

● LIMA

— ANNEX I · GEOPOLITICAL & GOVERNANCE ANNEX

Peru 2026–2031

Ideological alignment and international blocs, regional and Spain/EU impact, governability scenarios, and an internal-conflict risk framework, ahead of a technical-tie runoff.

FOR

European and Spanish political and
institutional bodies · senior management

CUT-OFF DATE

14 June 2026

ACCOMPANIES

Executive Brief — Strategic Risk Outlook ·
Annex II — Economic

UPDATE
ONPE · 14 JUN

All ballot records (domestic and overseas) have been processed. Within the incorporated count (~98.5%), Fujimori stands at **50.05% (9,072,289 votes)** and Sánchez at **49.95% (9,053,801)** — a difference of **18,488 votes**. Some ~1,475 records remain under review by the Special Electoral Tribunals (JEE); the National Elections Jury (JNE) has yet to proclaim a winner. *Source: ONPE, via El Comercio / RPP / Infobae, 13–14 June 2026. Preliminary and subject to change.*

HOW THIS ANNEX FITS IN

One annex, two parts

The Executive Brief synthesises the scenarios, risks and recommendations. This Annex I develops the political and geopolitical detail — the candidate profiles, their international alignments, and the regional and Spain/EU impact — and closes with our Internal-Conflict Risk Framework. The economic detail is carried in Annex II.

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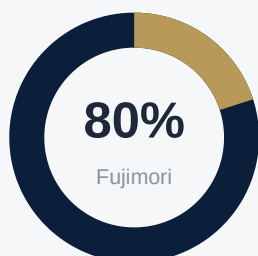
THE IDEA THAT SHOULD REMAIN

This is the closest result in Peru's democratic history, and it is the JNE — not ONPE — that will certify it. The dominant risk is political-institutional, not ideological: whoever takes office will govern without a majority and alongside autonomous macroeconomic institutions. The correct strategy is not to back a winner, but to hedge by scenario until the proclamation.

01 EXECUTIVE SUMMARY

Five points for management

- 1 **A historic technical tie.** With all records processed, the record shows Fujimori (Fuerza Popular) leading the ONPE count by a minimal margin — of the order of 18,500 votes out of more than 18 million — with the lead widening across the most recent counts.
- 2 **The JNE decides, not ONPE.** The firm result turns on the resolution of roughly 1,475 disputed records by the National Elections Jury. We expect a proclamation around mid-July 2026.
- 3 **Two opposing ideological blocs.** A conservative right with a European link to VOX and the Foro Madrid network (Fujimori), set against a Latin-Americanist, pro-BRICS left that positions itself as heir to Castillismo (Sánchez).
- 4 **The dominant risk is political.** Whoever wins will govern without a majority of their own, against a fragmented Congress and under a vacancia mechanism — a fast-track presidential impeachment that has already removed three heads of state. Instability is cross-cutting.
- 5 **Engagement hedged by scenario.** For Europe and Spain, the two profiles present asymmetric opportunities and risks. We advise against overexposure to either administration before the proclamation.



J&H estimate · probability of proclamation

We assess a Fujimori proclamation as **high (70–85%)**, with a central estimate near 80%, and a Sánchez proclamation as **low (15–30%)**, centred near 20%. These are analytical judgements expressed as bands — not figures drawn from a source — and they do not incorporate confidential information on the content of the disputed records held by the JEE. The estimate has firmed as Fujimori's lead widened, her annulment petitions were rejected, and the pending disputed records, concentrated in Lima, tended to favour her. We rate the risk of a post-electoral crisis as moderate-to-high, given the narrowness of the margin.

02 THE COUNTRY AT A GLANCE

A nation split in two

The organising fact is a sharp and persistent territorial fracture: the coast-and-Lima axis set against the southern Andes and the rural interior. This geography explains where support, conflict risk and the still-pending records concentrate.

Schematic map · not to scale



THREE ELECTORAL PERUS

Northern coast and Lima — Fujimori's terrain; roughly a third of the electorate lives in the capital.

Southern Andes and rural provinces (Puno, Cusco, Ayacucho, Apurímac) — a Sánchez stronghold.

The Amazon and mixed zones — split more evenly, and report later.

