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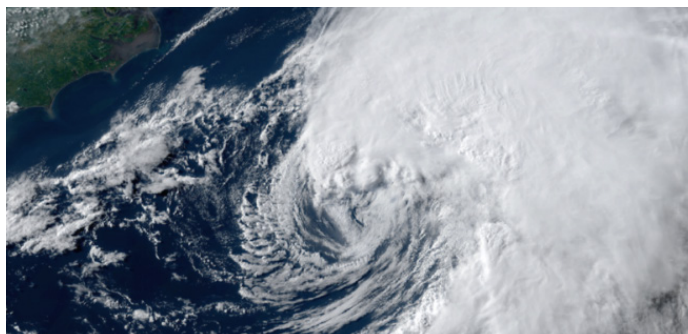
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FEATURED Q&A

How Prepared Is the Region to Face Hurricane Season?



The Atlantic hurricane season is likely to be more active than normal, the U.S. National Oceanic and Atmospheric Administration said this month. Tropical Storm Alex is pictured west of Bermuda on June 5. // File Photo: NASA.

Q This year's Atlantic hurricane season has a 60 percent chance of being more active than normal, with an estimated six to 10 hurricanes and three to five major hurricanes, the U.S. National Oceanic and Atmospheric Administration said in a projection released Aug. 4. In recent years, hurricanes have devastated some parts of Central America and the Caribbean, destroying homes and livelihoods, and pushing many to migrate. How prepared are Central American and Caribbean countries to face the height of hurricane season? Why do hurricanes and other tropical storms have such long-lasting effects in some parts of the region? What can governments do to strengthen countries' preparedness and resilience against major storms?

A Anton Edmunds, former ambassador of Saint Lucia to the United States and the Organization of American States: "The Caribbean and Central America are largely unprepared for the Atlantic hurricane season. While the pandemic is over, monies dedicated to addressing Covid-19 were diverted from other priorities, including resilience. Recent rising global fuel prices and food instability have also forced governments to divert resources, including from associated import levies, to provide social supports to their populations, further hindering resilience investment and preparedness planning. Importantly, effective mapping of traditional and new risk areas, including flood zones, have not been completed. Nor have related multi-hazard early warning systems been deployed. Traditional donor support in these areas is reported to be anemic. In addition to the above, funds committed at global

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TODAY'S NEWS

POLITICAL

Brazilian Police Raid Homes of Bolsonaro-Allied Businessmen

Authorities in Brazil raided the homes of businessmen who allegedly engaged in discussions about preventing former President Luiz Inácio Lula da Silva from taking office if he wins the country's presidential election.

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BUSINESS

Peruvian Agency Suing Repsol Over January Oil Spill

Peru's consumer protection agency said it is suing Spanish oil company Repsol over a January oil spill off the coast of the Andean nation.

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ECONOMIC

Brazilian Central Bank Chief Sees 6.5% Inflation

Brazil's level of inflation this year is likely to be 6.5 percent or slightly below, central bank chief Roberto Campos Neto said Tuesday at an event in Chile.

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Campos Neto // File Photo: Brazilian Central Bank.

POLITICAL NEWS

Brazilian Police Raid Homes of Bolsonaro-Aligned Businessmen

In an operation that spanned five states in Brazil, 35 police officers on Tuesday raided the homes of several prominent businessmen allied with President Jair Bolsonaro in the wake of the business leaders' alleged discussion of a power grab in the event that Bolsonaro loses the country's presidential election in October, *The Wall Street Journal* reported. The raids came after reports last week by Brazil's *Metrópoles* online news site that Bolsonaro-allied businessmen were openly discussing ways to prevent former President Luiz Inácio Lula da Silva of the leftist Workers' Party, or PT, from returning to power if he wins the election. Most recent polls show Lula leading Bolsonaro by double digits. Supreme Court Justice Alexandre de Moraes, who approved the raids and heads Brazil's electoral court, also ordered the businessmen's bank accounts and social media accounts to be blocked, the *Financial Times* reported. One of the business leaders targeted, Luciano Hang, denied supporting a coup and blamed what he called the "militant media" for the controversy. Another person targeted, Afrânio Barreira, who owns a popular restaurant chain, said he "never defended, thought or wrote in favor of any anti-democratic or 'coup' movement." The raids come amid Bolsonaro's criticism of Brazil's electronic voting system. Bolsonaro has repeatedly claimed, without presenting evidence, that it is prone to fraud. In an interview Monday night with local media, Bolsonaro said he would respect the election results "as long as the vote is clean and transparent." In a [Q&A](#) published Aug. 3 in the *Advisor*, Alfredo Attié, a justice at the Supreme Court of São Paulo, said electoral authorities in Brazil are "being transparent about the electronic and physical security measures of the electoral system," which include encryption, digital signatures and other safeguards. "While no one questions the reliability of electronic devices that govern our daily lives, antidemocratic

arguments from vile political interests are used to discredit the Brazilian electoral system with electronic voting machines," said Attié.

