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FEATURED Q&A

What's in Store for U.S. Military Action in Latin America?

Countries in Latin America are forming closer alliances with the U.S. military. // File Photo: rachwal via Adobe Stock.

Q Colombia's new government has agreed to authorize joint military operations with the United States to fight "narco-terrorism," while Honduras and Guatemala have agreed to participate in "combined operations" with the United States against drug trafficking organizations in their territories, U.S. Defense Secretary Pete Hegseth said Aug. 12 in Panama during a meeting of the Americas Counter Cartel Coalition. Hegseth's remarks followed an announcement in March that Ecuador and the United States had launched joint military operations against criminal organizations in the South American country. What type of military cooperation can be expected between the United States and Colombia, Honduras and Guatemala? How likely are U.S. troops to be deployed to these three countries to fight drug cartels and other criminal groups, and what would be the political effects of such deployments in those countries and in the United States? How likely is the United States to further expand military cooperation with other countries in Latin America?

A Emily Mendrala, senior advisor at Dinámica Americas and former deputy assistant secretary of state for Western Hemisphere affairs: "In the first year and a half of President Donald Trump's second term, his team has been hyperfocused on security and migration in the Western Hemisphere—more U.S. military assets in the region, a new Shield of the Americas partnership, and a 'Trump Corollary' to the Monroe Doctrine centered on migration and security. A June joint U.S.-Venezuela operation killed the head of Tren de

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TODAY'S NEWS

ECONOMIC

U.S. to Take Control of Billions of Barrels of Venezuelan Oil

The United States will take majority control of more than 65 billion barrels of Venezuela's proven oil reserves under a deal with the country's interim government, U.S. President Donald Trump announced Friday.

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BUSINESS

Codelco's Profit Quadruples as Prices Rally

Chilean state-owned copper miner Codelco on Friday reported pre-tax profit of more than $1.97 billion for the first half of the year.

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POLITICAL

Ex-Ecuadorean President Moreno Sentenced in Corruption Case

Former Ecuadorean President Lenín Moreno was sentenced Friday to five years in prison, a sentence he will serve under house arrest, after being convicted in a corruption case.

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Moreno // File Photo: Agencia de Noticias ANDES via Wikimedia Commons CC BY-SA 2.0.

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ECONOMIC NEWS

U.S. to Take Control of Billions of Barrels of Venezuelan Oil

The United States will take majority control of more than 65 billion barrels of Venezuela's proven oil reserves under a deal with the South American country's interim government, U.S. President Donald Trump announced Friday in a social media post. Trump, who called the agreement "THE BIGGEST OIL DEAL IN WORLD HISTORY," said the agreement will more than double U.S. oil reserves and will come at no cost to U.S. taxpayers. Trump said the deal was negotiated by Secretary of State Marco Rubio, Defense Secretary Pete Hegseth and acting Venezuelan President Delcy Rodríguez. In a statement, Rodríguez's government said the agreement involves the development of 17 of Venezuela's oil fields with a potential of 65 billion barrels, the Associated Press reported. Venezuela added that the deal could bring $100 billion in investment into the country's oil sector and result in more than $209 billion in tax revenue for the government, the AP reported. The agreement "will have a significant impact on our nation's revival," Rodríguez said in a post on social media site Telegram. "The agreement is based on a very simple premise," Rodríguez said Saturday in an address broadcast by state television, The Hill reported. "Each party contributes what it does best. Venezuela contributes oil, its industry and the experience of its workers accumulated over more than 100 years. The United States contributes the capital and technology needed to recover and develop those assets," she said, the newspaper reported. The deal allows the United States to partner with a private operator in Venezuela to establish a new private company to take control of the reserves, the AP reported, citing an unnamed U.S. official. Rodríguez granted the company rights for 100 years to develop the fields, the official said. The agreement involves the U.S. government working with controversial Venezuelan businessman Alejandro Betancourt López, whose family controls North American Blue Energy Partners, Venezuela's second largest oil producer, The New York Times reported, citing unnamed people familiar with the matter.

Battery Storage in Latin America Set for Fast Growth: Report

Latin America's cumulative energy storage capacity is projected to grow from 2.5 gigawatts

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Aragua, and joint operations with Ecuador targeting drug traffickers were launched in March. These sit against a backdrop of boat strikes—carried out by the U.S. military with no due process—that began nearly a year ago. The administration asserts it is at war with the cartels, and it sees the military as its most effective tool. Reaching for the military as a go-to foreign policy lever is a pattern showing up globally. In Venezuela, it took the form of a targeted operation; in the Middle East, similar logic produced a protracted war with major economic fallout at home and abroad. Americans see drug trafficking as a serious threat and broadly support strong action against it. But polling consistently shows skepticism toward military strikes lacking clear evidence, accountability or oversight. Drug policy experts are clear: You cannot bomb your way out of a drug epidemic. Recent reporting shows the strikes have pushed traffickers to diversify their methods but have not moved the price, supply or purity of cocaine in the United States. A more effective strategy would pair demand-side public health investment and supply-side institution-building with genuine rule of law. Now the strikes are moving from sea to land, guided by the administration's wartime frame. Boat strikes will likely be on the next U.S. Congress' oversight agenda."

