration in the presence of a delegation from the Inter-American Press Association (IAPA), days after the national assembly approved a long series of amendments to the controversial communications law enacted under the Correa administration. This included the abolition of the superintendence of information and communications (Supercom), media lynching (defined as the dissemination of information which undermines the prestige of an individual or organisation), and administrative sanctions against the media.

Moreno, who criticised his predecessor for intimidation of the media, such as tearing up newspapers on national television, said a free press served as “a bulwark against abuse of authority”. Moreno said he would prefer “1,000 times over the excesses of the press to gagging and censure”. Correa had severed ties with the IAPA.

BOLIVIA | POLITICS

Morales delivers on healthcare

Bolivia’s President Evo Morales has promulgated a law establishing a unified healthcare system (SUS). First unveiled last year, the now-approved bill, which will take effect on 1 March, has been trumpeted by the ruling Movimiento al Socialismo (MAS) government as part of efforts to improve the quality of life of more than 5m Bolivians (out of a total population of 11.4m) who lack access to a public health service. While the new law has been hailed by the World Health Organization (WHO), doctors’ associations have rejected the changes and are threatening protests.

The new initiative was sanctioned into law on 20 February. Health Minister Gabriela Montaña explained that the government had assigned US\$200m

State investment

Back in January 2018, President Morales said that in 2005 – the year before he took office – the state budget for health was just B\$2.77bn (US\$400m) while, in 2018, this was due to reach B\$18.8bn. He added that this had enabled the government to increase the number of healthcare centres from 2,870 in 2005 to 3,902, with plans to construct a further 49 new hospitals by 2020, with an investment of US\$1.7bn. These improvements in healthcare provision have led the government to boast of progress such as a 60% reduction in the mortality rate of children under five years of age – from 27 cases per 1,000 children in 2006 to 15 per 1,000 in 2016.

for it in 2019. Of this total, US\$79m would go on health products; US\$110m on human resources; US\$30m to improve infrastructure for health establishments; and US\$24m to improve provision of equipment. She said that first and second level care would be the responsibility of municipal governments who would assign 15.5% of their tax take while the SUS would cover third and fourth level care, freeing up the municipalities from having to pay for these services. This comes on top of a US\$2bn plan to construct 49 new hospitals which is already under way: two were completed last year and a further seven are currently under construction.

In an opinion piece published in the local media on 23 February, the local WHO office hailed the new law as an “historic opportunity of State health policy”. Back in late 2017, the WHO already recognised that Bolivia had improved its health services by 20% between 2008 and 2016 – five times more than the average for the rest of the region – (*see sidebar*). However, the changes have been slammed by organisations like the Colegio Médico de Bolivia which warn that the infrastructure, equipment, and human resources are simply not in place for the government to make good on its promise. The doctors, who already staged protests last year against a substantial reform to the penal code, are again threatening unrest which is likely to be particularly ill-received by the government in an electoral year (*see box*).

Protests

Last week thousands of people took to the streets in seven of Bolivia’s nine departments – La Paz, Santa Cruz, Cochabamba, Sucre, Oruro, Potosí, and Beni. The protests were held to mark the third anniversary of the 21 February 2016 popular referendum which rejected changing the 2009 constitution (by 51.30%-48.70%) to allow President Morales to seek a further term in this October’s general elections. The result in any case was rendered redundant after the constitutional court (TCP) overturned the constitutional ban on Morales’ re-election in December 2017. The show of protest undermines Morales’ claim that, with the 27 January primaries (in which the MAS officially elected him as its candidate, albeit with low participation [[WR-19-04](#)]), the referendum result has been “buried” to all intents and purposes.

As well as the protests, opposition presidential candidates like former president Carlos Mesa (2003-2005), who is running for the Comunidad Ciudadana alliance and has emerged as Morales’s chief rival, along with civil-society groups, have also presented complaints before the Inter-American Commission on Human Rights (IACHR) against Morales’ re-election bid. They question the decision of the TCP, which had accepted the MAS’s appeal against the prohibition on the grounds that the 1969 American Convention on Human Rights (also known as the Pact of San José) affirms the right of all citizens to stand for election.

In an open letter to the IACHR, Mesa pointed to the example of Nicaragua which overturned the ban on re-election on similar grounds in 2009 and has since seen an erosion of democratic checks and balances, culminating in the current crisis stemming from the government’s crackdown on opponents of President Daniel Ortega.

COLOMBIA | ECONOMY

National development plan comes under fire

The Colombian government led by President Iván Duque has presented its proposed national development plan (PND) 2018-2022 to congress for debate. The PND is a package of measures that the Duque executive wants to implement in order to reduce poverty and unemployment, and promote strong domestic economic growth in Colombia over the next few years. However, aspects of the ambitious initiative have already come under criticism, which could ultimately force the government into a rethink.

