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SUMMIT OF THE AMERICAS: DECLARATION OF PRINCIPLES

We, the elected heads of state and government of the Western Hemisphere meeting in Miami, Florida, on December 9 through 11, 1994, pledge to work together to enrich the quality of human life and increase prosperity in the Americas. Committed to defend our citizens' rights, culture, and sovereign destiny, we stand united in our determination to advance democratic values and to raise the standard of living of all our people within a framework of mutual respect under law. Convinced that building a stronger, more democratic, and more prosperous Western Hemisphere will best contribute to a more peaceful, stable world, we hereby collectively and unanimously pledge:

To assure the full and effective exercise of democracy.

Respect for human rights and the rule of law are the foundations of democratic society, and safeguard individual and community participation in government. We hold dear the democratic institutions our countries have built, and we are determined to preserve and advance them for the benefit of all citizens without distinction.

Through the Organization of American States, we will work collectively to strengthen our democratic institutions and to overcome authoritarian challenges. In the event of a threat to democracy in any member state of the OAS, we will act together with the democratically elected leadership of that state to restore and preserve democratic rule. We endorse OAS efforts to foster measures that enhance the security and stability of the region.

We recognize that our citizens earnestly seek to increase the responsiveness and efficiency of our respective governments. To ensure continuing faith in our democratic institutions, we pledge to increase transparency and accountability in the public sector and to combat corruption.

We confirm our responsibility to cooperate in upholding the primacy of law, and pledge to fight threats from international narcotics trafficking and international terrorism.

Recognizing the important contributions of private citizens to effective democratic government and to cooperation among the people of the hemisphere, we will facilitate full citizen participation in political, economic, and social activity.

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To expand economic integration and free trade as the driving forces for the prosperity of our nations.

Economic freedom, opportunity, and prosperity are critical to democracy and the legitimacy of governments. We recognize that our continued economic progress will depend upon sound economic management and the dynamism of our private sectors.

We resolve to construct a hemispheric free trade zone. We will build upon and advance the historic movement toward economic integration and cooperation now taking place in the hemisphere and the world by taking concrete steps to realize this monumental goal.

Aware that private investment is the engine for growth in the hemisphere, we will aim to stimulate such investment by cooperating to build more open, transparent, and integrated capital markets.

To further advance economic integration, we will work to create a truly hemispheric infrastructure. A seamless web of telecommunications, transportation, and energy linkages will permit the free and easy movement of goods, services, capital, and information that is the lifeblood of democracy and prosperity.

We look to our own resources and ingenuity as well as to the international community to help us achieve these goals.

To overcome poverty and discrimination in our hemisphere.

The fruits of democratic stability and economic progress must be accessible to all. It is politically intolerable and morally unacceptable that some segments of our populations have not shared fully in the benefits of growth. Believing that democracy and dynamic economic growth offer the greatest opportunities to all people, we pledge to attain greater social justice by improving access to quality education and health services for all of our citizens. We undertake to invest in people so that individuals throughout the hemisphere will have the opportunity to realize their full potential.

We acknowledge our common interest in improving the incomes and working conditions of all our citizens. In addition to advancing our general concern for human rights, widely shared prosperity contributes to hemispheric stability and lasting peace and democracy.

To conserve our natural environment for future generations.

Social progress and economic prosperity can be sustained only if the health of our citizens is protected from environmental threats, our ecosystems are maintained, and our natural resources are used responsibly. Consistent with the commitments made at the 1992 Earth Summit in Rio de Janeiro, we announce the formation of a Western Hemisphere Alliance with Nature. We also agree to support the Central American Alliance for Sustainable Development. We pledge to strengthen our capacity for environmental stewardship, promote sustainable energy production and use, and conserve our rich biological heritage. We will pursue our economic and social development goals in a manner that recognizes the environmental costs and benefits of our actions.

Our Declaration constitutes a comprehensive and mutually reinforcing set of commitments. In accord with the appended Plan of Action, we pledge to implement them without delay.

-- To assure regional consultation and coordination, we call upon the OAS and the Inter-American Development Bank to assist countries in implementing our pledges, drawing significantly upon the Pan-American Health Organization and the UN Economic Commission on Latin America and the Caribbean.

-- To assure national political involvement, we will convene specific ministerial meetings to address topics such as trade and commerce, labor, transportation, counter-narcotics, and sustainable development.

-- To assure public engagement and commitment, we invite the cooperation and participation of the private sector and non-governmental organizations in both our national and regional efforts, thus launching a new era of partnership between government and civil society.

