**FEATURED Q&A**

**Why Is Peru’s Coca Cultivation at Record Levels?**

The amount of land in Peru under the cultivation of coca grew 18 percent in 2022 to a record high. Government agents are pictured eradicating coca plants in Peru’s Ucayali region. // File Photo: Peruvian Government.

**Q** The amount of land in Peru under the cultivation of coca, which is used to produce cocaine, grew 18 percent last year to record highs, according to the government’s top anti-drug official. While coca is chewed for some legal uses, such as to prevent altitude sickness, officials and analysts estimate that some 90 percent of the crop is used to produce illicit drugs, Reuters reported. Why has the amount of land under coca cultivation been growing in Peru? How effective are the government’s anti-drug policies? How well are Peruvian authorities cooperating with neighboring countries and the United States on anti-drug efforts?

**A** Vanda Felbab-Brown, senior fellow for foreign policy at the Brookings Institution: “Three factors account for the increase in cocaine production in Peru: 1.) the growth in global demand for cocaine; 2.) the expanding presence of Colombian and Brazilian drug trafficking groups in Peru; and 3.) Peru’s struggling counternarcotics policies. Even as the world is experiencing a global revolution in synthetic drugs and the U.S. cocaine market has flattened, cocaine use has expanded in Europe, Australia and the Southern Cone and is creeping up even in Africa. Much of the cocaine consumed in western and central Europe originates in Peru (little from Peru heads to the United States). Cocaine use in Argentina and Brazil may well be on par with that of the United States. The remnants of the Shining Path still tax cocaine production in the traditional center of Peru’s cultivation—the VRAEM region. But Colombian and Brazilian traffickers have organized new cultivation in Peru’s border regions and international trafficking. This geographic

Continued on page 3
Ruling Party Taps El Salvador’s Bukele for New Term

El Salvador’s ruling New Ideas party on Sunday nominated President Nayib Bukele as its candidate for next year’s election despite criticism from opposition members and legal experts who say the country’s constitution prohibits presidential re-election, the Associated Press reported. “The winner for the presidential candidacy is Mr. Nayib Armando Bukele Ortez,” Karen González, the head of the party’s electoral commission told reporters, without saying how many votes Bukele received. Salvadoran law requires the country’s political parties to hold internal votes to select their presidential candidates. The party also announced that current Vice President Félix Ulloa would also run for re-election in the vote, which is scheduled for Feb. 4, 2024, the AP reported. Lawyers say Bukele’s candidacy for re-election would violate at least four articles of the constitution, including Article 154, which reads, “The presidential term will be five years and will begin and end on June 1, without the person who has held the presidency being able to continue in their functions even one more day,” the AP reported. However, Ulloa, who is a lawyer, has said that Bukele simply needs to ask the country’s Legislative Assembly for a leave of absence by Dec. 1 in order to run for re-election. Bukele announced last September that he planned to run for another five-year term. Bukele’s crackdown on violent street gangs, which he launched in March of last year, has earned him high approval ratings despite criticism from human rights groups. He has an approval rating of more than 90 percent, AFP reported. “The reduction in homicides has played a significant role in his continuing popularity,” Christine J. Wade, professor of political science and international studies at Washington, College in Chestertown, Md., told the Advisor in a Q&A published March 28. “For two decades, crime and the economy have been the two issues that Salvadoran voters are most concerned about. At present, he’s delivered on one of those—at least temporarily,” said Wade. The crackdown has resulted in the jailing of more than 60,000 people, the AP reported. In 2021, Bukele’s government replaced five Supreme Court justices and the attorney general, as well as a third of all the country’s judges. After the high court’s justices were replaced, it issued a ruling that said immediate presidential election was allowed.

Presidents of Brazil, Colombia Meet, Vow to Protect Amazon

Brazilian President Luiz Inácio Lula da Silva and Colombian President Gustavo Petro met Saturday in the city of Leticia in Colombia’s portion of the Amazon and vowed to work together to protect the rain forest, Reuters reported. “My government is committed to eliminating illegal deforestation by 2030,” said Lula, who called for stronger coordination between regional and global governments. Petro said that fighting global warming would require spending trillion of dollars, the Associated Press reported. He said that such an expenditure could be achieved by making transformative changes to the global debt system and “trading debt for climate action,” the AP reported. Lula and Petro have both called for wealthy nations to contribute more money in order to help countries in South America to protect the Amazon, Reuters reported. The meeting between the two presidents followed talks earlier in the week in Leticia among environmental ministers from several countries, including Colombia’s Susana Muhamad, Peru’s Albina Ruiz Ríos and Venezuela’s Josue Lorca. The meetings in the Colombian city came before a summit of Amazon nations that Brazil is hosting in August for the creation of an international anti-corruption mission in the Central American nation, Honduran authorities announced Sunday, Reuters reported. President Xiomara Castro pledged to establish an anti-corruption commission known as the International Commission Against Corruption and Impunity in Honduras (CICIH), as the country battles widespread corruption that exacerbates poverty and emigration.

