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FEATURED Q&A

What Are the Top Issues Facing the OAS' Next Leader?

Q Former Uruguayan Foreign Minister Luis Almagro is poised to be elected secretary general of the Organization of American States today in a secret vote. Is Almagro the right person for the job? What are the biggest challenges he faces, and what are the first tasks he should tackle? To what extent is the OAS irrelevant, as its critics argue, and what should Almagro do to increase its influence?

A John Maisto, member of the Advisor board, director of U.S. Education Finance Group and former U.S. ambassador to the OAS: "The new secretary general will be helped at the outset by a Summit of the Americas in Panama that helps launch a new U.S.-Cuba relationship, leaving behind a tired debate. Luis Almagro comes from a successful, admired country with a socialist government that promotes economic inclusiveness as it cherishes and thrives in representative democracy. His challenge will be to bring those values to the work of the OAS. The existing agenda will be unchanged: perennial lack of sufficient funding; a perception that the OAS is less than relevant, particularly regarding democracy and human rights in Venezuela and media freedom in Ecuador; and how to keep the OAS engaged with regard to other hemispheric entities such as Unasur that eschew the United States and Canada. Almagro would be wise to concentrate on strengthening the jewels of the inter-

American system: the Inter-American Human Rights Commission and election observation. Similarly, he should strengthen the OAS' pragmatic, horizontal cooperation on international crime, narcotics trafficking and money laundering; anti-terrorism; and combating corruption. Almagro's biggest challenge will be to seek leadership buy-in from the member states whose foreign ministries send instructions to their permanent representatives. (We must remember that the OAS is an exclusive club of executive branches only). For

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Leftist Leaders Express Support for Venezuela's Maduro

Leftist leaders, including Cuba's Raúl Castro (L), gathered Tuesday in Caracas to express support for the government of Venezuelan President Nicolás Maduro (R), whose government last week was designated a security threat by the United States. See story on page 2.

Photo: Radio Havana Cuba.

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NEWS BRIEFS

Obama to Make State Visit to Jamaica Next Month

Jamaican Prime Minister Portia Simpson Miller said Tuesday that U.S. President Barack Obama will make a state visit to the nation on April 9 ahead of the Summit of the Americas, the Associated Press reported. Miller added Obama will meet with other leaders from Caricom to discuss security, trade and other issues. A sitting U.S. president has not visited Jamaica since Ronald Regan went in 1982.

FMLN, Arena in Tight Race as El Salvador Counts Ballots

El Salvador's Supreme Electoral Tribunal on Tuesday released preliminary results from the country's March 1 legislative and municipal elections, showing that the ruling FMLN party is neck and neck with the opposition Arena party, TeleSur reported. Arena held a 0.03 percent advantage with 75 percent of the votes counted. The tribunal also released final vote counts for the Central American Parliament, in which Arena received about 40 percent of the vote. Results have been delayed due to a failure of the digital electoral database, so votes are being counted manually.

Police Announce Embezzlement Bust at Brazil's Caixa

Police in Brazil announced Tuesday that they had started to apprehend suspects involved in an embezzlement scheme at state-run bank **Caixa Econômica Federal**, Reuters reported. The alleged perpetrators are accused of defrauding the lender of approximately 100 million reais (\$30.5 million). Suspects stand accused of fraudulently obtaining mortgages for non-existent properties and exaggerating the value of actual properties, police said.

Political News

Leftist Leaders Gather in Support of Venezuela

Leaders of the 11-nation ALBA bloc met Tuesday in Caracas in a move to support Venezuela amid its rising tensions with the United States. The meeting happened just more than a week after U.S. President Barack Obama declared the Andean country a national security threat and imposed sanctions on seven Venezuelan officials, saying they were involved in human rights abuses and persecution of political opponents. Venezuelan President Nicolás Maduro angrily responded to the

“Our unity is indestructible.”

— Raúl Castro

designation and sanctions by saying the United States was an "imperialist threat" to Venezuela, Agence France-Presse reported. During the summit Tuesday in Caracas, Ecuadorean Foreign Minister Ricardo Patiño said it was "fundamental" for Latin American nations to united in the face of "what could be an intervention in Venezuela," AFP reported. "Declaring a country a threat is a prelude to an invasion," Patiño added. Other presidents on hand for the summit included Cuba's Raúl Castro, Bolivia's Evo Morales and Nicaragua's Daniel Ortega. Castro, whose government is in negotiations with Washington to normalize diplomatic relations after more than five decades, also voiced support for Maduro's government. "The U.S. needs to understand once and for all that it can't seduce or buy Cuba, just as it can't intimidate Venezuela," said Castro, the Associated Press reported. "Our unity is indestructible." In an advertisement in Tuesday's *New York Times*, Maduro's government said "Venezuela is not a threat" to the national security of the United States. "Never before in the history of our nations has a president of the United States attempted to govern Venezuelans by decree," said the ad. "It is a tyrannical and imperial order, and it