Never in memory have our thirty-four nations shared a more fervent commitment to democratic practices and economic integration. Never have the conditions for hemispheric cooperation been more propitious. Never have our people been more able to express their aspirations and to learn, share, and benefit from one another. To the people of the Americas, in whose name we affix our signatures to this Declaration, we pledge to seize this historic opportunity.

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PLAN OF ACTION ADOPTED BY HEADS OF STATE AND GOVERNMENT AT THE SUMMIT OF THE AMERICAS 1994

The heads of state and government participating in the 1994 Summit of the Americas in Miami, Florida, desirous of furthering the broad objectives set forth in their Declaration of Principles and mindful of the need for practical progress on the vital tasks of enhancing democracy, achieving economic integration, improving the lives of their people, and protecting the natural environment for future generations, affirm their agreement to this Plan of Action.

1. Hemispheric Free Trade

Opening markets generates economic growth and prosperity, enhancing our nations' abilities to promote social progress, benefits to people, effective government and sustainable development. We seek to reduce restrictions limiting trade and investment.

[Note: Trade will be a central element of the Summit. During the week of October 21-28, a high-level U.S. team will consult with Western Hemisphere trade officials and will seek their views on the U.S. proposal and any additional ideas they may have.]

2. Capital Markets Liberalization

Capital market restrictions fragment financial markets and increase the cost of capital for investors. The absence of comparable, sound banking and securities regulations in the hemisphere reduces investor and depositor confidence and the availability of capital, also increasing the cost of capital. The availability of capital at competitive rates is essential to finance private sector investments -- the key to economic development.

National Actions

Individual governments will:

-- Take concrete steps to accelerate capital markets liberalization.

-- Support the work of the Association of Latin American and Caribbean Bank Supervisors and the Council of Securities Regulators of the Americas to ensure comparable financial regulations and sound financial markets.

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International Actions

Working together, governments will:

- Negotiate a Hemispheric Capital Movements Code that provides for a standstill on capital restrictions and for the progressive liberalization of these barriers.
- Form a Committee on Hemispheric Capital Markets, comprised of financial officials, to meet in 1995 to initiate negotiation of the Code and to meet semi-annually thereafter to facilitate progressive liberalization of capital movements.

3. Hemispheric Infrastructure Protocol

Governments throughout the hemisphere have begun to invite private concerns to build and operate infrastructure projects and to assume the commercial risk associated with infrastructure development. Since governments do not participate directly in these private investments, they do not provide sovereign repayment guarantees. To ensure the greatest possible private sector participation in the development of the hemisphere's infrastructure development, governments need to find ways of providing the "political risk" coverage that is a normal feature of public sector project financing.

National Actions

Individual governments will:

- Enunciate the policies and principles they will follow to support infrastructure development by the private sector.
- Establish procedures for airing investors' concerns when policy changes are being considered.

International Actions

Working together, governments will:

- Develop a protocol or other suitable mechanism to encourage private investment, both domestic and foreign, in infrastructure projects that contribute to sustainable development.
- Encourage the IDB and possibly other multilateral development banks to work with governments, and as appropriate private concerns, to develop mechanisms to deal with political risk-related lending and investment issues.

4. Developing the Information Infrastructure of the Americas

A country's information infrastructure--telecommunications, information technology, and broadcasting--has a significant effect on its ability to generate sustained economic growth, to provide for the health and education of its population, and to promote democracy. However, the telecommunications development needs in most countries of the Americas are immense. Guiding principles in meeting these needs are private sector investment, flexible regulatory regimes, competition, open access, and universal service.

National Actions

Individual governments will:

- ensure that their domestic policies and regulations are conducive to private sector involvement in telecommunications and use the five principles of the Global Information Infrastructure [described above] to guide telecommunications development.
- Review the availability of Internet connections and applicable laws and regulations in order to facilitate wide use and a competitive market for Internet access providers. make government information more publicly available via electronic means.
- ensure that their country's major universities, libraries, hospitals and government agencies have access to the Internet and means to easily communicate throughout the hemisphere by the end of 1995.

International Actions

Working together, governments will:

- Via the OAS Inter-American Telecommunications Commission [CITEL], develop a work program to:
 - o Encourage competition in the telecommunications sector and explore means of increasing private sector participation in the telecommunications sector.
 - o Evaluate regulatory, technical and legal barriers to liberalization, standards harmonization and interoperability.

- o Develop procedures for harmonization of telecommunications equipment certification processes among member countries.

- o Develop regional guidelines for the provision of international value-added network services [information services].

