What Did Leaders Accomplish at the CELAC Summit?

Heads of state from 33 countries attending the fourth Summit of the Community of Latin American and Caribbean States, or CELAC, in Quito last week discussed an agenda that included the eradication of poverty, ways to build economic strength and efforts to combat the spread of the Zika virus, as well as support for Colombia as it nears the end of its peace negotiation process and for Haiti as it struggles to hold a safe and free presidential election. The host of the meeting, Ecuadorian President Rafael Correa, called for CELAC to replace the Organization of American States as the leading multilateral organization in the region. What will result from the fourth CELAC summit? Is CELAC better equipped to handle pressing issues of the region than the Washington-based OAS? What other insights can be gleaned from the summit?

Kevin Casas-Zamora, director of the Peter D. Bell Rule of Law Program at the Inter-American Dialogue and former vice president of Costa Rica: “The recent CELAC summit evinced both the glaring strengths and weaknesses of this organization. CELAC’s key asset is the level of its interlocution, namely the fact that it is a gathering of the region’s heads of state and government. This bestows its discussions and decisions with a political weight that other regional organizations—notably the OAS—routinely lack. Yet, on display were also the flaws of a multilateral body that is institutionally empty. This was very clear when Haiti requested the help of CELAC members to solve its political impasse, a request that was met by an institutional and procedural void. This is the problem—CELAC is a talking head without a... Continued on page 3
Obama to Seek $450 Million in Aid for Colombia

U.S. President Barack Obama on Thursday said he will ask Congress for $450 million to help Colombia transition to peace as the Colombian government and the FARC rebel group approach the signing of a peace accord, The Wall Street Journal reported. At a White House ceremony with Colombian President Juan Manuel Santos, Obama said, "Just as the United States has been Colombia's partner in a time of war, I indicated to President Santos we would be your partner in waging peace." The proposed sum would go toward reinforcing security, helping to reintegrate former members of the rebel group into society and improving Colombia's justice system. Obama also said Secretary of State John Kerry would work to help remove all land mines from Colombia within five years. "We are going to call it Peace Colombia, Paz Colombia," Obama said, drawing the distinction between the new fund and the previous $10 billion, 15-year-long Plan Colombia, which had a military and anti-narcotics focus. Plan Peace would provide a significant increase from the $300 million a year in aid that Colombia currently receives from the United States, but government planners say Colombia will need tens of billions of dollars more in order to bring infrastructure to remote regions and modernize the agricultural sector, among other major projects. [Editor’s note: See related Q&A in the Jan. 29 issue of the Advisor.]

Venezuela Assembly Opens Debate on Amnesty Measure

Venezuela's opposition-controlled National Assembly on Thursday opened debate on legislation that would free 75 government opponents whom the opposition considers political prisoners, Agence France-Presse reported. Among those present in the chamber was Lilian Tintori, wife of jailed opposition leader Leopoldo López who would be freed under the measure. During the debate, Tintori held a sign reading "Amnesty + reconciliation = peace." López has been jailed since February 2014 on charges of inciting violent anti-government protests and was sentenced last September to 14 years in prison. Opposition lawmakers began the debate Thursday by saying the amnesty measure was needed to help the country move forward. "After 17 years of hatred and division, we must unite to exit this crisis. We Venezuelans are crying out for unity, peace and national reconciliation...." — Delsa Solorzano

Historic Meeting Planned Between Pope, Russian Orthodox Leader in Cuba

Pope Francis will meet next week in Cuba with Patriarch Kirill, the leader of the Russian Orthodox Church, the Vatican announced today. The meeting would be the first ever between a sitting pope and a Russian patriarch. The two religious leaders plan to meet at José Martí International Airport on Friday, ahead of Francis' visit to Mexico, The Washington Post reported.

Peru Election Officials May Bar Guzmán From Presidential Race

Peru’s electoral board may bar a presidential candidate who has recently risen to second place in the polls from participating in the national elections set to take place in two months, Reuters reported Thursday. According to the National Jury of Elections, presidential hopeful Julio Guzmán failed to fulfill requirements when registering his party. Guzman is the second candidate to face possible disqualification. Last week, the board said it may bar former Governor Cesar Acuña from elections if a university in Spain verifies plagiarism allegations against him.

Argentine Government Defends Decision to Lay off Thousands

The Argentine government on Thursday defended its decision to lay off approximately 6,200 public sector workers, and warned that it could dismiss more workers in the near future, the Associated Press reported. The government argued that many of the employees hired during former President Cristina Fernández de Kirchner’s administration never showed up to work. In response to the move, the State Workers Association union’s secretary general, Hugo Godoy, said workers will stage a nationwide strike on Feb. 24.
body. It lacks any capacity whatsoever to follow up on the grand declarations of its principals. Beyond this, it is an institution built on the adolescent notion that the best way to defend Latin America’s interests is to gang up against the United States and Cana-
dal region—geography matters) is nevertheless a welcome approach to dealing with the important hemispheric issues of our time. Shared objectives in science, innovation/technology, inequality/extreme poverty, financing for development and connectivity/infrastructure—CELAC’s motivating themes—are worthy of mutual efforts, common policies and needed accompanying reforms, improved atmospheres for trade and investment and a host of other cooperative measures. It is hard to understand how leaving out the two strongest economies in the region take away from those objectives—which are also shared by the OAS. In fact that issue was already taken up at last year’s OAS General Assembly; it was an initiative put forth by President Correa that was rejected. It is also hard to see how continuing to pursue an OAS without the United States and Canada could now be successful in view of a new politico-economic realities—regional economies hit by low energy/raw material prices, a new Argentine government and a strengthened Colombia, both of which do not favor such a move, Venezuela in turmoil, Brazil’s economic and political distress, the United States and Cuba improving ties and, not least of all, a dynamic new Uruguayan OAS secretary-general. As CELAC members are also OAS members, and derive benefit from it (particularly the Caribbean and the Central Americans, with the latest example being Honduras), it seems unlikely that they would support an OAS without the United States and Canada and buy into President Correa’s proposal.”

