

BOARD OF ADVISORS

Diego Arria
Director, Columbus Group

Merike Blofield
Professor of Political Science,
University of Hamburg

Devry Boughner Vorwerk
CEO, DevryBV Sustainable Strategies

Joyce Chang
Global Head of Research,
JPMorgan Chase & Co.

Peter Hakim
President Emeritus,
Inter-American Dialogue

Donna Hrinak
Former Senior Vice President,
Royal Caribbean Group

Jon E. Huenemann
Council Member,
GLG Inc.

James R. Jones
Chairman,
Monarch Global Strategies

Craig A. Kelly
Senior Director,
Int'l Gov't Relations, Exxon Mobil

Barbara Kotschwar
Professor of Political Economy,
Georgetown University

John Maisto
Director, U.S. Education
Finance Group

Nicolás Mariscal
Chairman,
Grupo Marhnos

Thomas F. McLarty III
Chairman,
McLarty Associates

Beatrice Rangel
Director,
AMLA Consulting LLC

Ernesto Revilla
Head of Latin American
Economics, Citi

Gustavo Roosen
President,
IESA

Andrés Rozental
President, Rozental &
Asociados

Shelly Shetty
Managing Director, Sovereigns
Fitch Ratings

FEATURED Q&A

Can Sheinbaum Advance Major International Goals?



Mexican President Claudia Sheinbaum called for the creation of a global reforestation fund last month at the G20 summit in Rio de Janeiro. // File Photo: Mexican Government.

Q Mexican President Claudia Sheinbaum called last month for the creation of a global reforestation fund during the first day of the G20 summit in Rio de Janeiro. Sheinbaum proposed that G20 members allocate \$24 billion annually to restore 15 million hectares of forest. How likely is the fund to be created? What effect would the plan have on environmental efforts in the region? What is the significance of Sheinbaum's leadership on issues like reforestation at major international summits?

A Ruben Olmos, chief executive officer of Global Nexus LLC: "President Sheinbaum's first international trip was an opportunity to send a message to the international community that Mexico under her leadership is back at the table and willing to re-establish its role as a key player in international forums after six years of absence. It was good to see Mexico's Foreign Service back in operation confirming high level meetings with heads of state who were eager to meet Mexico's first female president. Dr. Sheinbaum's ambitious reforestation initiative is inspired by Mexico's Sembrando Vida program, which has supported rural families with wages and technical training, seems to be working well in Mexico and is a flagship initiative embraced by Morena's Fourth Transformation. However, during the AMLO administration it failed to accomplish substantial results in Central America, to which it was originally expanded. Furthermore, given a likely shift in regional environmental priorities under a Trump administration, it is hard to imagine a full embrace of Sheinbaum's initiative by other governments in the region. Sheinbaum's team did a good job in this first international

Continued on page 3

TODAY'S NEWS

ECONOMIC

Widespread Blackout Hits Cuba as Power Plant Fails

Cuba's power grid collapsed early this morning due to a failure at the country's largest power plant. The same plant failed twice in October, causing widespread outages.

Page 2

BUSINESS

PDVSA's Oil Exports Grow 57% in November

Venezuelan state oil company PDVSA shipped nearly one million barrels of oil per day last month, a 57 percent increase as compared to November of last year.

Page 3

POLITICAL

U.N. Rights Council Opens Investigation of Venezuela Election

The United Nations Human Rights Council has launched an investigation into widespread allegations that Venezuelan President Nicolás Maduro stole the country's July election.

Page 2



Maduro // File Photo: Venezuelan Government.

