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FEATURED Q&A

Is Ecuador Winning its Fight Against Violent Gangs?



Ecuadorian President Daniel Noboa's government has said homicides have fallen sharply since it began an aggressive crackdown on gangs in January. // File Photo: @DanielNoboaOk via X.

Q Ecuadorian President Daniel Noboa is almost three months into an aggressive security crackdown on gangs that began as a response to brazen and widespread gang attacks across Ecuador in early January. In the weeks since, authorities have made more than 10,000 arrests, and the government has said homicides have fallen sharply. Ecuadoreans will go to the polls on April 21 to vote in a referendum on Noboa's new set of security proposals. How much do the security gains of the last months result from Noboa's policies, and how sustainable are they in the long-term? What are the most important elements of Noboa's proposed reforms, and how likely are voters to support them? Are Noboa's policies on track to continue improving security and maintain his popularity ahead of next year's elections, or are there potential stumbling blocks ahead for Ecuador and Noboa's platform?

A Will Freeman, fellow for Latin America studies at the Council on Foreign Relations: "Noboa deserves some credit. After gangs attacked a television station in early January, many (myself, included) expected Ecuador's security situation to only get worse. Given corruption in the police, Noboa reached for the only tool available to him—the military—and, surprisingly, achieved short-term results. Arrests and military intervention in prisons seem to have pressured gangs into reducing homicides (although not necessarily other types of crime). The strategy isn't free of civil liberties concerns, but Noboa is no Bukele. Ecuador's independent Constitutional Court ratified his state of exception. He is seeking to institutionalize several of his

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TODAY'S NEWS

POLITICAL

Guyana Blasts Maduro Over Essequibo Law

Guyana's Ministry of Foreign Affairs criticized Venezuelan President Nicolás Maduro for signing into law the results of a referendum last December in which Venezuelan voters approved Caracas' claim to Guyana's Essequibo region.

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ECONOMIC

Colombia Seeking More Competition in Financial Market

Colombia is reportedly seeking to increase competition in the country's financial market, which is known for high fees.

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POLITICAL

Peru's Congress Rejects Efforts to Impeach Boluarte

Peru's Congress on Thursday rejected impeachment efforts against President Dina Boluarte. She is under investigation on allegations of illicit enrichment.

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Boluarte // File Photo: @presidenciaperu via X.

POLITICAL NEWS

Peru's Congress Rejects Efforts to Impeach Boluarte

Peru's Congress on Thursday rejected two motions to proceed with an impeachment process against President Dina Boluarte in a win for the embattled president who faces investigations of illicit enrichment, Reuters reported. One motion was rejected on a vote of 49 against and 33 in favor, while the other was defeated with 59 votes against, 32 in favor and 11 abstentions, Reuters reported. Boluarte lacks political representation in Congress, and her public approval rating is in the single digits. However, she has successfully forged alliances with conservatives that have a majority of seats in Congress, Bloomberg News reported. On Wednesday, a new slate of government cabinet ministers won a confirmation vote in the legislature. The legislative wins come as Boluarte is under investigation sparked by her wearing of a luxury Rolex watch in public. Authorities raided Boluarte's home and the presidential palace last weekend, and the country's attorney general said earlier this week that the investigation has expanded to include hundreds of thousands of dollars worth of jewelry and financial transactions. Boluarte has denied wrongdoing. Boluarte's attorneys said earlier this week that the president would answer questions from authorities today about the luxury goods, the Associated Press reported. Peru's Congress has sought impeachment against several of Boluarte's predecessors, and she herself entered office in December 2022 after lawmakers ousted her predecessor, Pedro Castillo, after he unsuccessfully attempted to dissolve Congress amid a power struggle. However, Boluarte appears to have sufficient support in Congress to remain in office until the end of her term, Augusto Álvarez Rodrich, a columnist on political affairs at local daily newspaper La República, told the Advisor in a Q&A published Thursday. "Despite the fragility and instability of the government, the most likely political scenario continues to be that

President Boluarte will be able to complete her term that ends in July 2026," he said.