- Support a meeting by 1996 of the region's senior telecommunications officials. CITELE would be invited to present a report on its work.

5. Enhancement of the Capacity of the OAS to Strengthen Democracy

The strengthening, effective exercise, and consolidation of democracy is the central political priority of the Americas. The OAS is the premier body for the defense of democratic values and institutions, but under Resolution 1080 has been mainly reactive when democratic order has been broken rather than preventive. The OAS needs to direct more effort toward preventing such crises.

National Actions

Individual governments will:

- Ratify expeditiously the Washington Protocol to the OAS Charter.

International Actions

Working together, governments will support efforts by the Organization of American States to build its capacity to promote democracy by:

- Making the electoral organizations of the hemisphere stronger and more independent and encouraging exchanges of election-related technologies.

- Making available to member states a multidisciplinary roster of consultants on such matters as legislative processes, government reform, and institutional change.

- Strengthening the capacity of the OAS to play an even more important role in political reconciliation and mediation.

- Creating a "Center for the Study of Democracy," devoted to teaching, research, and technical training.

-- Encouraging interaction between Member States' democratic institutions [Congress-to-Congress, judiciary-to-judiciary, etc.].

-- Tasking an OAS Working Group to work with the Secretary General to implement and monitor these commitments and changes.

6. Strengthening Civil Society

A strong and diverse civil society gives depth and durability to democracy. Non-governmental actors have assumed an increasingly vigorous role in the Hemisphere, and their bases of support should now be further developed. Strengthening civil society will promote responsible citizenship by non-governmental actors, foster responsive links between them and their societies, and encourage an environment conducive to civic philanthropy.

National Actions

Individual governments will:

-- Review the regulatory framework for non-governmental actors with a view to facilitating their operations and promoting private philanthropy.

-- Endorse the establishment of a hemispheric network of civic non-governmental actors devoted to improving the governance, effectiveness, and constructive engagement of these organizations.

-- Consider contributing additional support to non-governmental entities and creating mechanisms for dialogue with non-governmental actors.

International Actions

Working together, governments will:

-- Endorse development by the IDB of a new Civil Society Program to encourage philanthropy and civic engagement in public policy issues.

-- Establish an OAS annual Prize for Democracy, Governance, and Civil Society to recognize the outstanding contributions of individuals or groups.

7. No to Corruption

Corruption undermines democracy. It occurs where public accountability is lacking, where regular oversight and enforcement powers are weak, and where regulatory systems lack transparency. Corruption taints public administration and undermines civic morality. It raises the cost of public works and contracts, distorts public priorities and diverts resources from social development. Transparency and accountability are essential for public confidence in government.

National Actions

Individual governments will:

- Ensure that citizens have timely access to public records and sufficient information to engage in meaningful scrutiny of government affairs.
- Review existing legal and institutional frameworks for oversight of public administration and make the changes necessary to ensure enforcement of applicable laws.
- Take appropriate steps to strengthen investigative and enforcement capacity with respect to acts of corruption, ensuring that acts of corruption are prosecuted as common crimes and that the proceeds of corruption can be traced and recovered.
- Review administrative and criminal penalties relating to conflicts of interest and ensure that they reflect the severe damage to a democratic structure that comes with the use of public office for private gain.
- Review current regulations affecting economic activity to determine which, if any, restrict competition and thus promote corrupt practices, and make necessary amendments to such regulations.
- Consider forming national commissions on public ethics, to include private individuals and relevant groups, to analyze these issues and to propose other steps that should be taken to make government operations transparent and accountable.

International Actions

Working together, governments will:

- Insist that international businesses and governments worldwide subscribe to anti-bribery principles and enforce them in their dealings with the hemisphere.
- Instruct the OAS Working Group on Public Ethics to establish liaison with the OECD Working Group on Bribery in International Business Transactions.
- Cooperate with international financial institutions to improve public procurement, civil service, and business regulation.
- Strengthen tax and customs administration and expand cooperative training in these areas.
- Cooperate in criminal investigations and proceedings related to corruption, including extradition and other means authorized by international agreement.

8. Hemispheric Anti-Money Laundering Measures

Money laundering is an ever-increasing threat to the economic, political and social stability of the countries of this hemisphere. While drug trafficking continues to be the primary source of illegal proceeds, the money laundering industry increasingly deals with the proceeds of all types of criminal activity. A class of professional money launderers has emerged who operate on an international level, specialize in laundering proceeds of all kinds of criminal activity and have access to increasingly sophisticated computers and telecommunications equipment. These developments mean new challenges for the countries of our hemisphere, which must respond with new methods of enforcement and a broad, coordinated hemispheric strategy, with disruption, prosecution and seizure and forfeiture of assets as the objectives.