POLITICAL NEWS

U.N. Rights Council Launches Probe of Venezuela Election

The United Nations Human Rights Council has launched an investigation into Venezuela's disputed July presidential vote and has ordered the country's government to avoid destroying tally sheets from the election, the Associated Press reported Tuesday. The rights council announced the start of the investigation in a letter to several jurists in Latin America who asked the agency in October to probe widespread allegations of electoral fraud by the government of President Nicolás Maduro. In the July 28 vote, Venezuela's electoral council said Maduro won re-election with just over half of the vote, an assertion backed up by the country's highest court. However, neither the administration nor electoral officials have released any vote tally sheets to back up that assertion. The opposition has released vote tally sheets that appear to be authentic, according to independent analyses, and show that opposition candidate Edmundo González received more than twice as many votes as Maduro. Exit polling on the day of the election also indicated that González defeated Maduro in a landslide. Electoral authorities have refused to present evidence despite calls that they do so from the United States, the European Union and even left-leaning governments such as those of Brazil, Mexico and Colombia, the AP reported. The petition seeking an investigation by the U.N. Human Rights Council alleges that officials of Maduro's government violated Venezuelans' human rights by publishing false results, blocking court challenges and restricting the ability of millions of Venezuelan citizens living abroad to cast their ballots, the wire service reported. A Brazilian attorney who was involved in filing the petition said Maduro's government is seeking to "normalize its nebulous electoral process," hoping that the rest of the world will move on to other pressing international matters. "We cannot allow that to happen," said the attorney, Paulo Abrão, the AP reported. "Now there is

a formal case being processed in an international body with binding force. Venezuela has the obligation to comply with the decision," he added. Also on Monday, Venezuelan opposition leader María Corina Machado urged Brazil's government to recognize González as Venezuela's president-elect, Bloomberg News reported. "Now, more than ever, we need Brazil, its Congress, its people, its president," Machado told the lower house of Brazil's Congress during a virtual session.

BUSINESS NEWS

Scotiabank Reports 29% Rise in Profit, Misses Estimates

Scotiabank, Canada's third-largest Canadian bank by assets, on Tuesday reported profit below analysts' expectations for the quarter ending Oct. 31, Reuters reported. At the same time, Scotiabank said lackluster economic growth in some markets, including Mexico, are weighing on earnings. The bank's adjusted net income rose 29 percent year-on-year, to 2.12 billion Canadian dollars (\$1.51 billion), roughly 2 percent less than the average projection from analysts polled by financial data firm LSEG, according to the wire service. Scotiabank saw double-digit annual growth in net interest income for the fourth quarter, the company said in its earnings statement. Scotiabank executives said in a call with investors that the bank's balance sheet growth was more modest than expected due to political uncertainties in the Western Hemisphere, pointing to Mexico's ongoing presidential transition period from the administration of Andrés Manuel López Obrador to that of Claudia Sheinbaum, Reuters reported. Scotiabank said in its earnings statement that it projects revenue growth of between 5 percent and 7 percent for 2025. LSEG analysts had expected that the bank would predict 9 percent growth for next year, according to Reuters. "While I am encouraged by our strategic progress to date, there is significant work ahead," Scott Thompson, Scotiabank's president and CEO, said in

NEWS BRIEFS

Widespread Blackout Hits Cuba as Largest Power Plant Fails

Cuba's power grid collapsed after the country's largest power plant failed early this morning, Reuters reported. Cuba's energy ministry said in a statement that the Antonio Guterres oil-fired plant failed at 2 a.m., prompting a widespread blackout, the wire service reported. The same plant had failed twice in recent months as dwindling oil supplies were exacerbated by hurricane and earthquake impacts.

Bolivian Court Sentences Ex-President Sánchez de Lozada in Contracts Case

A court in Bolivia has sentenced former President Gonzalo Sánchez de Lozada, 94, in absentia to six years and three months in prison after he was convicted on charges that he handed out oil contracts without legislative approval, the country's justice ministry announced Tuesday, Agence France-Presse reported. Justice Minister César Siles said the government would seek Sánchez de Lozada's extradition from the United States, where he now lives.

Consortium Continuing Talks on Guyana Shallow-Water Oil Block

The consortium of international oil companies led by ExxonMobil in Guyana is continuing negotiations for developing a shallow-water oil and gas concession, an ExxonMobil spokesperson told Reuters on Monday. After Guyanese Vice President Bharrat Jagdeo had said last month that the consortium had withdrawn from a previously conceded block, ExxonMobil wrote a letter to the government expressing renewed interest in the project. It's unclear whether the consortium plans to pursue carbon capture and storage or oil and gas exploration in the shallow-water block.

the company statement. Scotiabank is the first of Canada's major banks to report financial information this year for the fourth fiscal quarter, which runs from August through October.