Guyana Criticizes Venezuela's Maduro on Essequibo Law

Guyana's Ministry of Foreign Affairs on Thursday strongly criticized the move by Venezuelan President Nicolás Maduro to sign into law the results of a referendum held last year in which Venezuelan voters approved the nation's claim to Guyana's Essequibo region, the Associated Press reported. The ministry called the move an "egregious violation of the most fundamental principles of international law," the AP reported. Maduro held a ceremony on Wednesday to sign the results into law, officially laying claim to a region that comprises roughly two-thirds of Guyana's territory. "The decision of December 3 has now become the Law of the Republic, to form part of the legal structure of the internal political and institutional movement of our country," Maduro wrote in a posting on social media site X, the AP reported. "The decision made by the Venezuelans in the consultative referendum will be fulfilled in all its parts, and with this Law, we will continue the defense of Venezuela on international stages," he added. Venezuela has not disclosed how it plans to implement the law or take control of the Essequibo. The territorial dispute between the two countries over the region traces back decades but intensified after large oil deposits were discovered there in 2015.

ECONOMIC NEWS

Colombia Seeking to Increase Competition in Financial Market

Colombia's government is seeking to increase competition in the country's financial market, which is known for high fees, Bloomberg News reported Thursday. President Gustavo Petro's

NEWS BRIEFS

Ecuador Ousts Mexican Ambassador After López Obrador's Comments

Ecuador on Thursday declared the Mexican ambassador in Quito to be persona non grata after comments that Mexican President Andrés Manuel López Obrador made about the assassination last year of presidential candidate Fernando Villavicencio, the Associated Press reported. In the comments, López Obrador speculated on how the slaying may have influenced voting. Ecuador's Foreign Ministry clarified that it was not breaking off diplomatic relations, but that Ambassador Raquel Serur Smeke would be leaving the country.

Colombia Grants Permit to Chilean Firm for Photovoltaic Project

Colombian environmental licensing authority ANLA announced Thursday that it granted an environmental permit to Chilean renewable energy firm Lader Energy for a 200-megawatt solar photovoltaic project in the department of Santander, Renewables Now reported. The Puertos de Santander solar park project will involve the installation of 403,375 solar modules, reaching 246.1 megawatt peak. According to the authority, Colombia has now issued a total of 25 such licenses for nonconventional renewable power projects across the country.

AM Best Hikes Credit Ratings of Panamanian Insurer Acerta

Insurance-focused ratings agency AM Best on Thursday upgraded its credit ratings for Panama-based insurer Acerta Compañía de Seguros. AM Best said in a statement that it increased its financial strength rating for the company to B++ and its long-term issuer credit rating to bbb. "The ratings reflect Acerta's balance sheet strength," AM Best said.

government plans to change regulations so that brokerages can offer so-called voluntary pension funds, an unnamed Finance Ministry official with knowledge of the matter told the news service. The pension funds provide tax breaks, but they include annual charges of around three percentage points, Bloomberg News reported. The fees are common even for funds that merely track indexes such as Colombia's Colcap or the MSCI All Country World Index. The regulation unit of the Colombian finance ministry will make changes to a decree in order to allow brokerages to enter the market, the unnamed official told the news service. The change could take effect within a matter of weeks. Even though they are called pension funds, the funds do not necessarily need to be used for retirement savings, Bloomberg News reported. Money in the accounts can be withdrawn after 10 years without penalties. The funds are separate from the country's main pension system, which has some \$106 billion in assets. Fourteen providers offer the voluntary pension funds, which allow savers to avoid paying income tax on contributions. The 531 funds offer investments in international and local equities, fixed income and real estate, Bloomberg News reported. Fees on the funds vary and are often based on the amounts invested. Four years ago, financial regulators in Colombia began seeking greater transparency in voluntary pensions, the news service reported. Regulators sought to force funds to disclose their performance in comparison to benchmarks and also clarify their gross returns as well as their returns after fees, Bloomberg News reported. Other countries have similar funds that have fees that are significantly lower. In Chile, companies that manage voluntary accounts that seek to complement retirement savings charge fees of between 0.16 percent and 0.95 percent, Bloomberg News reported, citing data from the country's pension regulator. Colombia's Congress is also debating reforms to the country's national pension system, which includes a public pay-as-you-go model. However, the entire system covers just 18 percent of the population, leaving some five million Colombians without coverage even though they have reached retirement age, Americas Quarterly reported in February.