OECD commitments

As part of the Colombian government's efforts to join the OECD, the government has agreed to simplify its tax scheme and change some discriminatory taxes and anti-competitive practices such as those that allowed the country to levy higher taxes on imported liquors over domestically produced ones. This led the government to introduce in 2016 a new ad valorem tax system for alcoholic products. But the new PND proposes a higher flat tax for all alcoholic products, which opponents say was not what was agreed with the OECD and would be harmful for local producers, who will lose their relative advantage over foreign producers.

The PND drafted by the Duque executive, dubbed 'Pacto por Colombia', is the result of a series of 48 public forums, regional workshops, and sector and academic meetings that were attended by over 10,000 people and produced over 2,500 different proposals for consideration. According to the government, the plan, which envisions a Col\$1.09trn (US\$355bn) investment over the next four years, is made up of 183 articles and is based on three guiding principles: promoting legality, equality, and entrepreneurship.

The PND sets five main objectives: to reduce the poverty rate from 26.9% to 21% (or from 12m people to around 9.5m); to reduce extreme poverty, which currently stands at 7.4%, to around 4.4%; to boost GDP growth to 4.5%, up from the current average growth rate of 3.3%; to increase the investment rate to 25.7%; and to create 1.6m jobs in the next four years and thus bring the unemployment rate down to 7.9%.

The PND draft, which was submitted to congress on 18 February, states that the outlined objectives are to be achieved by promoting investment in certain areas, reducing the tax burden on businesses, as well as reforming the national pension system, the tax system, and subsidisation of public services to create savings in order to invest these in economic development programmes.

However, some aspects of the PND have come under fire from various quarters. The first criticisms came from within the government itself, with the deputy comptroller general, Ricardo Rodríguez, arguing that the targets set by the PND are far too ambitious. In particular, Rodríguez said that achieving economic growth of over 4% in the current external economic circumstances would be difficult and that the target set in the PND is "too optimistic". Meanwhile, in congress, some legislators have picked apart some of the more specific measures included in the plan throughout this week.

The plan to reduce by 15% the subsidies on public services (including energy provision) that the government provides to low-income households were heavily criticised by legislators from across the political spectrum on the grounds that it would unjustly punish the poor. The proposals to increase the social security contributions of independent workers from 40% of monthly earnings to 55% was also widely questioned.

Legislators have also expressed concerns about the proposals to modify taxes on alcoholic drinks, which they argue runs counter to the commitments that the country assumed as part of its efforts to join the Organisation for Economic Co-operation and Development (OECD) (*see sidebar*); and to adjust the petrol taxation mechanism to try to stabilise the depleted national petrol price stabilisation fund (FEPC), but which it is feared would result in higher fuel prices for consumers.

Some of the criticisms voiced in congress were so pointed that they forced President Duque into announcing that some of the PND proposals would be abandoned. Duque said that, after careful consideration, he had decided to scrap the plans to reduce the subsidies on public services and for increasing the social security contributions of independent workers.

Duque said that the scrapping of these two initiatives would not significantly affect the PND and that all the objectives set out in the plan would still be achievable. Pointing out that 47% of the investment proposed under the PND is aimed at promoting social equality and stimulating economic growth, Duque urged congress to unite behind the initiative. But it is likely that more changes will have to be made before this happens. In this sense, the PND looks like suffering the same fate as the Duque administration's tax reform which was ripped apart by congress last year.

Fernández mounts pre-electoral legal defence

Former president Cristina Fernández (2007-2015) put up a fierce defence of her innocence in court this week. Claiming to be the victim of political persecution, Fernández said that the range of charges brought against her amounted to “a script worthy of an Oscar”. She was appearing in court for questioning related to the so-called ‘notebook’ case in which she stands accused of illicit association. Fernández faces a further seven legal cases which will unfold during the campaign for October’s presidential elections in which she is expected to compete.

“Unprecedented in the annals of jurisprudence, it can only be viewed as persecution and cruelty that totalitarian governments alone would have the temerity to practice,” Fernández said in a written text presented in court on 25 February. Fernández denied any evidence against her in the so-called ‘notebook case’, which came to light last August. It refers to eight handwritten notebooks kept by Oscar Centeno, who was a driver for the deputy planning minister Roberto Baratta (in office 2005-2015), detailing visits and cash deliveries which the prosecution claims constituted part of a wide-ranging network of bribes and kickbacks to secure public works contracts.