ECONOMIC NEWS

Brazilian Central Bank Chief Expects 6.5 Percent Inflation

Inflation in Brazil will be 6.5 percent or slightly lower this year, Brazilian central bank chief Roberto Campos Neto said Tuesday at an event in Chile, Reuters reported. Campos Neto said the central bank is expecting that the recent drop in energy prices and tax cuts on goods approved by Congress will contribute to two or three months of deflation, G1 reported. Consumer prices fell in July for the first time after 25 consecutive months of increases and may continue to fall in August and September, Campos Neto said. In July, the inflation rate stood at 10.07 percent. In the most recent central bank survey, private economists put 2022 inflation estimates at 6.8 percent, Agência Brasil reported. The forecasts marked a reduction from the prior estimate of 7.02 percent and was the eighth consecutive weekly decrease in inflation expectations. Still, estimates remain above the South American country's inflation target of 3.5 percent, plus or minus one percentage point. Brazil's central bank has raised its benchmark interest rate from 2.1 percent in March 2021 to 13.75 percent now.

Colombia's Petro Says He's Open To Talks on Tax Plan

Leftist Colombian President Gustavo Petro told business leaders Tuesday that his government is open to negotiations to strengthen a tax reform bill it has sent to Congress, Reuters reported. "We want the tax reform to be approved, improving what can be improved, enriching it, even in matters that we have

NEWS BRIEFS

Nicaraguan Government Takes Over Facilities of Newspaper La Prensa

Nicaraguan authorities have taken over the facilities of newspaper La Prensa, which has been critical of the government, the newspaper said Tuesday on its website. The government plans to turn the facilities into a "cultural center." Nicaraguan police last year occupied the newspaper's offices and arrested several of its executives. However, reporters who are working in exile have kept the newspaper operating online.

Orion-E Planning to Develop Solar Projects in Brazil

Energy infrastructure company Orion-E will develop a portfolio of small-scale solar projects across Brazil in partnership with energy trader Bolt, which will be responsible for the sale of the projects' electricity to consumers, an Orion-E executive told Reuters in an interview on Tuesday. Orion-E plans to invest approximately 3.2 billion reais (\$627.49 million) in the solar plants, which will have a total capacity of 500 megawatts and are expected to come online within two years.

Apache's Parent Company Announces Oil Discovery Off Coast of Suriname

Independent U.S. oil and gas company APA Corp., which owns Apache, announced Tuesday that it had discovered oil off the coast of Suriname at the Baja-1 well in Block 53, its sixth discovery off the country's coastline and the first in that block, Reuters reported. Simultaneously, the company announced that it has ended operations at the Dikkop well in Block 58 after encountering water-bearing sandstones. Oil exploration offshore Suriname is occurring in proximity to ExxonMobil's large discoveries in Guyanese waters.

not seen," Petro said at a meeting with the national council of business associations. The proposed reforms would raise some 25 trillion pesos (\$5.8 billion) for state coffers next year in an effort to fund anti-poverty programs, according to the report. The plan foresees gradually increasing tax collection through anti-evasion and anti-avoidance measures until hitting an additional \$11.4 billion by the end of Petro's term in 2026. It has caused concern among businesses and investors, however, by ending preferential tax treatment that benefits the wealthy, as well as imposing higher taxes for those earning more than 10 million pesos per month (\$2,273), a permanent wealth tax, and duties on earnings from the sale of shares in companies listed on the stock exchange, according to Reuters. The reform would also levy a 10 percent tax on exports of coal, oil and gold on income earned when each commodity exceeds a certain price threshold. Business groups have offered alternative reforms, such as divesting unproductive state assets and assets seized from drug trafficking. Ratings agencies following the tax reform have said much depends on whether collections in fact materialize. "Petro's push for large increases in social expenditure could lead to large deficits over the medium term if revenue underperforms," Fitch Ratings said in a research note.