Prosecutors Seek More Impact Studies From Petrobras

Brazilian prosecutors on Monday filed a request to environmental watchdog IBAMA asking state-run oil company Petrobras to conduct more environmental impact studies before drilling off the coast of the Amazon rain forest, Reuters reported. Federal prosecutors argue that Petrobras has not adequately considered the effects of changing weather patterns in its plans to explore oil resources in the offshore region of Brazil's Amapá state. Cited in Monday's filing to IBAMA was an oceanography report that Brazil's federal prosecutor's office had commissioned in October; the report found that the increasing frequency of extreme weather events in the Amazon may cause tidal conditions that could damage offshore oil infrastructure, potentially bringing significant damage to the surrounding environment, according to Reuters. Federal prosecutors had already warned Petrobras in a letter on Nov. 19 that they could file a lawsuit against the company if it fails to ensure adequate environmental protections in its Amazon oil venture, Reuters reported. An unnamed Petrobras spokesperson told the wire service in a statement that it already provides "infrastructure, resources, plans and socio-environmental programs that are much more robust" than are legally required.

PDVSA's Oil Exports Grow 57 Percent in November

Venezuelan state-run oil company PDVSA shipped nearly one million barrels of oil per day in November—up 57 percent year-on-year and 10 percent higher than October—according to a Reuters analysis of tanker data, the wire ser-

FEATURED Q&A / Continued from page 1

trip, and we expect additional dialogue with other leaders as Washington prepares for a new complex leader beginning on Jan. 20."

A **Regina Sánchez Sasso, associate in climate policy and legal strategy at Silvestrum:** "The Mexican government reiterated its commitment to advancing the president's proposal at the COP29 climate summit in Baku, Azerbaijan. Reforestation efforts must be paired with robust conservation policies to be effective. In Latin America, where deforestation is driven largely by agricultural land-use changes, addressing the underlying causes of forest loss is crucial for making a real impact. The success of initiatives like this will depend on support from countries such as Brazil, Argentina and Bolivia, which are facing significant declines in forest cover. It is encouraging to see the Mexican president participate in international summits with concrete proposals on environmental matters. However, it is essential to ensure that international commitments are consistent with national policies. For instance, the proposed 39 percent budget cut to the Ministry of Environment appears inconsistent with the reforestation agenda presented internationally. To solidify her leadership on environmental issues, it is important to see a parallel commitment reflected in domestic policies."

vice reported on Tuesday. PDVSA, its subsidiaries and associated joint ventures exported an average of 974,044 barrels per day of crude oil and finished fuels last month. Approximately 613,000 barrels per day went to Asia, an increase of nearly 90,000 barrels from the previous month, Reuters reported. PDVSA more than doubled its shipments of oil products to European countries in November, with that figure rising from 31,000 to 85,000 barrels per day, and the company increased its oil exports to Cuba from 28,000 to 38,000 barrels per day, Reuters reported. PDVSA's oil export total rose sharply last month despite a large fire at a key

A **Nicolás Mariscal, member of the Advisor board and chairman of Grupo Marhnos:** "Mexico's new president has infallible environmental credentials. She was part of the United Nations Intergovernmental Panel on Climate Change that won the Nobel Peace Prize in 2007, and she has dedicated an important part of her life to this fundamental issue. It is positive that President

“It is positive that President Sheinbaum made a concrete proposal at the G20 summit in Rio de Janeiro...”

— Nicolás Mariscal

Sheinbaum made a concrete proposal at the G20 summit in Rio de Janeiro, as these events sometimes lack clear public policy propositions. It is important to note that the president even commented that such money could be obtained by cutting 1 percent of military expenditures from the 20 biggest economies in the world. The program would have the double benefit of contributing to the reforestation of 15 million hectares and creating temporary jobs. Such an extension would be around four times the size of

Continued on page 4

gas complex in eastern Venezuela on Nov. 11. Venezuelan oil shipments to the United States on behalf of Chevron were 238,000 per day in November, down roughly 42,000 barrels from October, Reuters reported. The oil major received renewed authorization to operate its joint venture with PDVSA in Venezuela from the U.S. Treasury in September, the Associated Press reported. Meanwhile, Venezuelan bonds continue to trend downward as investors prepare for the return of U.S. President-elect Donald Trump's "maximum pressure" strategy against Venezuela's government, Bloomberg News reported.

FEATURED Q&A / Continued from page 3

Denmark, she declared. Nevertheless, and unfortunately, there may be some important obstacles. As a start, it seems difficult that countries will be willing to cut their defense budgets at a time of growing political tensions. Also, there is the issue of coordinating efforts, which regularly happens at the international level. And such a program would need additional money to follow on the results. It was an initial proposal. It may well be that in the next G20 meeting, a more refined and grounded one is presented. But it was a good start."