pushes us back into the darkest days of the relationship" between the United States and Latin America. In Washington on Tuesday, top Obama administration officials told the Senate Foreign Relations Committee that the United States will continue to exert pressure on Venezuela and that concerns about Maduro's record on human rights will be a top priority during next month's Summit of the Americas in Panama, which Obama will attend with Maduro, Castro and other Western Hemisphere heads of state.

Company News

Citibank to Exit Argentina Custody Business After Judge's Ruling

New York-based **Citibank** said Tuesday that it will exit the business of making bond payments in Argentina after a U.S. court ruled that the bank could not process Argentina's payments to bondholders, and the nation threatened to revoke its operating license, *The Wall Street Journal* reported. In a letter to U.S. District Judge Thomas Griesa, Citibank said it would exit the custody business in Argentina because of last week's decision and threats from Argentina to revoke its banking license and impose criminal, civil and administrative sanctions. **Singer**



"The precise manner by which Citibank Argentina will exit the custody business has yet to be finally determined, but it may include the sale of certain portions of the custody business or termination of account relationships with notice to its customers," the bank said in the letter. The dispute stems from Argentina's default in 2001. Most bondholders accepted debt-swap deals in the following years, but has small group, led by Paul Singer's **NML Capital**, has sued and demanded full repayment. Griesa previously ruled that the holdouts must be paid if Argentina pays holders of restructured debt and last week cited that

File Photo: World Economic Forum.

decision in ruling that Citibank could not pay holders of Argentina's local-law bonds on March 31. It is not clear what Argentina will do to make the payments due later this month, according to the Associated Press. The Economy Ministry declined to comment, and analysts told the AP that while a local Argentine bank could be used to make the payments in theory, the fact that the bond payments must be made in dollars will make it difficult to do so without a U.S.-based financial institution.

Economic News

Brazil to Hold Auction Including Solar Projects in November

Brazil has scheduled its second reserve auction of the year for Nov. 13, *pv magazine Latinoamérica* reported, citing a notice published Tuesday in the nation's official gazette. The auction will include categories for wind and solar projects, making it the third national solar auction to be held in Brazil. Contracted projects will receive 20-year power-purchase agreements and will have to begin supplying power by Nov. 1, 2018. On Monday, the government announced the date for the nation's first reserve auction this year, set for Aug. 14. The August tender is only for solar projects, which will have to begin supplying power by Aug. 1, 2017. In recent months, Brazil's power sector has been hit hard by a drought that has reduced output at hydroelectric plants, which account for more than 70 percent of electricity production, and the country has been looking to diversify its power sources. Brazil's first federal solar auction was held in October. "The context of record droughts in hydroelectricity-dependent Brazil—which are expected to continue throughout 2015—recent blackouts and water rationing, as well as a 40 percent increase in the price of electricity in the energy-hungry country, is proving to local regulators and consumers that PV presents an interesting part of the solution," Camila Ramos, managing director of CELA - Clean Energy Latin America in São Paulo, [told](#) the *Energy Advisor* last month.

Featured Q&A

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without such a commitment on issues from budget to well-honed economic and social programs to scholarships dear to the Caribbeans to defending the Inter-American Democratic Charter, the new secretary general, despite best intentions, could well become as frustrated as his predecessors."

A Andrew F. Cooper, professor in the Balsillie School of International Affairs and the department of political science at the University of Waterloo in Canada: "The incipient election of Uruguay's former foreign minister, Luis Almagro, as OAS secretary general avoids many of the procedural difficulties that have beleaguered the organization in the past. Unlike in 2005, there will be no protracted and polarizing battle between two candidates, one from the north and the other from the south of the hemisphere, widely perceived to be favored by a pro-U.S. and an anti-U.S. camp. What is worrying is the lack of focus on immediate substantive issues. When Almagro placed his program before the Permanent Council of the OAS in February, the focus was on initiatives such as the creation of 'an Inter-American System of Prevention of Social Conflicts.' While few can object to this goal in the longer term, the major issues in the Americas require risk-taking now, not visions of the future. How can the OAS facilitate the rapprochement between the United States and Cuba, along with the re-entry of Cuba into the organization at the 2015 summit in Panama? How can the OAS defuse the escalating conflict between the Obama administration and the Maduro government amid the declaration by the United States that Venezuela poses an 'extraordinary threat to national security' and the special meeting of Unasur to discuss this executive action? Only by inserting itself in the middle of the core diplomatic agenda items facing the Americas can the OAS regain its status as a hub organization, attract requisite funding to cover its

activities and demonstrate that it can operate in an effective problem-solving mode."