National Actions

Individual governments will:

- Ratify the Vienna Convention, and thereafter, make it a criminal offense to launder the proceeds of all serious crimes. Such legislation can be patterned after the model regulations drafted by the OAS experts group.

-- Enact legislation permitting the freezing and forfeiture of the proceeds of money laundering and the sharing of forfeited assets among governments.

-- Implement the 40 Recommendations of the G-7 Financial Action Task Force on Money Laundering, including the Interpretative Notes on the use of legal entities in money laundering and wire transfer identification requirements.

-- Require financial institutions to report suspicious transactions to appropriate authorities and require that information showing the beneficial ownership of all new accounts be provided at the time that the accounts are opened.

-- Adopt measures to require the recording or reporting of large currency transactions, including cross-border movements of currency.

-- Develop strategies to combat money laundering, with disruption, prosecutions, and the seizure and forfeiture of assets as the primary objectives.

International Actions

Working together, governments will:

-- Hold a working level conference, to be followed by a ministerial conference, to agree on a coordinated response to identify and stop the transfer of illicit funds.

-- Develop an integrated and coordinated regional development strategy to stop the transfer of illicit funds throughout the hemisphere, predicated on an interagency, international and interdisciplinary approach, with the objective being disruption, prosecution, and the seizure and forfeiture of assets.

9. Battle Plan Against Drugs

The narcotics trade poses grave threats to the societies, free market economies, and democratic institutions of the hemisphere. Drug use imposes enormous social costs; drug money and income are net drains on economic growth; and drug kingpins jeopardize democracy through corruption, intimidation, and violence.

National Actions

Individual governments will:

- Endorse the work of the 1992 San Antonio Summit and follow-on efforts to achieve its objectives.
- Work individually and collectively to identify the region's narcotics trafficking and money-laundering networks, prosecute their leaders and seize assets derived from this criminal activity.
- Adopt effective national strategies to prevent or substantially reduce the cultivation and processing of illicit drugs, paying particular attention to the control of precursor chemicals.
- Support awareness, treatment and prevention programs to reduce demand for illicit narcotics and comprehensive interdiction strategies to limit their availability.

International Actions

Working together, governments will:

- Convene a ministerial conference in 1995 to agree on effective steps to stop the transfer of illegal drug profits in the Hemisphere.
- Initiate discussions through the OAS with the European Union on measures to control precursor chemicals.
- Convene a hemispheric-wide conference of multilateral donors, including multilateral development banks and UN agencies, to adopt sustainable development strategies aimed specifically at curbing the production, trafficking and use of illicit narcotics.

10. Universal Access to Quality Primary Education

Large segments of society in our hemisphere have not been equipped to participate fully in economic life, particularly women, minorities and indigenous groups. nearly one-half of the hemisphere's population lives in ignorance and poverty. Investing in education helps ensure that all members of society have the capacity to contribute to economic progress, thereby deepening the roots of democracy, promoting political stability and furthering economic growth.

National Actions

Individual governments will:

-- Designate a representative agency to work with its private sector and NGOs to review current strategy and programs and to assess changes needed to attain by the year 2010 a primary completion rate of 100 per cent and a secondary enrollment rate of at least 75 per cent.

International Actions

Working together, governments will:

-- Create a hemispheric partnership, with a secretariat, to provide a consultative forum for governments, NGOs, the business community, donors, and international organizations to reform policies and focus resources more effectively.

11. Ensuring Equitable Access to Basic Health Services

Despite impressive gains in the Hemisphere, child and maternal mortality remain excessive, particularly among the rural poor and indigenous groups.

National Actions

Individual governments will:

-- Designate national health reform commissions, including public and private sector participants and donors, to promote efforts to reduce [from 1990 levels] child mortality by one-third and maternal mortality by one-half by the year 2000, in accordance with the 1990 World Summit for Children, the 1994 Narino Accord, and the 1994 international conference on population and development.

-- Endorse a basic package of clinical and public health services consistent with World Health Organization and World Bank recommendations. The package will address child and reproductive health interventions, including prenatal, delivery and postnatal care, family planning information and services and HIV/AIDS prevention.

-- Develop country action plans for reforms to achieve health goals and ensure universal, equitable access to services. Reforms would encompass essential services for the poor and indigenous peoples; stronger public health infrastructure; alternative means of financing, managing and providing services; and making greater use of NGOs.