Fernández dismissed the evidence in the case as “simply photocopies of some alleged notebooks that nobody has seen”, and accused Judge Claudio Bonadio and prosecutor Carlos Stornelli of trying to “invent evidence” against her. She denounced as “scandalous and shameful” what she alleged was a joint campaign by the government led by President Mauricio Macri and the judiciary to carry out “political operations to stigmatise and destroy opposition figures, while collecting foreign-exchange by bribing businessmen and defendants [implicated in the case]”. She claimed that this was the “true illicit association”. On 15 February the police arrested a lawyer, Marcelo D’Alessio, accused by a businessman of soliciting bribes in Stornelli’s name to be left out of the notebook case. Fernández claimed this was evidence of “very serious irregularities”. Stornelli charged D’Alessio of “a clear operation to damage the investigation”.

On the same day that Fernández dismissed the ‘notebook case’ out of hand, Macri, speaking during a visit to the Río Salado water treatment plant in the province of Buenos Aires, maintained that, along with last year’s drought and “the lack of financing of emerging markets” (an understated allusion to last year’s currency collapse and financial crisis), the ‘notebook case’ constituted “one of the three big blows sustained by our economy”.

Fernández was due to go on trial on 26 February accused of improperly favouring Grupo Austral, owned by businessman Lázaro Báez, a personal friend of her late husband former president Néstor Kirchner (2003-2007), with 52 government roadworks contracts, worth Ar\$46bn (US\$3.3bn), in the southern province of Santa Cruz during her eight years as president. The case was postponed, however, until 21 May as one of the judges on the Buenos Aires court, the Tribunal Oral Federal 2, requires an operation. By then, Fernández, who enjoys immunity from prosecution as a sitting federal senator, is expected to have confirmed her intention to stand in presidential elections on 28 October.

Macri has already announced that he will run for re-election. But there were rumours this week that he might face a challenge from within the ruling centre-right Cambiemos coalition in August’s primary election. Martín

India

Speaking at an India-Argentina business forum in Mumbai at the conclusion of a three-day visit last week, President Macri said that the two economies were complementary, with Argentina’s capacity to produce food and energy. Macri said that the bilateral relation could serve as a gateway to the Asian and Latin American markets.

Gender violence

A survey conducted by Datafolha for the Fórum Brasileiro de Segurança Pública (FBSP) highlights the problem of gender violence in Brazil.

According to the results, on average 536 women are physically assaulted every hour in the country. Around 22m women (37.1% of Brazilian women) report being the victim of some form of aggression. The survey finds that women are more likely to be assaulted at home, and by someone they know, while a higher proportion of women of colour suffer from attacks. NGOs are calling for the government to address the issue of racial and gender-motivated violence.

Lousteau, a former economy minister who formed part of Macri's delegation on a foreign visit to India and Vietnam last week (see box below), said Cambiemos should "have no fear" of a primary election. This immediately prompted speculation that the Unión Cívica Radical (UCR), one of the three parties in Cambiemos along with Macri's Propuesta Republicana (PRO) and Deputy Elisa Carrió's Coalición Cívica-Afirmación para una República Igualitaria (CC-ARI), might field Lousteau, a federal deputy for Evolución, aligned with the UCR, as a candidate in the primaries.

The interior minister, Rogelio Frigerio, dismissed the speculation, insisting that Macri was the undisputed leader in Cambiemos. The defence minister, Oscar Aguad, a member of the UCR, called it an "unnecessary debate", while UCR senator Julio Martínez denied that there was any push within the party to hold primary elections (although he said the UCR should provide Macri's running mate). But with four months to run until any decision would need to be made, the UCR might be tempted to see how the polls evolve.

Macri seeks to drum up investment

President Macri signed 10 memorandums of understanding with India's Prime Minister Narendra Modi in areas such as defence, tourism, pharmaceuticals, agriculture, information technology, and nuclear energy, in New Delhi.

Macri, who led a delegation comprising around 100 representatives of small and medium-sized enterprises (SMEs) and other businessmen, sought to attract investment to Argentina, particularly in developing the giant Vaca Muerta shale oil and gas fields in Patagonia, and in exploiting lithium, of which Argentina has the second largest reserves in the world, which could help India meet its 2030 target for electric car production to 30% of total car production.

Argentina has a bilateral trade surplus of US\$1.2bn with India but two-way trade, despite doubling over the last decade, only amounts to some US\$3bn, and soybean oil accounts for 90% of Argentine exports to India. Macri and Modi said that there was significant scope for trade to expand.

BRAZIL | POLITICS & SECURITY

Homicides fall, but challenges remain

While much of Brazil's attention is focused this week on the street parties and samba shows of Carnival, on 27 February news site *G1* released annual homicide statistics for 2018. These show an overall decrease in lethal violence across Brazil after a record number of homicides in 2017, an improved scenario on which President Jair Bolsonaro will have to build if he is to achieve his promise of fighting crime and insecurity.