A Ezequiel Vázquez-Ger, director of the Center for Investigative Journalism in the Americas: "The OAS desperately needs energetic new leadership. It needs someone capable of undertaking a comprehensive reform of how and what the organization does. It needs a leader who awakens the talent of its staff and helps regain the organization's leading role in promoting human rights and democracy in the Americas. Almagro has no such experience. His actions will be based more on ideology, rather than on a modernizing vision. During the last several months, Almagro held several meetings with Ecuador's foreign minister, Ricardo Patiño, and agreed on a common agenda, the most relevant point being the need for a secretary general with a guiding role with respect to cases discussed in the Inter-American Commission on Human Rights. This is extremely dangerous because it attacks the autonomy of the commission. For a long time, Ecuador has been trying to undermine the role of the IACHR. Almagro seems to be the candidate they need in order to accomplish that. I anticipate that during his tenure, Almagro will increase his efforts to position Unasur as a leader in human rights and democracy promotion matters, displacing the OAS and the IACHR from the scene. Judging from what's happening in Venezuela, it appears that Unasur's goal is not to defend citizens from human rights violations by their governments, but rather to defend governments from the complaints of their citizens."

A Pía Riggiozzi, associate professor in global politics at the University of Southampton: "If the OAS is to restore its leadership and its pivotal place as a hub organization in hemispheric diplomacy, the next secretary general, likely to be for-

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mer Uruguayan Foreign Minister Luis Almagro, must address pressing issues. The OAS has lost an effective constituency within the United States as it struggles to satisfy critics attacking its organizational executive functions, while losing ground on signature issues and areas to new subregional bodies that are substituting many of the roles and responsibilities of the OAS. Unasur, for instance, has displaced the OAS as the preferred institution for conflict resolution in the region (Bolivia in 2008, Ecuador in 2005 and 2010, Honduras in 2009, Paraguay in 2012, Venezuela since 2013) and is engaged in innovative forms of 'niche diplomacy' within the World Health Organization and vis-à-vis international pharmaceutical corporations. Likewise, Celac is reworking the meaning and practice of Pan-Americanism. Balancing out Washington's priorities and reducing the existing polarization in the inter-American system is a major challenge. Improving relations between the United States and Cuba gives the next secretary general leeway in this direction. Yet, diplomatic tensions between the United States and Venezuela, and the recent meeting called by Unasur in Ecuador to respond to the sanctions levied upon Venezuela by the White House, reminds us of the difficulties of finding common denominators, let alone strategic transformation of the OAS ethos. Other regional problems such as drug trafficking, forced migration, humanitarian crises and the protection of human rights continue to require hemispheric interactions. All that is a tall order for the United States, demiurge of the organization in the 1940s, which can't afford to see the weakening of this inter-regional institution but has lukewarm support within the U.S. Congress to revitalize the OAS. But the OAS is well-equipped financially and organizationally to encourage a valuable nexus for its North and South American members in these areas, while Almagro has proven diplomatic and leadership credentials to work with individuals and countries across the

political spectrum to promote such nexus."

A Nils Castro, professor, writer and Panamanian diplomat: "A good secretary general will understand in what ways the OAS should be transformed and how to do it. Luis Almagro was foreign minister in a good government and is the lone candidate in an uncontested election; that provides him with initial political backing. The question is how to recover the usefulness of an organization that was created at the beginning of the Cold War and whose field of action is greatly changed. While the OAS exhibits a poor balance of costs and benefits, Unasur already fulfills its main functions in a well-accepted way, and Celac is getting closer to achieving that, with respect to their respective subregional demands. The question is: What desirable objective can the OAS offer that is distinct and relevant? Different from other regional organizations, the participation of the United States and Canada allows the development of the OAS as a forum of dialogue and consultation between the northern and southern continents. That would even allow the Summit of the Americas to be characterized as the highest conclaves of this forum. This would allow defining what to keep or discard from the current OAS and its swollen budgets. Both Almagro and the U.S. Congress (in a law passed in 2013) have demanded pruning the organization, but they lack a major criterion to direct the scissors. Hopefully this streamlining mainly reduces U.S. financial support, to improve the global balance, reduces the OAS' dependence on the United States and further recognizes that this issue has as many critics in Latin America as it does in the U.S. Congress."

The Advisor welcomes reactions to the Q&A above. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org with comments.

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