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NEWS BRIEFS

Colombia Rebel Leader Killed in Military Operation: President

A leader of a dissident faction of the demobilized Revolutionary Armed Forces of Colombia, or FARC, was killed Sunday in a military operation, President Abelardo de la Espriella announced, the Associated Press reported. De la Espriella called the killing of the man, known as "Felipe" or "Arcadio," a "crushing blow" to the faction, warning that "any criminal who doesn't surrender will end up in a body bag." The announcement followed Friday's capture in Colombia of alleged drug trafficker Emilio José Cordero Sierra.

Haitian Gang Releases Women, Children Following Massacre

A Haitian gang has released seven women and six children who were abducted from the community of Kenscoff outside Port-au-Prince following a massacre that happened there a week ago, the United Nations children's agency UNICEF said Friday, the Associated Press reported. The gang killed at least 47 people in Kenscoff on Aug. 23 and kidnapped more than 50, most of whom remain hostage.

Ex-Ecuadorean President Moreno Sentenced to Five Years in Corruption Case

Former Ecuadorean President Lenín Moreno was sentenced Friday to five years in prison after being convicted of accepting bribes from Chinese firm Sinohydro to help secure a contract to build a hydroelectric plant, the Associated Press reported. Moreno, 73, will serve his term under house arrest. Prosecutors said Sinohydro paid $76.1 million in bribes tied to the Coca Codo Sinclair project, El Comercio reported. His wife, daughter, two brothers and a brother-in-law were convicted as accomplices, the AP reported.

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in 2025 to 34 gigawatts by 2035, a 30 percent annual growth rate, driven by rising renewable curtailment, expanding tender activity and aging transmission infrastructure, according to a report released Thursday by Wood Mackenzie. "Latin America is no longer a frontier market for energy storage, it is an active one. The pipeline is growing fast, but deployment stalls without comprehensive regulatory frameworks with clear remuneration mechanisms," Pamela Morales of Wood Mackenzie said in a statement accompanying the report. Chile remains the region's leader in operational battery storage, though price cannibalization in its northern grid threatens arbitrage revenues as more capacity comes online, Wood Mackenzie said. Mexico is nearing a policy-driven inflection point, with new mechanisms, including a priority proposal call and a joint development call with state utility CFE, expected to award more than three gigawatts of storage by 2030. Brazil's market awaits a dedicated battery tender set for December, though unclear remuneration rules could complicate financing. Argentina has moved fastest toward a standalone storage market, awarding 1.3 gigawatts in recent tenders.

BUSINESS NEWS

Codelco's Profit Quadruples as Copper Prices Rally

Chile's state copper miner Codelco on Friday reported pre-tax profit of $1.97 billion for the first half of 2026, more than four times the $429 million posted a year earlier, as rising copper prices offset weaker output and higher costs, Reuters reported. CEO Jorge Gómez said the company's priority is restoring productivity after setbacks at key mines. The company's own production fell 11 percent to 564,000 metric tons between January and June, driven by a 27 percent drop at the El Teniente mine following a July 2025 accident, and lower ore grades at the Ministro Hales mine, according to a company statement. The Salvador, Andina and Radomiro Tomic operations posted gains. Including minority stakes in El Abra, Anglo American Sur and Quebrada Blanca, attributed production totaled 619,000 metric tons, down 10 percent. Codelco's average realized copper price rose to $6.53 a pound from $4.62 a year earlier, lifting EBITDA 68 percent to $4.65 billion and consolidated profit to $669 million, up $558 million, the company said. Contributions to the state totaled $933 million, up 15 percent. "Our priority is to recover productivity and improve the performance of our assets," Gómez said in the statement, citing safety, cost discipline and more efficient capital use as key goals.

THE DIALOGUE CONTINUES

What Will Changes in Paz's Cabinet Mean for Bolivia?

Q Bolivian President Rodrigo Paz on Aug. 13 signed a decree restructuring his government, cutting the number of ministries from 14 to 12 and folding tourism, strategic planning, public investment and other functions into existing ministries. The president, who has been in office for nine months, said earlier in August that the adjustments signal the conclusion of a "transition period" and the beginning of "deep transformations." Days later, Paz dismissed Finance Minister José Gabriel Espinoza after he was censured by the country's Legislative Assembly. What are the practical implications of the restructuring? How will the redistribution of responsibilities change how the government operates? Why is Paz making these changes now, and what does the timing say about the challenges he is facing and his strategy for governing?