These latest statistics are based on data collected in the 'Violence Monitor', a joint initiative between *G1*, the centre for violence studies at the Universidade de São Paulo (NEV-USP) and the think tank Fórum Brasileiro de Segurança Pública (FBSP). The data showed Brazil suffered 51,589 murders in 2018, a 13% decline on the 59,128 homicides recorded in 2017. This puts Brazil's 2018 murder rate at 24.7 per 100,000 inhabitants, a figure which remains high. The violence monitor's figures do not include deaths committed by the police, as when taking these into account, homicides in 2017 came close to a record 64,000.

All but three of Brazil's 27 states saw a drop in the number of homicides last year, including important declines in the notoriously violent north-east. Only Amapá, Tocantins, and Roraima recorded an increase in homicides, significant in all three states (a 9.7%, 43.7% and 54% increase respectively).

Bruno Paes Manso, from the NEV-USP, notes that this overall decrease in lethal violence poses a challenge for the new federal and state governments

Bolsonaro's popularity

A survey by the national transport confederation (CNT) shows that, two months in, President Jair Bolsonaro's government has lower approval ratings than the three previously elected president's first-term governments.

Bolsonaro's government is considered 'good' or 'very good' by 38.9% of respondents, and bad by 19%.

However, the majority of Brazilians see it as an improvement on former presidents Michel Temer's government and Dilma Rousseff's second-term government.

Bolsonaro's personal performance is viewed positively by 57.5% of respondents.

as they must now work to maintain this trend. A series of draft bills put to the federal congress by Justice Minister Sérgio Moro last week, known as the 'anti-crime package', aims to do just this, hoping to contain violence by introducing tougher laws against criminals. The package's wide-ranging points aim to combat corruption as well as violent and organised crime [[WR-19-05](#)].

The violence monitor's 2018 statistics show, however, that existing measures targeting lethal violence may already be working in a number of states. No one factor can explain the decrease, but in Pernambuco for example, increased investment in public security infrastructure and personnel appears to have borne fruit as the state saw the biggest decline in homicides (23%).

This suggests that the federal government's focus on ensuring the success of the anti-crime package, one of its flagship policies, must not be to the detriment of maintaining strategies that have already proven to be effective. The same can be said for state governments, where some Bolsonaro admirers, such as Rio de Janeiro's Governor Wilson Witzel, were elected last year promising new tough-on-crime measures.

New measures are already being condemned by public security experts. Paes Manso and two directors from the FBSP, Renato Sérgio de Lima and Samira Bueno, have expressed concern at a presidential decree signed by Bolsonaro last January which, in theory, makes it easier for Brazilians to own a gun [[WR-19-02](#)]. Parts of Moro's anti-crime package have also been criticised, notably a controversial measure that would allow more lenient sentencing for police officers who kill in the line of duty. There are concerns that this will encourage further police violence, a growing problem in Brazil.

GI's 2018 data does not yet reflect this particular issue, however statistics on criminality recently released by Rio de Janeiro's Instituto de Segurança Pública (ISP) do. Killings committed by police officers in the state of Rio de Janeiro reached a record high for the month of January since the ISP began collecting data in 1998. Police officers killed 160 people in January this year, slightly more than the 157 deaths recorded in January 2018, and a concerning increase on the 88 deaths recorded in December. Overall, lethal violence in the state fell last year (in line with the national trend), but month-on-month, the number of murders increased between December 2018 and January 2019.

Although it is too soon to attribute this to the new state and federal governments, some consider that Witzel and Bolsonaro's violent rhetoric could be a contributing factor. A retired military police colonel heard by *Ponte*, an independent news site dedicated to public security issues, believes that the increase in lethal police violence in Rio state reflects a government discourse which encourages police repression and fighting violence with violence.

Despite criticisms, Moro is standing by his proposed draft bills. He denies that the proposal to treat homicides committed by police officers more leniently, by ascribing the concept of legitimate defence or justified fear, gives the security forces 'licence to kill'. Speaking to members of the judicial system during a conference hosted by the national justice council (CNJ) on 25 February, Moro once again defended the overall proposal, emphasising that it aims to be tougher on serious criminals. "The anticrime draft bill does not purport to be a magic response to the problems of public security, but the federal government's assessment is that it represents an important step," Moro said.

While the package faces opposition from members of the legal profession and public security experts, Moro will be able to count on popular support as the bills are debated in congress. According to a survey conducted by the national transport confederation (CNT) and released on 26 February, 62% of Brazilians support the anti-crime package, a far higher proportion than the 38.9% who have a positive view of Bolsonaro's government overall.

Harassment allegations

On 20 February Héctor Rubén Figueredo resigned as Paraguay's consul general in Buenos Aires, Argentina. The resignation came after Figueredo was accused by a Paraguayan woman resident in Buenos Aires of making unwanted sexual advances towards her as she sought consular assistance. Figueredo was already under scrutiny after his appointment in December 2018 by President Mario Abdo Benítez was denounced as a case of nepotism given that he had no previous diplomatic experience. Figueredo is the second official in the Abdo Benítez government to depart over sexual harassment allegations after immigration director Julián Vega was sacked after he was accused of inappropriately touching a translator during Abdo Benítez's official visit to Taiwan in October 2018.