International Actions

Working together, governments will:

-- Strengthen the existing World Bank/Pan American Health Organization Economic and Financing network as an international forum for sharing expertise, information and experience on health reform efforts. The network will gather government officials, representatives of the private sector, NGOs, donors and scholars to share information on reform initiatives currently underway.

-- Convene a special meeting within PAHO to plan strengthening of the regional network.

12. Nurturing Microenterprises

The hemisphere's poor have need for financial services. This particularly affects microentrepreneurs, a majority of whom are women. This need is not currently being adequately met by institutions in the "formal" economy. Providing access to market-price credit dramatically expands the ability of the poor to become entrepreneurs--to be more productive, earn larger incomes and contribute to sustainable economic growth. Establishing appropriate financial institutions both enables the poor to invest in their own future and affords those institutions a source of capital.

National Actions

Individual governments will:

-- Reform the policy, supervisory and regulatory environments within which financial institutions providing services to the poor must operate.

-- Minimize the burdens that current policies, laws and regulations may place on the formation and growth of microenterprises and small businesses, including access to credit.

International Actions

Working together, governments will:

- Develop with bilateral donor agencies and international financial institutions regulatory environments conducive to:
 - o creating and expanding market-oriented micro-finance institutions;
 - o obtaining resources to develop these institutions; and
 - o introducing and financing environmentally sustainable technologies on a small scale.
- Support efforts by regulated financial institutions to lower the costs of originating and monitoring loans to small businesses and microenterprises.
- Create and expand networks of local small business development centers to provide financial and management expertise to small enterprises in the hemisphere.

13. White Helmets

There is a global need for a capability to deal with disasters requiring immediate response such as earthquakes, droughts, other natural disasters etc. As a first step to the creation of a global corps, a hemispheric White Helmets volunteer corps consisting of doctors, engineers, rescue workers and others could be set up to respond to immediate emergency situations. The corps could eventually be expanded to a global corps which could also deal with chronic humanitarian problems.

National Actions

Individual governments will:

- Create a national register of volunteers [doctors, engineers, rescue workers etc.] willing to participate in emergency relief efforts on short notice.
- Establish procedures for mobilizing a rapid response and mechanisms for getting volunteers to the site.
- Seek ways to finance these operations either through voluntary contributions, reimbursements from countries where assistance is provided or budgetary allocations from national governments or international organizations.

International Actions

Working together, governments will:

- Cooperate with the United Nations and other international organizations and non-governmental organizations [NGOs] to ensure the effective use of the White Helmet volunteers.
- Collaborate with each other to exchange information and experience on inexpensive disaster mitigation measures.

14. Sustainable Energy Development and Use

Current patterns of energy use are neither financially nor environmentally sustainable. Sustainable energy development and use addresses environmental concerns by making energy consumption and production cleaner and more efficient, and increases economic development by providing services in a low-impact, least cost manner. It is vital that governments cooperate in identifying and developing economically viable and environmentally sound energy sources to promote the availability of energy supplies.

National Actions

Individual governments will:

- Implement by the year 2000 integrated least-cost national energy strategies, including the consideration of the general principles of Integrated Resources Planning.
- Develop, for discussion at the November 1995 annual meeting of OLADE, national work programs for capacity building in energy efficiency, non-conventional renewable energy and natural gas.
- Identify, at the November 1995 meeting of OLADE, at least one non-conventional renewable energy and energy efficiency project for priority financing and development.
- Promote, in cooperation with the private sector and NGOs, rural electrification through the utilization of non-conventional renewable energy sources.
- Ratify the Framework Convention on Climate Change.

International Actions

Working together, governments will:

- Convene a ministerial meeting in April 1995 to address the entire range of hemispheric strategies for the future.
- Call on the multilateral development banks substantially to increase financing of energy efficiency and non-conventional renewable energy projects as a proportion of energy lending by the year 2000.
- Coordinate technical cooperation between countries through OLADE and REIA, including project identification and implementation, and training programs and exchanges to build national capacity.
- Encourage the IDB, the MIF and the GEF to work with OLADE, REIA and other organizations to finance regional and national programs.
- Encourage private sector identification and implementation of projects to reduce greenhouse gas emissions.

15. Partnership for Biodiversity

Our Hemisphere contains over one-half the world's biodiversity. To sustain the Hemisphere's social and economic development, we must intensify efforts to understand, assess, and maintain this living resource base. Lack of capacity, expertise, and funding have inhibited national and international efforts in this area.