A Steven E. Hendrix, managing director at Hendrix LLC and former USAID senior coordinator at the U.S. State Department: "Reducing the number of ministries can improve coordination and lower bureaucratic costs, but the real test is not the organizational chart. It is whether President Rodrigo Paz can use the new structure to implement the structural reforms Bolivia urgently needs. Some changes are potentially significant. Moving planning and public-investment responsibilities into operating ministries could shorten decision-making and force a closer relationship between policy and implementation. Strengthening the Ministry of the Presidency may also improve cabinet coordination and relations with the legislature. But concentrating functions can just as easily create bottlenecks unless responsibilities, accountability and authority are clearly defined. The timing reflects both opportunity and pressure. Paz has moved beyond his government's initial transition while confronting fiscal deficits, depleted reserves, inflation, fuel and dollar shortages, and the political difficulty of implementing economic adjustment. His government is simultaneously pursuing an IMF-supported stabilization program and seeking greater private investment. Recent conflict with Congress, including the removal of his economy minister following a censure vote, illustrates how narrow his political room for maneuver may be. I would view this reorganization as a means rather than an achievement. Bolivia does not principally suffer from having two ministries too many. It needs credible institutions, fiscal discipline, legal certainty, greater openness to investment and a government capable of executing policy consistently. If the restructuring advances those objectives, it matters. If it merely redistributes responsibilities among ministries, it will not constitute the 'deep transformation' Paz has promised."

EDITOR'S NOTE: The comment above is a continuation of the Q&A published in the Aug. 26 issue of the Advisor.

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Melissa Ford Maldonado, director of the Western Hemisphere Initiative at the America First Policy Institute: "If someone had predicted two years ago that U.S. forces would soon conduct partnered military operations against narcoterrorists on Latin American soil, most would have assumed these operations were unilateral. Yet Ecuador has done exactly that, and Colombia, Honduras and Guatemala now seek deeper U.S. military cooperation. That would have been unthinkable not long ago. 'Sovereignty' has long been invoked to keep the United States at arm's length. While mention of American military involvement still provokes pearl-clutching about interventionism, most of our Latin American neighbors now understand that sovereignty vanishes when cartels control their territory, penetrate their governments, terrorize their citizens and move drugs, weapons, money and people freely across their borders. While U.S. forces may deploy in some capacity, this need not mean thousands of troops on the ground. Intelligence, surveillance, training, logistics, interdiction, special operations support and mutually agreed combined operations can give partners capabilities they lack. America need not fight every battle, just do its part to help our partners win their own. It is a mistake to presume Latin Americans fear American power more than the cartels. Across the region, millions are exhausted by violence, extortion, corruption and impunity. Cartels do not respect borders. This is a shared fight. A new hemispheric security architecture is emerging. Governments that are serious about reclaiming sovereignty and breaking the state-cartel nexus have a partner in Washington. Governments that protect or enable cartels—or are captured by them—should know Washington has lost patience with those on the wrong side of this fight."

> **"Cartels do not respect borders. This is a shared fight."**
>
> **— Melissa Ford Maldonado**

R. Evan Ellis, senior non-resident fellow at the Center for Strategic and International Studies: "The possible paths for U.S. security cooperation with Colombia, Honduras, Guatemala and other countries will be unique, reflecting the legal frameworks and the political situation of each partner. U.S. military forces have long worked with countries throughout the region in a variety of roles, from training and joint exercises, intelligence support and providing equipment, to conducting joint actions against criminal and terrorist groups, exemplified by 'Operation Martillo.' Each case depends on agreement by our sovereign partners, plus the limits of their laws. In Colombia and Ecuador, the political commitment and explicit partner agreement to work with the U.S. military against armed groups is clearest, although that does not imply U.S. 'soldiers on the ground pulling triggers.' Often, the status given to a group by our partners (for example, 'criminal' versus 'terrorist') limits whether they can use military force against them, with or without the United States. In cases like Peru, U.S. laws and policies from an earlier time limit us in helping our partners in using military force against criminal groups, such as downing aircraft. There is a strong commitment by the current Chilean and Argentine governments to work with the United States on security, but they are legally restricted in using their militaries for internal security. For those that agree, the question isn't so much internal political blowback against 'unilateral' U.S. actions. Rather, U.S.-friendly militaries, after years of condemnations and prosecutions for real and alleged rights violations, say 'we're with you, but we have laws; don't ask us to do things that will get us jailed.' "

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