Murder of indigenous leader causes concern

The murder of an indigenous man in central Asunción has sparked serious concerns. The incident came amid ongoing demonstrations in the capital by local indigenous groups over claims of illegal appropriation of their ancestral lands by Brazilian settlers. All of this has heightened social tensions in a country where indigenous rights are often not respected.

Some 300 members of the Ava Guaraní Tacuara'í indigenous community have been protesting in Asunción since November 2018 against the usurpation of what they believe are their ancestral lands in Corpus Christi, Canindeyú department. They have set up a protest camp near the national congress building from where they have been pressuring the government led by President Mario Abdo Benítez to address their demands. The camp and the regular demonstrations have disrupted the traffic in Asunción, fuelling complaints by residents. But tensions reached a high point on the night of 24 February when a group of men shot and killed Francisco Vicente López, one of the indigenous community's leaders.

The local authorities say that López was killed after he and other members of the indigenous community got into a fight with residents of the nearby Chacarita slum that got out of hand. The police have arrested four men suspected of being involved in the scuffle that led to López's murder and they are now under investigation. However, the authorities are under pressure to clear up the case fully, with the Ava Guaraní Tacuara'í claiming that the incident was part of a systematic campaign of violence that they have faced since being driven off their ancestral lands by armed Brazilian settlers in October 2018.

Further heightening tensions, after López's brother Derlis, the chief of the Ava Guaraní Tacuara'í, identified the body he was remanded by the police in line with an outstanding arrest warrant for making violent threats. Both Francisco's body and Derlis were then taken to Canindeyú's departmental capital, Salto del Guairá, where the authorities said that the national indigenous institute (Indi) has recently acquired 500 hectares of land for the Ava Guaraní Tacuara'í to relocate to.

The government said that it decided to provide the substitute lands as purchasing their ancestral lands from the settlers would be too expensive. However, the Ava Guaraní Tacuara'í complain that the substitute land offered is only half of the 1,000 hectares that rightfully belong to them. The government's actions have been criticised by local human rights groups, which accuse it of systematically denying indigenous people their rights by refusing to address their complaints, and they have called for a public campaign to pressure the government over the matter.

TRACKING TRENDS

BRAZIL | Senate approves Campos Neto for central bank. On 26 February, Brazil's federal senate approved Roberto Campos Neto as the new president of the country's central bank (BCB) by 55 votes to six, a necessary formality after he was nominated by the government.

Addressing the senate's economic issues committee (CAE), Campos Neto noted the challenges that lie ahead to continue the recovery of Brazil's economy, which began timidly in 2017. He committed to maintaining continuity with the monetary policy of his predecessor, Ilan Goldfajn, and defended making the BCB autonomous from government. He also said he would implement measures to increase transparency, innovation, and financial education, and help ease access to markets for national and foreign investors.

National guard proposal wins approval

President Andrés Manuel López Obrador announced the cancellation this week of a public consultation process on his government's proposed creation of a national guard, which had been scheduled for 21 March. López Obrador took the decision days after the federal senate voted all but unanimously to approve the requisite constitutional reform to establish the national guard. A few hurdles still remain but it is unlikely the initiative will be stopped now.

President López Obrador decided that a public consultation was unnecessary given that 127 of 128 federal senators had supported the proposal to create a national guard. This marked a triumph for the López Obrador administration, but the political opposition was also celebrating as the ruling left-wing Movimiento Regeneración Nacional (Morena) was compelled to cave in to pressure from inside and outside congress to modify the reform, which removes the ambiguity surrounding the nature of the national guard, defining it as a police institution under civilian control. Under the amended reform, the national guard will be placed under the authority of the public security ministry as opposed to the defence ministry (Sedena), ostensibly at least diminishing the influence of the armed forces on the new body.

Morena's Ricardo Monreal, president of the senate, celebrated cross-party support for the reform after weeks of tense negotiation. Morena, while it is the dominant force in both chambers of congress, lacks a two-thirds majority required to enact constitutional reform, necessitating reaching a consensus with the opposition.

The opposition had accused the government of seeking to deepen the militarisation of public security in Mexico contrary to López Obrador's campaign promise. Not only did opposition parties insist that the national guard should be answerable to the public security ministry, but they also forced Morena to agree to the elimination of the proposed council of military high command which would have had operational control. This had threatened to fuel inter-institutional conflict. Instead, there will be an "inter-institutional coordination body", which will preserve some military influence but, in theory, deny it control of the national guard.