National Actions

Individual governments will:

- Establish and strengthen the management of critical parks and reserves and devise mechanisms engaging participation of indigenous and citizens groups in decisions involving protection of natural environments.
- Develop means necessary for a detailed assessment of its biodiversity resources.
- Ratify, or renew their activities under, the Western Hemisphere Convention and the Biodiversity Convention.

International Actions

Working together, governments will:

-- Promote cross-border parks and reserves essential to the conservation of biodiversity.

-- Establish in the OAS an office of Western Hemisphere Biodiversity Affairs to serve as the focal point for the renewal of activities under the Western Hemisphere Convention and, as appropriate, to help coordinate on a regional basis implementation of other international biodiversity agreements.

-- Call on the Global Environment Facility to work with the Western Hemisphere Biodiversity Affairs office to finance priority regional and national projects.

-- Develop a Western Hemisphere Biodiversity Network; adopt compatible techniques for researching and monitoring biological diversity; expand cooperation among "One Hundred Sites of Collaboration" associated with the UN Man and the Biosphere Program; and generally promote academic communication on biodiversity.

-- Support the International Coral Reef Initiative, the International Forest Initiative, the Regional Marine Pollution Action Plan and a hemispheric training program in wetlands conservation and sustainable biodiversity resources management.

16. A Western Hemisphere Environmental Partnership

Sound environmental protection is essential throughout the Americas and is an important building block for economic growth that contributes to the sustainable development of the region. Intensive efforts are needed to cooperate on environmental protection and compliance regimes, drawing on Principles agreed at the Rio Earth Summit, including priority efforts to phase out lead in gasoline and manage pesticides, as well as longer term activities to prevent pollution, and to improve the quality of air and water.

National Actions

Individual governments will:

-- Strengthen or develop comprehensive environmental protection and compliance regimes, provide for public participation, and strengthen enforcement capacity.

- Develop action plans to phase out lead in gasoline.
- Develop, as appropriate, pesticide laws and regulations and strengthen capacity for enforcement.

International Actions

Working together, governments will:

- Establish a new Western Hemisphere Environmental Partnership to promote institution building, increased technical capacity, education and public involvement and information exchange. Initial efforts would focus on lead and pesticides.
- Create an interim panel of experts to develop a regional management framework for the Partnership.
- Encourage the IDB and the MIF to work with PAHO to finance priority regional and national programs.

17. Council on Science and Technology for the Americas

Strong scientific and technological capabilities and their integration with other socio-economic sectors are essential to sustained development. There is a need for more regular interaction among the region's science and technology [S&T] ministers to identify target areas for enhanced cooperation; reduce barriers to collaboration; and generally improve communication among scientists. A Council on Science and Technology of the Americas, composed of the region's S&T ministers, could stimulate S&T interaction in the hemisphere and support efforts undertaken in other fora, including the Inter-American Institute for Global Change Research and the International Research Institute for Climate Prediction. It could also serve to advance new initiatives such as the Global Learning and Observations to Benefit the Environment [GLOBE] program.

National Actions

Individual governments will:

- Confirm their national commitment to share science and technology information with others in the hemisphere.

International Actions

Working together, governments will:

-- Establish a Council on Science and Technology in the Americas [COSTA] to meet in 1995 as the first step in promoting partnerships at the highest levels in science and technology.

October 10, 1994

IDEAS FOR THE SUMMIT IN RELATION WITH FIRST LADIES

I. FIRST LADIES' MEETINGS

Purpose

The first ladies' meetings were created as an alternate integration channel for the countries of Latin America and the Caribbean. Such a channel would allow for the flow of knowledge and of information about social policies and programs, the discussion of social issues of common interest, the diffusion of successful experiences, and the promotion of horizontal cooperation and of regional projects.

Background

The "1st Meeting of First Ladies from Latin America and the Caribbean" held in Caracas, Venezuela, was conceived on April 1991, at the "Andean Pact and Central America's First Ladies' Meeting" in Cartagena, Colombia. In the first meeting, which took place on August of 1991, projects and programs carried out by the first ladies in their own countries were presented. This presentation had the purpose of organizing an inventory of projects that would allow for the subsequent exchange of experiences and opinions and of cooperation among the countries.

The second first ladies' meeting was held on September 1992, in Cartagena. At the meeting, reports on the subjects of "Childhood, Youth, and Woman" were presented. These subjects had been previously identified as three topics of shared interest by a preparatory technical commission that had met in April. In addition,

the first ladies performed a follow-up of the agreements and of the actions carried out during the previous year. Finally, the first ladies made an overview of different regional projects that received support from their own governments and from multilateral cooperation agencies. These projects included: i) a "women foodstuffs producers policy" financed by the IDB and the IICA ; ii) a "teenage pregnancy prevention program" financed by UNFPA; and iii) a "maternal lactancy promotion program" and a "neo-natal tetanus elimination program," both financed by UNICEF and PAHO.