BUSINESS NEWS

Peruvian Agency Suing Repsol Over January Oil Spill

Peru's consumer protection agency, Indecopi, said Tuesday it is suing Spain-based energy company Repsol and other entities for \$4.5 billion over an oil spill off the coast of Lima in January, state news agency Andina reported. Indecopi said the spill and resulting beach closures "triggered a severe impact on the economic activities of merchants, associations and businesses." Others listed as defendants include Mapfre, Fratelli D'Amico Armatori, Refinería La Pampilla and Empresa Transtotal

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climate events to countries in the region for preparedness have not yet materialized—neither has the touted potential of privately mobilized capital to address resilience. In fact, some would argue that the region may be in fact experiencing a spate of divestment, with some multinational companies leaving to mitigate against, among other things, climate risk. Access to funds at concessional rates for resilience investment, from a system not originally designed to address the impact of global warming and climate change to these economies, is still a work in progress. With the new normal of climate change bringing increased and longer dry spells and heavy rains, the region is faced with the prospect of the cycle of climatic instability being a year-round reality as opposed to the focused period of the hurricane season between June and November. We are increasingly in uncharted waters in terms of cost to governments and industry and adequacy of time to plan and rebound."

A Barry Levitt, chair and associate professor, and Richard Olson, director of the Extreme Events Institute and distinguished university professor, both in the Department of Politics and International Relations at Florida International University: "At FIU's Extreme Events Institute, we conceptualize disaster risk as a function of hazards, exposures and vulnerabilities. For Central America and the Caribbean Basin, hurricanes are a major hazard and, with climate change, are

becoming more frequent and more intense. Hurricane Dorian, for example, which devastated parts of the Bahamas in 2019, was one of the strongest Atlantic storms on record. The problem is that Central American and Caribbean countries tend to be small, with

Widespread corruption in some countries further undermines both preparedness and recovery."

— Barry Levitt & Richard Olson

relatively concentrated coastal populations and high poverty levels, with many living in vulnerable structures and amid very uneven infrastructures (such as those for power, water, communications, transportation and health). This explains, in part, why many communities in the region lack resilience and struggle to bounce back after a disaster. Widespread corruption in some countries further undermines both preparedness and recovery. What can governments do? Building codes and land use regulation, and their effective implementation, are underappreciated but crucial policies for protecting life and property in hazard-prone areas. To accept the costs involved, however, people must have confidence in the state's ability—and intent—to protect rather than extort. Our research, supported by the National Science Foundation, suggests that expectations of

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Agencia Marítima. The head of Indecopi, Julián Fernando Palacín, said Tuesday that 25 beaches from Callao to ones near Huaral remain compromised by the oil spill, which authorities called the worst ecological disaster around Lima in recent memory. Repsol has been leading cleanup efforts, although it denies full responsibility for the spill. Repsol initially said the 10,000-barrel spill was caused by "sudden and extraordinary anomalous waves produced by the volcanic eruption in Tonga," according

to Reuters. "We reiterate that the causes are still under investigation, but that the preliminary findings indicate that it was caused by an uncontrolled movement by the Mare Doricum vessel while it was unloading crude at the terminal," a spokesman told the BBC this week. "Even so, Repsol has used all means at its disposal to contain, clean, and remediate the coastline, assist the communities in the area, and rescue and attend to the fauna affected by the oil spill," the spokesman added.

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code enforcement are low (Salvadorans' expectations are the lowest) and corruption in this policy area is prevalent (and the highest in Nicaragua and Mexico). But we also found that people in the region—especially in Haiti, the Dominican Republic, El Salvador and Honduras—are, nonetheless, still willing to support risk reduction policies and their implementation. The takeaway for governments: listen to your people.”

A **Diego Otegui, professor of crisis and disaster management at the University of Central Missouri and CEO of Imara-IHG:** “Hurricanes have indeed hit the region hard. However, the destruction they produce is not the only cause of migration. Assessing the level of preparedness for disasters requires analyzing the ability of a country to go from point A (the immediate aftermath of a disaster) to point B (the re-establishment of adequate, suitable and expected pre-disaster living conditions) through a long-term process that takes into consideration the unique worldviews of multiple actors and sectors. In other words, preparedness has to be understood in terms of the ability of the government to lead a recovery strategy that is friendly, predictable and achievable for its citizens. This is undoubtedly not easy

under normal circumstances. It is significantly more problematic when the process is affected by the intrusion of external forces. For most countries in Latin America and the Caribbean, large disasters are followed by the convergence of thousands of foreign

“**For most countries in Latin America and the Caribbean, large disasters are followed by the convergence of thousands of foreign organizations...**”

— Diego Otegui

organizations that are presumed to provide needed assistance. That is one side of the story. The other side usually goes unnoticed. Organizations that parachute themselves into unknown territories are often driven by distinctive value systems that are irreconcilable with those of the local population. Despite their good intentions, their assistance is not free of noxious effects.”

The Advisor welcomes comments on its Q&A section. Readers can write editor Gene Kuleta at gkuleta@thedialogue.org.

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