- Northern coast and Lima · Fujimori
- Southern Andes and rural · Sánchez
- Amazon and mixed zones · split

THE DECISIVE FACTOR · THE OVERSEAS VOTE

The overseas roll exceeded 1.19 million eligible voters, but, as is customary, turnout was low — around 34% in the first round, and below 20% in the United States. The widely cited 63%-to-37% split applies not to the roll but to the valid votes actually cast: with 94.6% of overseas records counted, Fujimori gathered some **184,600 votes** to Sánchez's **106,600**, a net advantage of roughly **78,000**. Processed in the final phase of the count, that differential reversed the lead Sánchez had built on the rural Andean vote and tipped a national result decided by a few thousand votes. *The data themselves are ONPE's; the inference that the overseas tranche was outcome-determining is ours.*

03 BLOC ALIGNMENT

Two projects, two international axes

Sánchez

Juntos por el Perú

Fujimori

Fuerza Popular

LEFT

Global South · BRICS · CELAC / UNASUR

RIGHT

Atlanticist · Foro Madrid / VOX · United States

Keiko Fujimori Higuchi Fuerza Popular

CONSERVATIVE RIGHT

- **Alignment.** Heir to fujimorismo, on declared pillars of public order, free markets, the defence of private enterprise, and a firm line on security and migration.
- **International axis.** The regional right — with declared alignment toward the United States, Argentina, Chile, Ecuador and Bolivia — and a concrete European link to VOX and its Disenso Foundation, within the Foro Madrid orbit.
- **Foreseeable foreign policy.** A rapprochement with Washington, tempered by economic dependence on China (the Chancay megaport, operated by COSCO, with an open regulatory dispute).
- **The record.** Holding 73 of 130 seats in 2016, the party operated to constrain and remove the Executive. Its Cócteles case — concerning the alleged laundering of Odebrecht contributions — was annulled by the Constitutional Court in 2025 and shelved in January 2026, without a substantive acquittal.

Roberto Sánchez Palomino Juntos por el Perú

LATIN-AMERICANIST LEFT

- **Alignment.** The Latin-Americanist left. He has chaired Juntos por el Perú since 2017, served as Castillo's Foreign Trade minister, and positions himself as Castillo's political heir.
- **International axis.** The published platform (the legally valid one) sets out integration into the BRICS, rapprochement with Cuba, Venezuela and Nicaragua, re-entry into UNASUR and CELAC, and a distancing from the United States. A second, moderate platform, issued belatedly, tempers that reorientation.
- **Points of concern for EU interlocutors.** The agenda of a new constitution, the release of Castillo and a system of elected judges, and an electoral alliance that incorporates the etnocacerismo of Antauro Humala — the ultranationalist current associated with the 2005 Andahuaylazo uprising.
- **The moderating counterweight.** In the runoff, Sánchez gained centre and centre-left support (Forsyth, Belmont, López-Chau, Lescano, Guevara) and assembled a technical team of moderate economists (Francke, ex-MEF; Dancourt) and the former foreign minister Rodríguez Cuadros. A tension persists between that moderate wing and the etnocacerista bloc: Francke conditioned his participation on Humala's exclusion. We treat this internal tension as itself a risk variable, not as resolved.
- **The record.** The Castillo government, in which Sánchez was the most durable minister, cycled through 78 ministers in 495 days and ended in the failed self-coup of 7 December 2022 (a vacancia vote of 101–6, followed by arrest).

03 BLOC ALIGNMENT · COMPARATIVE SYNTHESIS

Comparative synthesis

Dimension	Fujimori / Fuerza Popular	Sánchez / Juntos por el Perú
Ideological bloc	Conservative right / fujimorismo	Latin-Americanist left
Regional axis	Regional right (US, Argentina, Chile)	CELAC, UNASUR; Cuba–Venezuela axis (original plan)
Global axis	Atlanticist, with dependence on China	Pro-BRICS; Russia and China
European link	VOX / Disenso Foundation (Foro Madrid)	Affinity with the Spanish left and the Puebla Group
Risk signal for the EU	The Lava Jato legacy; an authoritarian inheritance	Constituent agenda; etnocacerismo; reorientation away from Atlanticist alignments
Market / investment	Predictability; favourable to private investment	Greater state intervention; uncertainty

The table synthesises declared positions and verified affiliations, not value judgements. For Sánchez, the divergence between the published (valid) platform and the belated moderate one is, on our reading, a risk variable in its own right.

Regional impact · Latin America

A Fujimori administration would reinforce the bloc of right-of-centre governments and align with Washington on security and migration, while preserving the economic relationship with China; friction with the progressive governments of Colombia, Brazil and Bolivia would be likely. A Sánchez administration would lean toward the progressive axis and the Global South, with an ambition to re-enter UNASUR and to weigh more heavily in CELAC; on the published platform, this would generate tension with the United States and the regional right. In either case, the government would lack a majority of its own, so its regional projection would depend on internal governability.

04 WHAT MATTERS FOR THE RECIPIENT

Impact on Spain and the EU

Under Fujimori

Affinity with the Spanish right and far right (VOX, Foro Madrid); tonal friction with the current coalition government, but a state-to-state relationship preserved by interest. Opportunities in market predictability and legal certainty for Spanish investment — banking, energy, infrastructure, mining — and in security and defence cooperation. Cautions around reputational due diligence, given the Lava Jato association and the authoritarian inheritance, with attention to any illiberal signals.