The training of the new national guardsmen will be in accordance with police doctrine, emphasising respect for human rights and the rule of law. However, it will be made up of military police and members of the navy, as well as the federal police (PF), which will cease to exist. Security expert Alejandro Hope was broadly positive about the amendments to the reform, but he argued in his column in the national daily *El Universal* on 22 February that by stating that the military will continue to perform public security functions for the next five years "what incentives will they have to transfer personnel, capacities, and budget to the national guard?"

The senate changes require the reform to return to the federal lower chamber of congress for definitive approval. The leader of Morena in the lower chamber, Mario Delgado, reacted to the senate amendments by saying he preferred the original proposal. But López Obrador urged Morena deputies to back the reform and the lower chamber is expected to vote in its favour as we go to press. López Obrador also appealed to state congresses to follow suit. The proposal will need to be approved by at least 17 of the 32

State police forces

The national guard reform proposal approved by the federal senate also requires individual states to present a plan to strengthen their respective police forces within six months of the body's approval. This answers to a complaint by the political opposition that the López Obrador administration was more interested in creating a quasi-military new security institution than improving local civilian security forces.

Pemex
Pemex's crude oil production has declined for 14 straight years. President López Obrador has promised to reverse this decline, and boost output to 2.5m bpd by the time he leaves office in 2024. It is far from clear that a bigger budget for the company, tax cuts, and a capital injection will suffice to achieve this.

state legislatures, in most of which Morena's influence is much weaker than at a federal level, in order to take effect.

Civil society organisations such as Seguridad Sin Guerra, which had protested against the proposed reform as it stood, celebrated the amendments, but they were cautious about the secondary legislation which might now emerge. It will be down to secondary legislation to define the hierarchical structure of the national guard, the internal disciplinary regime, and the system of promotion and benefits, all of which could make the body more military in nature.

MEXICO | POLITICS & ECONOMY

Direct politics faces another challenge

"We knew that the communities not directly affected would support it... we knew this would be a farce." This was the reaction by civil society groups opposed to a new thermoelectric plant located in Mexico's central state of Morelos to the result of the public consultation on the project staged by the government led by President Andrés Manuel López Obrador. Those opposed to the project complain that the consultation was just another example of the López Obrador administration manipulating a direct popular participation exercise to show that there is public support for its position. But the opponents of the project are not taking this lying down and have filed legal challenges against the consultation, which could deliver a significant blow to López Obrador's political strategy.

Since assuming office in December, López Obrador has called no fewer than three public consultations on major infrastructure projects in an attempt to resolve the controversies surrounding them. All of these consultations have so far delivered the result that López Obrador was looking for. This has fuelled speculation that the government has manipulated the consultation processes to ensure that it gets its way. In particular, the López Obrador government has been accused of cleverly setting the scope of the consultations to include populations that it knows will back its preferred outcome, allowing it to claim, somewhat spuriously, that the decision was democratically reached.

This is one of the main accusations raised by the Frente de Pueblos en Defensa de la Tierra y el Agua -Morelos, Puebla, Tlaxcala (FPDTA-MPT) civil society group that opposes the establishment of the thermoelectric plant in Huexca, Morelos. The group, which is opposed to the M\$25bn (US\$1.3bn) project (that has been in the pipeline since 2011 and is now almost complete) on environmental grounds, refused to take part in the consultation process staged by the government on 23 and 24 February. Moreover, it conducted a campaign urging the local communities in Morelos state to boycott the exercise, complaining that by consulting the communities in the adjacent Puebla and Tlaxcala states that stand to benefit from the development of the project, which the government claims will help to reduce electricity tariffs in the area, would only mean that it would be approved.

Against this backdrop, López Obrador himself announced on 25 February that the consultation showed that there was clear public support for the development of the project. López Obrador said that 59.5% of the 55,715 people that took part in the consultation across Morelos, 15 municipalities in Puebla, and nine municipalities in Tlaxcala voted in favour of the project, with 40.1% voting against and 0.4% casting spoiled votes. López Obrador said that he was "satisfied" with the result and hailed it as a "democratic solution", adding that the project must now go ahead. But FPDTA-MPT was quick to reject the consultation result.

Samir Flores

The controversy over the Huexca thermoelectric plant attracted international attention on 20 February following the murder of environmental activist and radio broadcaster Samir Flores. A Morelos resident, Flores was a staunch and prominent opponent of the project. The local authorities said that Flores was shot dead outside his home by gunmen who left a note saying they were acting on behalf of the Comando Tlahuica local criminal group. However, there is some speculation that state actors may have been behind Flores' murder ostensibly to silence one of the most visible critics of the project. The murder has been condemned by Mexico's human rights commission (CNDH), international human rights organisations, and indigenous organisations such as the Ejército Zapatista de Liberación Nacional (EZLN).