The different subjects and projects were formulated and described within their governments' social policy frameworks as well as within the different commitments acquired by their governments at forums such as the Children's Rights Convention, the Summit for Childrens, 1990 through the National Plans of Action, and the Summit of First Ladies for the Economic Advacement on rural women's in 1992 endorsed by ECOSOC.

As a complement to the first ladies gathering, a meeting of international NGOs interested in Latin America and Caribbean projects was organized.

The 1993 First Ladies Meeting was held in San Jose, Costa Rica. Its main focus was the family, following the United Nation's declaration of 1994 as the "International Year of the Family." In that meeting, work was centered around the interchange of experiences, the exposition of policies, and the discussion of such subjects as the "Family and Women Household Heads," the "Family and the Mass Media," and the "Family and the Working Minor." A follow-up of earlier commitments was also carried out.

The 1994 meeting will be held this month in the Caribbean island of St. Lucia. Its main focus will be the condition of women. Besides the presentation and discussion of previously implemented programs, new regional projects -such as one on cancer with the support of the European Union and PAHO, one on the working minor with the

support of the WWO, and action plan in favor of drug-consuming minors will be promoted.

II. SUMMIT PROPOSAL

Outcome

The First Ladies Meeting, concomitant with the Summit, could have three different outcomes:

- The simple discussion of experiences.
- A political declaration expressing the political will to mobilize, promote, and coordinate regional programs in which all the First Ladies have a common interest. Moreover, the First Ladies declaration or recommendation could be endorsed by the Presidents.
- The structuring of a regional project to be presented at the meeting.

Topics for the Meeting

The topics of the meeting should be confined to the subject area of the First Ladies, namely, social affairs. These could include:

Childhood. This subject would be approached within the context of the different Action Plans in favor of Children; the Nariño Agreements of Bogota; the different governmental agreements; health, education, and nutrition problems; and the condition of children in particularly difficult circumstances (working children, street children and children of the war). <

*school drop outs
recreation*

Youth. The topics could include: Reproductive health (early pregnancy); education; violence; school dropout; recreation; insertion into the productive system and training.

Women. Democratic participation; economic development; social development.

III. OTHER ASPECTS TO KEEP IN MIND

Profiles. The first ladies are very different from each other. Their participation will be diverse and will vary according to their commitment, education, interests, skills, and ultimately, according to the indigenous characteristics of their own country. Their only unifying trait is their interest and will to work for their countries, to have things done, to learn about new ideas that could be carried out, and to transmit their own.

Workforms. The first ladies work in different ways. Some chair or direct NGOs that they have created themselves or inherited from their predecessors. Others work within the government, coordinating, promoting, or organizing the follow-up of different social areas or programs.

Responsibility. Despite their involvement, the political responsibility for their programs falls on the government.



SUMMIT OF THE AMERICAS

SEPTEMBER 1994

NEWS

Informed perspectives on preparations for the Hemispheric Summit in Miami, December 9-10, 1994

FAST TRACK DROPPED BY ADMINISTRATION

On September 13, 1994, the Clinton administration dropped amendments from the General Agreement on Tariffs and Trade (GATT) implementing legislation that would have extended the president's authority to negotiate future trade agreements under the so-called "fast-track" rules. This was done in an effort to facilitate passage of legislation to implement the Uruguay Round of the GATT.

Parity for Caribbean Basin Initiative (CBI) countries with NAFTA could also be eliminated from that legislation for the same reason, though that is less likely. A spokesperson for the Office of the United States Trade Representative said that as far as the administration knew, parity for the CBI countries had not been dropped from the GATT implementation bill: "Everything is the same except fast track, which is no longer part of the bill." The fast-track proposal had been complicated by an intense congressional debate over the administration's intentions to include labor and environmental negotiating objectives in the legislation and by lingering opposition to new trade initiatives that had been generated during the divisive NAFTA treaty debate.

The administration's withdrawal of fast track has further disheartened Latin American and Caribbean leaders already frustrated by the lack of consultation on an issue deemed crucial to the success of the December Summit of the Americas.

In a Washington, D.C. press conference on September 12, Argentine Secretary of International Economic Relations of the Ministry of Foreign Affairs, Jorge Campbell, said that general agreements on free trade objectives can still be reached with the United States during the Summit of the Americas without instruments of negotiation such as fast track being in place. He noted that Mexico started negotiating NAFTA with Congress before fast-track authorization had been approved. Secretary Campbell, who had met earlier in the day with Deputy U.S.