Under Sánchez

Affinity with the Spanish left (Sumar, Podemos) and the progressive axis; a social, multilateralist agenda close to European cooperation priorities. Cautions around the published platform (BRICS, a reorientation away from the West, Cuba and Venezuela), the constituent agenda, and the release of Castillo and the elected-judges proposal, all of which bear on the rule of law; the alliance with the ethnocacerista current is, for European interlocutors, the single most material concern. Uncertainty attaches to the late moderation, which suggests possible pragmatism but is not the legally valid platform.

THE COUNTERINTUITIVE LESSON · THE EVIDENCE THAT OVERTURNS THE RECEIVED WISDOM

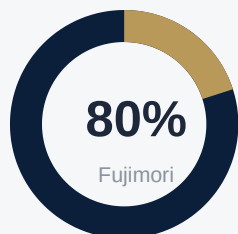
The empirical record of 2021–2025 corrects the “ideological risk” narrative. Under the Castillo government, there were no nationalisations and no contracts of consequence were abrogated; the Central Bank retained its technical direction, and Peru kept its investment grade. The rating downgrade (S&P, April 2024) and the outlook deterioration (Fitch, October 2023) occurred under the Boluarte presidency — not under the left-wing government — and were attributed to political fragmentation and fiscal weakness. **The conclusion for the decision-maker: effective risk attaches to institutional instability, which is cross-cutting to any administration, rather than to the political complexion of the Executive.**

Implications for institutional engagement

If Fujimori prevails (the base case): economic continuity and a government insulated against removal — by the arithmetic and the double-two-thirds rule that now governs vacancia — but with contested legitimacy and social conflict in the south; engagement is viable, subject to reputational due diligence. **If Sánchez prevails:** greater directional uncertainty, potential friction with the EU over the rule of law, and a weak government facing a hostile Congress (with the risk of repeating the Castillo cycle); engagement should be cautious and conditional on effective moderation. **Cross-cutting:** fragmentation, vacancia, a contested result and the risk of protest together argue for hedging by scenario, with review clauses and without overexposure.

05 PROBABILITY ASSESSMENT

Forecast and most likely scenario

**J&H estimate**

Proclamation of Fujimori **high (70–85%)**, central estimate near 80%; of Sánchez **low (15–30%)**, near 20%. An analytical judgement, not a figure drawn from a source, and one that does not incorporate confidential information on the content of the JEE records.

Victory of Fujimori**Prolonged post-electoral crisis****Victory of Sánchez**

LOW

MODERATE

HIGH

BASIS

- Fujimori leads the official count, and her lead has widened across the latest counts rather than narrowed.
- The pending disputed records concentrate in Lima, her stronghold, and therefore tend to favour her.
- Juntos por el Perú's annulment petitions have been largely rejected, and the international route cannot alter the result within the timeframe.
- Markets have partly priced in her victory, on a continuity reading.

CAVEAT (RIGOUR)

The margin is roughly 18,500 votes out of more than 18 million — about 0.1 of a percentage point. The contest is not settled until the JEE resolve the disputed records and the JNE proclaims, around mid-July. A reversal is not mathematically impossible; but the direction of the evidence makes it unlikely.

MOST LIKELY SCENARIO

Fujimori proclaimed president in mid-July, at the head of an **entrenched but contested government**: insulated against removal by the arithmetic and the double-two-thirds rule, yet operating with disputed legitimacy, recurrent protest in the south, and governability negotiated issue by issue in a fragmented Congress. For European and Spanish interests, this means short-term economic predictability coexisting with an underlying socio-political risk that does not dissolve with the result.

PART II · INTERNAL-CONFLICT RISK FRAMEWORK

Peru 2026–2031

A proprietary J&H assessment of Peru's risk of sliding into internal conflict, built on an analytical framework informed by the comparative literature and evaluated per scenario. It works with probabilistic risk factors, not destinies: its value is **hedging and monitoring, not prophecy**.

06 DIAGNOSIS

How we measure it, and where Peru stands

We assess the risk from the two conditions the comparative evidence identifies as most determinant — the hybrid character of the regime and its **trajectory**, and identity-based **factionalism** — together with three accelerants (status loss, disinformation, electoral delegitimisation) and two material dimensions (state capacity and the viability of insurgency).

