

**Program Highlights****U.N. LAC Chief Discusses  
Near Term Outlook**

On December 13, The CSIS Americas Program hosted U.N. Assistant Secretary-General, Heraldo Muñoz for a discussion on U.N. goals in Latin America in times of austerity. Muñoz is Assistant Administrator and Director of the Regional Bureau for Latin America and the Caribbean, United Nations Development Program.

Muñoz cited the following positive trends in Latin America—strong economic growth, declining poverty, and a more civically engaged middle class.

Despite lower poverty, Latin America still has the most unequal distribution of wealth in the world. Muñoz noted that Latin America's human development index score dropped by 26.1 percent.

To reduce income disparities and access to public services, many

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**In Brief****Peru**

President Ollanta Humala has had plenty to manage since assuming office last July. He initiated an anti-corruption drive that purged two-thirds of the senior leadership of the national police force. His second vice president, Omar Chehade stepped aside as a result of an influence peddling probe. And indigent protesters forced a suspension to gold mining operations in the northern Andes. And some good news: in December, José Flores, aka “Artemio,” one of the few remaining leaders of the Shining Path guerrilla movement, called for a truce and a negotiated end to armed struggle.

On the counternarcotics front, things aren't going as well. Cocaine production surged as drug producers shifted operations away from Colombia. The United Nations estimates that more than 60,000 hectares of land are now being used for coca cultivation in Peru, surpassing Colombia as the largest supplier. Coca production in Colombia declined 34 percent since 2005, while production in Peru increased by 41 percent over the same period. Credit successful anti-drug programs in Colombia, also the Colombian *peso* that has appreciated nearly 50 percent against the dollar, cutting into local drug profits.

*After taking office, President Humala temporarily suspended coca eradication while he recalibrated Peru's anti-drug strategy to focus on alternative strategies. Now faced with an increasingly urgent problem, he has confirmed that Peru will need foreign assistance— especially from the United States— as it combats its growing drug production. U.S. funding, \$150 million in 2002, stands at about \$40 million this year. — John Ransom*

**Bolivia**

President Evo Morales is also seeking help combating drugs. On December 13, he reportedly said he would ask the United Nations and European Union for radars and helicopters. Morales expelled the U.S. Drug Enforcement Administration from his country in 2008. And in September 2011, commented that South American nations should “decertify” the United States for its poor cooperation on counternarcotics, after the U.S. State Department labeled Bolivia non-cooperative a fourth year in a row. According to the United Nations Office on Drugs and Crime (UNODC), Bolivia is the world's third largest cocaine producer after Peru and Colombia.

In March 2011, Bolivia signed an agreement with Brazil to collect intelligence from airborne drones over the Bolivia-Brazil border. In August, the Bolivian air force rolled out six Chinese K-8 Karakorum light jet fighters to be used for drug interdiction. Morales would like radar and as many as 10 helicopters from

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countries in the region have raised taxes and public expenditures, especially to help law enforcement. While Latin America has only 9 percent of the global population, it accounts for 26 percent of the world's homicides.

The region's growing middle class has also become more vocal, more demanding, and is more apt to express dissatisfaction, prompting governments to be more responsive.

As head of the Latin America and Caribbean at UNDP, Muñoz leads work on governance, economic development, poverty reduction, and programs to implement Millennium Development Goals.

## Americas Program Convenes New Council

November 30, the CSIS Americas Ambassador's Council met for the first time. The new body will help the Americas Program identify emerging issues, devise outreach activities, and expand access to ideas and collaborators within the Americas. Members are: Thomas "Mack" McLarty (President Clinton's Special Envoy for the Americas); Jaime Alemán (Panama's former ambassador to the U.S.); Cresencio Arcos (former U.S. Ambassador to Honduras); Carolina Barco (Colombia's former ambassador to the U.S.); Arturo Cruz, Jr (Nicaragua's former ambassador to the U.S.); Stephen Donehoo (managing director at McLarty Associates); Craig Kelly (former U.S. ambassador to Chile); and Luis Valdivieso (Peru's former ambassador to the U.S.).

### Upcoming Events

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**Jan. 24, 9:00-10:30 am- Chile's Past, Present, and Future: A Conversation with Ricardo Lagos,**  
CSIS— 4th floor conference room.

the United Nations and European Union. In 2012, he will ask Bolivia's Congress for guidelines to allow the military to shoot down drug planes.

*Joint police and military operations by Bolivia with neighbors will help reduce criminal networks in border areas. Yet despite the renewal of diplomatic ties with the United States, Bolivia will probably not allow the U.S. Drug Enforcement Agency to resume operations there. Cooperation would be complicated anyway by laws permitting the air force to shoot at aircraft suspected of drug trafficking. —Sebastian Arandia*

## El Salvador

The newspaper *El Faro* reports that President Mauricio Funes has added some 6,300 soldiers to the army during the past two and a half years, costing some \$25 million dollars. The country's 1992 peace accords reduced the military to 11,000 soldiers, but it will soon reach a projected strength of 22,000. Funes and new Minister of Justice and Public Security (and former defense minister) David Munguía Payés hope that a bigger army will support the police in a campaign to reduce crime by 30 percent over the next year. Recruitment will take 5,000 at-risk youth off the streets, work replacing likely gang membership.

*The Increasing number of soldiers with an expanded role in law enforcement raises a flag in a country once on the path to reducing its military footprint. At some point, El Salvador must strengthen its police and justice system, integrating prevention programs with enforcement efforts, while ensuring that the military supports civilian police who, properly trained and led, take the lead in enforcement. —Christine Zaino*

## Brazil

Brazil's senate passed a landmark bill December 6 that could loosen controls on cutting timber and give amnesty to farmers who illegally cleared trees in the past. The bill reduces forested land that farmers must conserve on their property from 80 to 50 percent and exempts those who illegally deforested land before 2008 from fines. Landowners will still have to restore cut trees over the next 20 years. Farmers who adopt sustainable practices will receive economic incentives. The bill awaits President Dilma Rouseff's signature, who once favored tighter regulations. According to an Associated Press story, Brazil is the second largest agricultural producer after the United States and its farmers say it could be first. They laud the bill for drawing a distinction between those who inadvertently fell out of compliance and criminal loggers. On the other hand, environmentalists fear that a change in policy will chip away at recent gains in reinvigorating Brazil's rainforest.

*The Senate passed the bill days before the United Nations climate meeting in Durban, South Africa, where Brazil joined others in setting goals for reducing carbon emissions. Protecting the Amazon was an important plank in President Rouseff's campaign last year. Her proposals to tighten controls met wide approval and abandoning them may be risky. —Caitlin Watson*

**Americas Program Staff:** Stephen Johnson, director; Caitlin Watson, research associate; Michael Graybeal, program coordinator; **Senior Associates:** Johanna Mendelson Forman, Phillip McLean, Carlos Regúnaga; **Senior Adviser:** Luis Carlos Ugalde; **Adjunct Fellow:** Douglas Farah; and **Intern Scholars:** Sebastian Arandia, John Ransom, Christine Zaino.

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