U.N. Experts Arrive in Honduras to Study Creation of Mission

A group of United Nations experts arrived in Honduras to review the creation of an international anti-corruption mission in the Central American nation, Honduran authorities announced Sunday, Reuters reported. President Xiomara Castro pledged to establish an anti-corruption commission known as the International Commission Against Corruption and Impunity in Honduras (CICIH), as the country battles widespread corruption that exacerbates poverty and emigration.

Mexico’s BanCoppel Taps Temenos to Deploy Core Banking Platform

Mexican bank BanCoppel has selected banking software provider Temenos to deploy its core banking platform, Fintech Futures reported today. BanCoppel said it is planning to offer an integrated system of “easy and accessible” banking services by using Temenos’ platform, the news site reported. The project will help BanCoppel to improve efficiency and sustainability and support the bank’s digital transformation, said the software provider.

My government is committed to eliminating illegal deforestation by 2030.”

— Luiz Inácio Lula da Silva
in the city of Beléu. The gathering will be an effort to encourage nations that are part of the Amazon Cooperation Treaty Organization to work together to preserve the rain forest and foster sustainable development, Reuters reported. The organization was launched in 1978 by Bolivia, Brazil, Colombia, Ecuador, Guyana, Peru, Suriname and Venezuela. French Guiana is also invited to the group’s meetings.

**ECONOMIC NEWS**

**Caribbean Leaders Denounce Sanctions Against Venezuela**

Caribbean leaders on Friday denounced U.S. sanctions on Venezuela, saying they have been forced to buy pricier petroleum elsewhere, the Associated Press reported. Members of the Caribbean trade bloc known as Caricom have called for the removal of sanctions, so they can resume their oil procurement agreement with Venezuela, known as Petrocaribe, which allows them to purchase oil at a preferential rate. The deal enables nations to pay 60 percent of oil purchases within three months, with deferred payments payable over 25 years with a 1 percent interest rate, the AP reported. “We in the Caribbean are suffering immensely,” Dominica Prime Minister Roosevelt Skerrit said at the close of a three-day Caricom conference last week. “People should be allowed to go about their lives, especially in these difficult times,” he added. Keith Rowley, prime minister of Trinidad and Tobago, and Skerrit both said the issue was raised during U.S. Secretary of State Antony Blinken’s visit last week. “People should be allowed to go about their lives, especially in these difficult times,” he added. Keith Rowley, prime minister of Trinidad and Tobago, and Skerrit both said the issue was raised during U.S. Secretary of State Antony Blinken’s visit last week. “People should be allowed to go about their lives, especially in these difficult times,” he added. Keith Rowley, prime minister of Trinidad and Tobago, and Skerrit both said the issue was raised during U.S. Secretary of State Antony Blinken’s visit last week.

**FEATURED Q&A / Continued from page 1**

expansion has been facilitated by various innovations in cocaine extraction and coca cultivation, such as the ability to grow coca in lowland humid forests. Beyond FARC mafia groups, three Brazilian crime groups compete for Peru’s cocaine production and routes: the Primeiro Comando da Capital (PCC), Comando Vermelho and Familia do Norte. The PCC is the most powerful, with an increasing ability to compete regionally with the Sinaloa Cartel and Cartel Jalisco Nueva Generación and with well-established routes into West Africa and Europe. Since the beginning of the Covid-19 pandemic, Peru dramatically reduced its always controversial and politically very costly eradication drives that had rarely been accompanied by any effective alternative livelihoods. Thus, even as Peru’s coca production skyrocketed to 80,000 and 90,000 hectares, eradication fell to low thousands of hectares. In an echo of Bolivia’s policies, a half-baked 2022 plan of the deposed Pedro Castillo administration imagined increasing coca leaf purchases by the state agency ENACO for traditional and legal use. But the market for legal coca products has been stagnating in Peru for years and couldn’t compete with the traffickers’ payments. Nor did Peru have the law enforcement capacity to implement it.”