A **Rodrigo Abud, managing director at Panorama:** "President Sheinbaum's participation in the G20 summit signifies a shift in Mexico's foreign policy away from the isolationist approach of her predecessor. Her reforestation proposal addresses key challenges, including climate change and poverty alleviation. By engaging with the international community and facilitating bilateral meetings with leaders like President Biden, she effectively endorsed her proposal and demonstrated broad support for her initiative. However, concerns about the program's feasibility persist. While Mexico presents a strong stance on environmental issues internationally, its domestic commitments, particularly regarding budget

allocations, convey a different message. The country is reportedly reducing its environmental ministry budget to just \$2.1 million next year—a 40 percent reduction from \$3.3 million. Moreover, President Sheinbaum's proposal depends on the Sembrando Vida (Sowing Life) program, which operates independently of the environmental ministry and has faced criticism for its lack of measurable outcomes and for potentially encouraging deforestation. The structure of the proposed reforestation fund remains unclear, and regional conflicts are expected to challenge countries' abilities to balance environmental initiatives with pressing priorities. Additionally, upcoming presidential transitions, such as in the United States, will yield policy shifts globally. A critical question arises: How will NATO members—many of which are also part of the G20—reconcile the pressure from leaders like Trump to increase defense spending while responding to initiatives like Sheinbaum's that prioritize environmental goals? Although the G20 is designed as a united front, each nation has its own agenda. The program's success will ultimately depend on establishing effective oversight and accountability measures."

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

LATIN AMERICA ADVISOR

is published every business day by the Inter-American Dialogue ISSN 2163-7962

Gene Kuleta
Editor

Jack Quinn
Reporter

Nili Blanck
Reporter



Rebecca Bill Chavez, Ph.D., President & CEO

Alfonso Blanco, Director, Energy Transition & Climate Program

Ariel Fiszbein, Director, Education Program

Margaret Myers, Director, Asia & Latin America Program

Manuel Orozco, Director, Migration, Remittances and Development Program

Tamara Taraciuk Broner, Director, Peter D. Bell Rule of Law Program

Lydia Maria Dibos, Director of Development

Bruno Binetti, Nonresident Fellow

Sergio Bitar, Nonresident Senior Fellow

Álvaro Botero, Nonresident Senior Fellow

Santiago Cantón, Nonresident Senior Fellow

Kevin Casas-Zamora, Nonresident Senior Fellow

Alejandra Cortázar, Nonresident Senior Fellow

Peter Hakim, President Emeritus & Senior Fellow

Selina Ho, Nonresident Senior Fellow

Edison Lanza, Nonresident Senior Fellow

Ángel Melguizo, Nonresident Senior Fellow

Jaime Pumarejo, Nonresident Senior Fellow

Jeffrey Puryear, Senior Fellow

Luis A. Rivas, Nonresident Senior Fellow

Adrian Scheid, Nonresident Senior Fellow

Michael Shifter, Senior Fellow

Daniela Stevens, Nonresident Senior Fellow

Antonia Urrejola, Nonresident Senior Fellow

Lisa Viscidi, Nonresident Senior Fellow

Carlos Winograd, Nonresident Senior Fellow

Latin America Advisor is published every business day, except for major U.S. holidays, by the Inter-American Dialogue at 1155 15th Street NW, Suite 800 Washington, DC 20005 www.thedialogue.org

The opinions expressed by the members of the Board of Advisors and by guest commentators do not necessarily represent those of the Inter-American Dialogue. The analysis is the sole view of each commentator and does not necessarily represent the views of their respective employers or firms. The information in this report has been obtained from reliable sources, but neither its accuracy and completeness, nor the opinions based thereon, are guaranteed. If you have any questions relating to the contents of this publication, contact the editorial offices of the Inter-American Dialogue. Contents of this report may not be reproduced, stored in a retrieval system, or transmitted without prior written permission from the Inter-American Dialogue.

LATIN AMERICA ADVISOR

Financial Services Advisor

The answers to questions that informed executives are asking.

Upgrade your subscription with the Inter-American Dialogue's biweekly Financial Services Advisor. Send an email to gkuleta@thedialogue.org today.

SUBSCRIBE