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policies (and, critically, enable extradition) via a popular referendum. But now comes the truly hard part: purging corrupt state officials who enable crime, building up the state's capacity to deter crime and control prisons, and financing it all. Attorney General Diana Salazar's bold investigations show criminal corruption extended, allegedly, to the top rungs of the judiciary and legislature. If Salazar's investigations generate political backlash, Noboa will be in for a real test. Noboa needs to thoroughly clean up the Ecuador's prisons administration (SNAI) and take a close look at the contracts it awards to private firms. But despite spending more on prisons, Noboa hasn't talked much about reform. The police also need rebuilding (soldiers can't be substitute police forever). To finance all this, Noboa must make politically difficult choices on cutting subsidies. His poll numbers remain high, but they have declined since February. He's racing against the clock. If he makes headway on these deeper reforms, then kudos."

A Daniela Chacón Arias, executive director at Fundación TANDEM and former Quito vice mayor and city council member: "Last weekend was one the most violent Ecuador has ever had with more than 200 killings happening all over the country. These crimes only show that the problem is far from being over and that a war-on-drugs strategy is only effective for a period and cannot be sustained permanently. President Noboa has shown resolution and effectiveness in containing violence, but these early successes are starting to fade as robberies and extortion have increased and gang violence has reappeared. Moreover, there is a lack of transparency from the government on the real number of deaths during this period, as well as the criminal ties that more than 10,000 arrested people have. Several families and human rights organizations have denounced that innocent people are being falsely accused, shot or killed. Other

countries in the region face a very familiar situation. The new value-added tax of 15 percent (up from 12 percent) took effect on April 1, a measure that will surely hit hard an already ailing economy. However, the tax increase has been sold as needed to combat insecurity. Although Noboa's popularity is still high and the majority of Ecuadoreans support the referendum, the cracks in his strategy are starting to show, and the clock is ticking."

A Diego Abente Brun, director of the Latin American and Caribbean Studies Initiative at the Elliott School of International Affairs at The George Washington University: "Ecuador's April 21 referendum marks a crucial juncture in the nation's democratic process. President Daniel Noboa originally called for the referendum to bolster the fight against organized crime. However, additional questions have been incorporated, broadening its scope. Of the 11 questions on the ballot, six pertain to amending the penal code to impose harsher penalties for organized crime offenses. While such modifications could have been pursued through regular congressional channels, Noboa's decision to seek approval via a referendum underscores his desire for strong popular support in combating organized crime. The remaining five questions focus on constitutional reforms and amendments. Three of them relate to security measures, including granting the armed forces authority to intervene in support of the national police, permitting extradition for organized crime cases and establishing special jurisdictions within the judicial system. The other two questions pertain to economic reforms, such as adopting international arbitration for foreign investment disputes and amending the labor code to accommodate hourly contracts and fixed terms. The Pachakutik Indigenous movement and other left-wing parties and organizations want a 'no' vote on these questions. Noboa's anticipation of a resound-

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ing victory in the referendum reflects his confidence in the support of the Ecuadorean electorate, which has so far supported him with high approval rates. Noboa is seeking to avoid the pitfalls encountered by his predecessor, Guillermo Lasso, in a referendum called in February 2023 with similar objectives, which 55 percent of voters rejected. Noboa is poised to leverage the referendum as a springboard for advancing his policy agenda and securing his political future. The referendum outcome will undoubtedly shape the trajectory of Ecuadorean politics in the coming years.”

A **Maria Velez de Berliner, chief strategy officer at RTG-Red Team Group, Inc.:** “Noboa’s current policies may have limited success in some sectors and areas of Ecuador. However, when some mayors work from home, or are forced to run from one safe house to another daily; when mayors, officials and political candidates are gunned down; when most Ecuadoreans are afraid to go out; when officials in institutions across the board continue to engage in collusion and grand corruption, then we can say the fear war fought by criminals is succeeding.

It seems Noboa will win the referendum on April 21. The seven questions that would reform the constitution sound effective on paper, but not when they go to action. Restricting guns close to schools and police stations will make those guns move to other areas—the balloon effect. Building a maximum-security prison à la Bukele and rounding up criminals and innocents alike (guilt by association) will not work either. Criminals and innocent suspects will go to jail for life, in violation of their legal and human rights, but highly placed corrupt officials will ensure that criminal gangs continue to operate. Noboa is not ready for the landing of criminal group El Tren de Aragua in Ecuador. Colombia detained the head of the organization’s operations there, but not the actual head of the organization in Venezuela. A successful referendum would seem to ensure Noboa’s re-election for now, but the cry for security and safety of most Ecuadoreans is opening a political door through which the hard right may enter with even harsher penalties and violations of legal and human rights.”

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta.

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