Amanda Mattingly, former U.S. diplomat and founder of ACM Global Intelligence: “Coca cultivation in Peru has been on the rise since 2015, but the real spike came after the beginning of the Covid-19 pandemic. During the pandemic, security forces dispersed from the border areas with Colombia and Brazil, leaving coca cultivation and drug trafficking in the area unchecked. According to the Peruvian counternarcotics official Carlos Figueroa, the Amazon regions of Ucayali and Loreto have been most affected, with the increase in coca cultivation affecting protected lands and causing harm to the environment and Indigenous people there. Reportedly, an increase in new airstrips in the jungle has allowed for the clandestine flow of coca out of Peru by international drug trafficking organizations and Peruvians formerly associated with the Shining Path. The increase in coca cultivation has coincided with a particularly turbulent time in Peruvian politics. In the last eight years, Peru has had seven presidents. Current President Dina Boluarte took office in December 2022 after former President Pedro Castillo attempted to dissolve Congress and rule by decree. Political instability and the pandemic have led to economic hardships and uncertainty in Peru. Maintaining a security presence in the hinterlands to go after coca growers and traffickers has not been a top priority. Still, the Peruvian government needs to do more to incentivize growers away from coca, to train and fund security forces to go after the drug traffickers and of course, to cooperate with neighboring countries and the United States that have had a longstanding, vested interest in decreasing coca cultivation in the Andean region. Hopefully, the Boluarte government will bring more stability to Peru and address this issue in a more robust way going forward.”

Kathryn Ledebur, director of the Andean Information Network in Cochabamba: “This trend will continue with Boluarte. Coca monitoring statistics must be understood in context. Former President Martín Vizcarra’s government refused to let the U.N. Office on Drugs and Crime validate its estimates from 2018-2020, significantly underreporting the coca crop; an effort to show virtual ‘success.’ Former President Pedro Castillo presented a more accurate 2021 calculation, a 31 percent increase. The 2022 numbers reflect growth at a slower pace. The Peruvian government continues to sell coca to U.S.-based Step”
international demand for cocaine, continuing poverty, lack of citizenship and subsistence guarantees for the residents of coca-growing regions. The United States granted Boluarte $8 million in additional counterdrug funding in January 2023, yet credible allegations of military collusion with traffickers have increased since she came to power. As the U.S. Bureau of International Narcotics and Law Enforcement has pragmatically shifted its focus to the deadly fentanyl crisis, the international community and the Biden administration should steer away from promoting forced eradication, which has frequently led to human rights violations and increasing poverty. It has never effectively reduced coca production overall in the Andean region. The United States and the international community should focus on accountability for gross human rights violations, especially after repression by Boluarte’s security forces in key coca growing and surrounding areas, in Pichanaki, Ayacucho and Satipo, and with the murder of Indigenous Ashaninka leader Santiago Contoricón. They should also refrain from funding and equipping the security forces, who carried out widespread violations in late 2022 without any legal consequences, a problem highlighted by 21 members of the U.S. Congress and addressed in a proposed amendment to the 2024 Defense Authorization Act."

Pien Metaal, senior project coordinator at the Transnational Institute: "The extension of fields under coca cultivation in Peru has fluctuated often over the past decades and is never due to just one clear reason but rather to a variety of factors. Drug trafficking routes change all the time, adjusting to control measures, shifting markets and insights of the traffickers’ chains of command. This increase is probably a consequence of the need to unite different illicit trade routes, both drugs, timber and gold, for greater efficiency. This was needed after the Covid-19 pandemic, which negatively affected the illicit economies. Most of this increase in coca cultivation is concentrated in the regions of Ucayali and other lower Amazon basin regions bordering Brazil, which has an expanding internal market, providing both a connection to the Southern Cone and the Atlantic route to Europe. Not only is more coca being grown, but the number of landing strips discovered shows that this is related to trade routes. It should come as no surprise that government policies are grossly ineffective to stop the flow of cocaine outside its borders. Peru has developed large-scale international cooperation agreements, with both the United States and its neighboring countries such as Brazil, to stem this flow. This frequently comes in the form of law enforcement and military cooperation that often serve greater geopolitical interests. According to Ricardo Soberón, Peru’s former national drug agency director, ‘International cooperation responds to its own interests and perceptions, some geopolitical, some altruistic, but all are tiny and bare no relation to shared responsibility, and have not been incorporated into the National Drug Control Policy agenda for 2030.”

"Most of this increase in coca cultivation is concentrated in the regions of Ucayali and other lower Amazon basin regions bordering Brazil…"

— Pien Metaal

**FEATURED Q&A / Continued from page 3**

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