Factor	Status	Reading (public indicators)
Anocracy / hybrid regime	Present	The Economist classifies Peru as a “hybrid regime” (it lost its “flawed democracy” rank in 2022); Freedom House rates it “partly free”.
Movement (autocratisation)	Present	V-Dem placed Peru among autocratising countries (2024); International IDEA recorded declines across all four democratic pillars (2025).
Identity-based factionalism	Partial	No single predatory faction — parties are weak and fragmented — but an ethnic-regional cleavage exists (southern Andean and indigenous, against coast-and-Lima).
Status grievance	Inverted	Not a dominant group fearing decline, but a periphery struggling for inclusion against a resisting centre.
Accelerants	Present	Electoral delegitimisation (the “fraud” narrative and the present judicialisation), disinformation, and a precedent of lethal political violence (the 2022–2023 protests).
Insurgency viability	Localised	A weak state in the periphery, Andean-Amazonian terrain, and a narco-terrorist remnant in the VRAEM; the memory of the 1980–2000 conflict (~69,000 dead, per the Truth Commission).

VERDICT · A SOBER GENERAL READING

Peru sits within the vulnerability band the framework defines: a hybrid regime, autocratisation, an ethnic-regional cleavage, active accelerants, and a history of violence. But the path to a nationwide civil war is partly blocked by three factors — party fragmentation, civilian control of an unfractured military, and the resilience of the macroeconomic institutions and the central state. **The realistic and dominant risk is therefore not civil war, but recurrent lethal social conflict, democratic erosion, and localised criminality.**

07 ASSESSMENT BY SCENARIO

Risk matrix by outcome

Each dimension is assessed across the three possible outcomes. Where the assessment is intermediate, the traffic-light conservatively adopts the higher level; the nuances are set out in the per-scenario reading.

Risk dimension	A · Fujimori	B · Sánchez	C · Prolonged crisis
Lethal social conflict / protest	 High	 Medium	 High
Institutional rupture (vacancia / self-coup)	 Medium	 High	 High
Democratic erosion	 Medium	 High	 High
Nationwide civil war	 Low	 Low	 Medium

A **Fujimori wins** (a narrow, contested victory). The Andean periphery reads the outcome as a triumph of the centre-coast-right candidate, carried by the overseas vote and decided amid a contested count: grievance compounded by delegitimisation. The acute risk is lethal protest in the south and the mining corridor, on the 2022–2023 pattern. The government would be insulated against removal; civil war remains low.

B **Sánchez wins** (a narrow, contested victory). A reprise of 2021: Lima's establishment and a right-leaning Congress contest his legitimacy — the previously dominant group fearing the loss of status, channelled through institutional means. The acute risk is institutional rupture, on the vacancia-and-self-coup cycle for which Castillo is the precedent. Civil war remains low.

C **Prolonged post-electoral crisis** (no clear proclamation). The worst configuration in the logic of accelerants, since delegitimisation activates on both sides at once. This is the most underestimated risk and the one of greatest material impact: a high risk of conflict and of democratic rupture, and the scenario in which the probability of civil war — still improbable — rises most.

08 ANNEX

Methodology, caveat and sources

This annex draws an explicit line between verified facts (ONPE results, JNE and Constitutional Court rulings, congressional records, published government platforms) and the consultancy's estimates, which are marked as such and expressed in bands. Evaluative characterisations circulating in the press — “far-right”, “authoritarian”, “coup-plotting” of Fujimori; “radical”, “Chavista” of Sánchez — are attributed to their issuers and not adopted. Seat figures for the incoming Congress are preliminary.

METHOD CAVEAT · THE J&H CRITERION

This is the consultancy's own assessment; it works with probabilistic risk factors, not forecasts. Both the comparative frameworks that inform the model and the international indices it draws on are predominantly Anglophone and Western in origin, and carry known methodological critiques for their liberal lens; we therefore cross-check them against Peruvian sources. Our conclusion is that Peru's modal scenario is chronic instability and social conflict — not civil war.

Category	Sources
Official and electoral	ONPE; JNE (disputed records and annulments); Constitutional Court (ruling 185/2025); Congress of the Republic; the published platforms of Fuerza Popular and Juntos por el Perú.
Analysis and indicators	OECD (Economic Outlook 2026/1); BCRP (Inflation Report, March 2026); BBVA Research; Oxford Economics; CIDOB.
Comparative literature (framework)	Walter, <i>How Civil Wars Start</i> (2022); Fearon & Laitin, “Ethnicity, Insurgency, and Civil War” (2003); Collier & Hoeffler, “Greed and Grievance in Civil War” (2004).
Indices on Peru	V-Dem (2024); The Economist Democracy Index; Freedom House; International IDEA (GSoD 2025); Human Rights Watch (2025–2026); the Truth Commission (1980–2000 figures); ONPE's Elecciones journal.
Press	El Comercio, Infobae, Gestión, La República, RPP, Perú21, AFP, Reuters, France 24, CNN en Español, La Nación.

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