FPDTA-MPT spokesperson Jorge Velázquez said that the consultation had been illegal and illegitimate. Velázquez argued that the exercise violated the right of the indigenous populations located along the Cuautla river that will be affected by the thermoelectric plant to be consulted about what happens in their lands. He also said that the consultation results show that the 'no' vote had won in the eight Morelos communities (including indigenous communities) that will be directly affected by the project.

Velázquez also noted that the participation had been low with only 3% of those eligible to vote choosing to take part (and an even lower 2% in Morelos). Based on these arguments, Velázquez said that the FPDTA-MPT has already presented legal challenges against the consultation mechanisms with the local courts; and that if these were thrown out, it would be prepared to take its case to international forums. Velázquez was adamant that the group would continue to stage disruptive protests against the project.

TRACKING TRENDS

MEXICO | Steady but sure. The Mexican economy slowed down slightly in 2018, growing by 2% year-on-year, according to the national statistics institute (Inegi), down from 2.1% in 2017.

The tertiary (service) sector was the main source of GDP growth, expanding by 2.8% year-on-year, while the primary sector (agriculture and raw materials) grew by 2.4%. As with the previous year, the secondary (manufacturing) sector caused the lag on growth, increasing by just 0.2%. Final-quarter growth in 2018 was 1.7% year-on-year in real terms.

Given the uncertainty surrounding Mexico's future trade relations with the US for much of 2018, the result shows the economy is more resilient than many analysts and commentators feared. But in a bulletin released this week the Banco de México attributed the rising current account deficit to uncertainty surrounding trade relations and last year's electoral campaign. The current account deficit grew by 14.4% in 2018, reaching US\$22.19bn.

The finance ministry is predicting GDP growth of between 1.5% and 2.5% in 2019, a long way short of the average annual growth of 4% President Andrés Manuel López Obrador promised to deliver during his electoral campaign, although he insisted this week that his government would meet this target. His confidence is not shared by all of the private sector. And Mexican economic think-tank Centro de Estudios Económicos del Sector Privado (CEESP) reported last week that there could be significant consequences on Mexico's public finances if the country's GDP, which was initially expected to grow by 2% in 2019, only grows at 1.8%, as it is now being forecast.

Not only has the fall in the expected GDP growth rate already created uncertainty and led to a small reduction in investment but it could also affect the economy's productive sector and lead to a fall in tax collection. Indeed, the CEESP report pointed out that the income and expenditure budget law approved in December 2018 was based on a GDP growth rate of 2% and estimated a tax collection of M\$3.31bn (US\$172m). If the economy only grows at 1.8%, the tax take would be reduced by approximately M\$3.3bn. Without a reduction in public spending, such a fall in tax revenue will ultimately increase the government's deficit and debt levels.

MEXICO | Pemex. The Mexican government approved a programme of assistance last week for the state-owned oil company (Pemex), with its tax contribution cut by M\$15bn and a capital injection of M\$92bn to boost production and revenues (M\$32bn of which is to go towards combating oil theft).

Pemex will need to reverse a sharp decline in production. It produced just 1.62m barrels per day (bpd) of crude in January, the lowest monthly total since Pemex began releasing records in 1990. Its crude exports also declined in January to 1.07m bpd, down by 10% on average shipments in 2018.

Candidates face off in first debate

With less than three months until general elections on 5 May, the first of two presidential debates took place last week, organised by the electoral authorities (TE). The debate revisited the issue of constitutional reform (among wider discussions as to how Panama can improve its institutions) as well as education, food security, and health. The debate takes place as surveys continue to show Laurentino Cortizo, a former agriculture minister (2004-2006) of the opposition Partido Revolucionario Democrático (PRD), as the favourite for the presidency. He is benefiting from the lack of public support for the current Partido Panameñista (PPA) government led by President Juan Carlos Varela, unpopular due to its failure to address concerns about public corruption which have also affected the opposition Cambio Democrático (CD) whose founder and country's former president Ricardo Martinelli (2009-2014) was extradited from the US in June 2018 to face charges related to his activities whilst in office.

The debate took place on 20 February involving Cortizo; former foreign minister Rómulo Roux (CD, 2012-2014); Panama City mayor José Isabel Blandón Figueroa (PPA); unionist Saúl Méndez (Frente Amplio por la Democracia, FAD); and three independents, Ana Matilde Gómez, Marco Ameglio, and Ricardo Lombana. The most recent survey published on 18 February by Stratmark Consultores SA, showed Cortizo on 48.7% of voting intentions followed by Roux on 23.9%, and Blandón on 10.8%.