John F. Maisto, former U.S. ambassador to the OAS, Venezuela, and Nicaragua, and former senior director for the Western Hemisphere at the U.S. National Security Council: “CELAC’s sub-regional vision (sub-regional because the hemisphere is composed of South, Central and North America, and the Caribbean—geography matters) is nevertheless a welcome approach to dealing with the important hemispheric issues of our time. Shared objectives in science, innovation/technology, inequality/extreme poverty, financing for development and connectivity/infrastructure—CELAC’s motivating themes—are worthy of mutual efforts, common policies and needed accompanying reforms, improved atmospheres for trade and investment and a host of other cooperative measures. It is hard to understand how leaving out the two strongest economies in the region take away from those objectives—which are also shared by the OAS. In fact that issue was already taken up at last year’s OAS General Assembly; it was an initiative put forth by President Correa that was rejected. It is also hard to see how continuing to pursue an OAS without the United States and Canada could now be successful in view of a new politico-economic realities—regional economies hit by low energy/raw material prices, a new Argentine government and a strengthened Colombia, both of which do not favor such a move, Venezuela in turmoil, Brazil’s economic and political distress, the United States and Cuba improving ties and, not least of all, a dynamic new Uruguayan OAS secretary-general. As CELAC members are also OAS members, and derive benefit from it (particularly the Caribbean and the Central Americans, with the latest example being Honduras), it seems unlikely that they would support an OAS without the United States and Canada and buy into President Correa’s proposal.”

Pia Riggiorozzi, associate professor of global politics at the University of Southampton in the United Kingdom: “Claims that Latin American regionalism has failed have been common for a decade or more, despite the fact that regional initiatives have proliferated since the 1960s, regaining political momentum since the early 2000s. ALBA, UNASUR and CELAC are part of this trend, yet commentaries have dismissed these organizations as merely talking shops, which the perpetrators are seeking to use to pardon themselves,” said Héctor Rodríguez, the assembly leader of Maduro’s United Socialist Party. Maduro is widely expected to veto any amnesty legislation that the National Assembly passes, which could then lead to a showdown between the assembly and Maduro, with the Supreme Court, which the opposition blasts as being packed with Maduro loyalists, as the decider. [Editor’s note: See Q&A on Venezuela in Tuesday’s issue of the Advisor.]

BUSINESS NEWS

Mexico’s Cemex Swings to a Profit in Fourth Quarter

Mexico-based cement maker Cemex on Thursday said it swung to a net profit for the fourth quarter, a result that was aided by lower expenses, The Wall Street Journal reported. The company, headquartered in Monterrey, reported net profit of $144 million for the quarter, as compared to a $178 million net loss in the same quarter a year earlier. The result for the year’s final quarter resulted in a $75 million profit for 2015, the first time in six years that the company, which has a high level of debt, turned a profit for the year. In 2014, the company posted a net $507 million loss. “I am particularly pleased with the growth in our free cash flow after maintenance capex of more than $480 million, which enabled us to reduce our debt by close to $1 billion during the year,” CEO Fernando González told analysts in a conference call. The strength of the U.S. dollar hurt sales in the fourth quarter, and cement volumes were flat, the company said.

Cemex turned a net profit of $75 million for the year.
manifestations of inexorable ideological polarization or simply weak and unstable models of region building. These conclusions would hold firmly if regionalism were only about markets and economics. The fourth CELAC summit opens an unprecedented opportunity to evaluate the wider regional organization in a new light. Unlike previous summits, representatives who met at this CELAC summit do share less politico-ideological grounds and visions of solidarity than before. Nonetheless, they agreed on the importance of the U.N. 2020 Agenda and the need for a regional action plan to reduce poverty and hunger, to improve the region’s education, science and technology and to step up protection of the environment. These issues took precedence over, and even tamed, rhetorical arguments about replacing the OAS. In this context, reducing CELAC’s agenda to a CELAC-OAS competition would be a mistake and risks brushing aside the potential of new regional normative frameworks and institutional opportunities for issue-claiming and policy making. It is true that the OAS has lost an effective constituency in the Americas at large while losing ground on signature issues/areas to new sub-regional bodies. UNASUR, for instance, has displaced the OAS as the preferred institution for conflict resolution in the region and is engaged in innovative forms of ‘niche diplomacy’ within the World Health Organization and vis-à-vis international pharmaceutical corporations. But for CELAC to rework the meaning and practice of Pan-Americanism, it demands to be better equipped financially and organizationally to encourage a valuable nexus for its Central and South American members, and between these and the North American neighbors. At the moment, there remains a credibility problem related to the current gap between the agenda of intentions and reality as Latin American regionalism plays a much smaller role than it could do embedding regional norms and policy in domestic legislation.”

“The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.”

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**Reducing CELAC’s agenda to a CELAC-OAS competition would be a mistake.**

— Pia Riggiozzi

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