One of the topics up for debate was that of constitutional reform – a campaign pledge on which President Varela has failed to deliver. Opinion surveys suggest there is public support for a new constitution to replace the current (1972) one which was introduced under military rule and updated by a handful of subsequent constitutional amendments, particularly given the need to strengthen the country's institutions which have been damaged by various scandals. These include the April 2016 'Panama Papers' scandal (when over 11m confidential documents were leaked from the offices of Panama-based offshore law firm Mossack Fonseca) and the case involving Brazilian construction firm Odebrecht which broke in December 2016. Currently, the constitution may be amended in three different ways: two successive legislatures may ratify the same specific reforms; the legislature and executive may submit one or more specific amendments to the electorate in a referendum; or a constituent assembly may be convened to draft a new constitution, which is then submitted to the electorate.

While there is consensus on the need to reform the constitution, there is little agreement as to the timing, details, or the best way of doing so – divisions which were reflected in the positions of the leading candidates. The local press cited Cortizo and Blandón as urging a constituent assembly while Roux proposed that constitutional reform should be ratified by two legislatures.

The candidates also addressed a major demand of farmers who, grouped in the Unidos por el Agro movement, have been staging protests since last year, calling for the abolition of the food security authority (Aupsa) (*see sidebar*). Also discussed was the need to improve access to quality education, amid concerns about inequality. Panama might have among the highest growth rates in the region but its Gini coefficient of 0.508 (a technical measure of inequality, where 0 represents perfect equality and 1 perfect inequality) is the worst in Central America after Guatemala. The candidates agreed on the need for Panama to spend at least 6% of GDP on education to improve the situation.

Aupsa complaints

Created in 2006 under the PRD government led by President Martín Torrijos (2004-2009), Aupsa is tasked with issuing science-based sanitary and phytosanitary (SPS) import policies for agricultural and food products entering Panama so that local farmers would not be put out of business. However, it has since been reformed and local farmers complain that it acts against their interests.

Quotes of the week

“For Venezuelans, and other South Americans, the worst dictatorship in the world is that of Maduro in Venezuela. For those oppressed by this regime it is of no comfort to say: ‘cheer up, North Korea is worse than Venezuela in a ranking’.”

Brazil’s foreign minister Ernesto Araújo.

“I must acknowledge that in cinematographic terms, this film is worthy of an Oscar for its originality.”

Former Argentine president Cristina Fernández on the myriad legal charges against her.

“How did you do it, Ricardo?” “With dialogue, dialogue, and patience.” “Yes, but how?” “As my grandmother would say: ‘I can’t give you the recipe’.”

Mexico’s Ricardo Monreal, Morena president of the senate, on how he achieved near-unanimous support for the government’s national guard initiative.

Brazil-Paraguay: boosting bilateral ties?

Brazil’s President Jair Bolsonaro and Paraguay’s President Mario Abdo Benítez attended the inauguration ceremony for the new Brazilian directors of Itaipú Binacional, the Brazilian-Paraguayan entity that manages the Itaipú hydroelectric dam, on 26 February. The occasion provided an opportunity for the first meeting between the two neighbouring heads of state since Bolsonaro took office last January, but it remains unclear whether Abdo Benítez, reportedly nervous about future bilateral relations under Brazil’s new president, has come away reassured.

The closed-door meeting between Presidents Bolsonaro and Abdo Benítez was a brief one (the two men are due to meet again in Brasília on 12 March), but both delivered speeches after the swearing-in ceremony underscoring their commitment to fighting transnational organised crime jointly and to building two new bridges linking their countries. Bolsonaro assured Abdo Benítez that his government backs the construction of the bridges, which had been agreed by his predecessor Michel Temer (2016-2019), saying they are of “fundamental importance” to Paraguay and Brazil.

Little was said about the bilateral energy agenda, which could prove to be a bone of contention. The two countries are due to renegotiate the Itaipú Treaty’s ‘Annex C’ on the dam’s financial aspects by 2023. Abdo Benítez will be under pressure at home to secure better terms for Paraguay, particularly with relation to the sale of its surplus energy produced at Itaipú, which under the current rules it must sell to Brazil at preferential rates. Brazil will not willingly agree to an increase in the price of Paraguay’s surplus energy, as this would frustrate plans to lower energy tariffs for consumers, an aim which Itaipú’s new Brazilian director general, Joaquim Silva a Luna, singled out during his swearing-in ceremony.

Bolsonaro, nonetheless, celebrated Itaipú as a symbol of Brazil and Paraguay’s friendship and noted his ideological convergence with Abdo Benítez. Eyebrows were raised, however, when he praised the authoritarian governments under which the dam’s construction was agreed nearly 50 years ago, pointedly turning to Abdo Benítez to commend Paraguay’s then dictator Alfredo Stroessner (1954-1989). Bolsonaro’s comments were roundly condemned in Paraguay, where the country has struggled to come to terms with the legacy of Stroessner’s abuses, and Abdo Benítez has faced criticism for his relationship with the dictatorship as his father served as Stroessner’s private secretary for 25 years.

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