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Interview with AMBASSADOR CHARLES A. GILLESPIE, JR.

Ambassador Charles A. Gillespie, Jr., the U.S. State Department's senior coordinator for the Summit of the Americas, in a recent interview with the editor of this newsletter said, "The second stage of the Summit agenda consultations began with a message of instruction to all our embassies of the hemisphere to present to their host governments a series of initiatives based on what we picked up in the first round of consultations. But I cannot emphasize too much," he added, "that the agenda-setting process is still open, and we are inviting the ideas and the participation of all those concerned with the Summit. It also should be noted that we are constantly in touch with the governments concerned. We are in regular touch with the ambassadors here in Washington, and our embassies with their host governments."

Ambassador Gillespie, a professional diplomat, has had extensive experience in coordinating inter-American projects. In 1993 he led the State Department's NAFTA Task Force in a successful campaign to achieve implementation of the North American Free Trade Agreement among Canada, Mexico, and the United States. During 1991-1992, he served as senior director for Latin America and the Caribbean at the National Security Council, prior to which he was ambassador to Chile and to Colombia.

Have you received any reactions to the 14 initiatives you presented in August?

"We have received a number of reactions to these initiatives in our recent trip to Chile, Argentina, and Brazil. We had consultations with Colombia in Bogotá on September 2, and we want to build on these ideas a very tight and real plan of action. We are seeing a convergence of values and hope to build on the 'substantive symmetry' in the hemisphere, as Richard Feinberg of the NSC has called it."

Officials of the governments you consulted in this recent trip to the Southern Cone note that the U.S. delegation made a point of encouraging practical initiatives.

"We believe that to make the cut, a proposed activity or action should be presidential; it cannot be trivial, and it must be doable or achievable. It must have a practical aspect so there can be a "seguimiento" or follow-up, which is increasingly a watchword. But the question arises: who will be in charge of the follow-up after the Summit? No one in this hemisphere thinks that new institutions should be created for this purpose. Rather, the thinking is that we should make do with the institutions that are already in place."

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Gillespie continued ...

More than one Latin American government official has asked, "Where is the Office of United States Trade Representative (USTR) in these Summit preparations?" In your trip to the Southern Cone, no one from that office accompanied you.

"It is true that USTR did not go on this trip. We understand the centrality of trade to this meeting of the hemispheric leaders, but there is also a broad understanding in the hemisphere that the United States is in the midst of a legislative process to approve the GATT agreements, and in connection with that legislative process, there is intense discussion in our country. This was made clear, for example, when President Frei visited Washington and met with President Clinton in June. Until that legislative process is over with, we cannot go into details with respect to trade."

A spokesman for USTR said that it was the lead agency in Summit preparations.

"Of course, the Office of the United States Trade Representative is the lead agency in all matters related to trade. But it is the White House and the National Security Council, with very close involvement of the National Economics Council, that are heading the preparations for the Summit in this country. But once trade comes on line, and at the appropriate moment, you can be sure that the USTR will have a key role. State and Commerce will also be involved as well as the Treasury Department."

Is the Steering Committee of the Rio Group chaired by Brazil coming to Washington to discuss the agenda?

"We have invited a delegation of the 'Troika' of the Rio Group [Brazil, Ecuador, and Chile] to Washington, and they will probably be here in the third week of September, after the deliberations of the Rio Group's Summit in Rio de Janeiro that ended on September 11. We have met with the Troika before in Brasilia, with the presence of Argentina. But it is important to note that the Summit in Miami, which we are hosting, is a meeting of the individual presidents of the hemisphere."

Why not a ministerial meeting, as Canada has suggested?

"Canada came up with the suggestion of a ministerial meeting at the OAS conference in Belém. The approach we propose is a wide-ranging series of consultations with individual countries, or country groups, like the Rio Group and CARICOM. Trinidad and Tobago also offered to host a ministerial meeting, but we do not foresee that kind of meeting."

If the presidents are going to pass on documents, should there not be a previous meeting of the representatives of the presidents, as has been suggested by Brazil?

"This is a valid observation, and it has been discussed at some length. We have discussed that maybe it would be desirable to have a meeting of all 34 countries at an appropriate level, perhaps a technical level, to be sure about the documents that are going to be signed. The particular level will be determined in these open and wide-ranging consultations that we are carrying out."

"I want to insist that President Clinton has made a commitment to a wide-open consultation on the preparation of this Summit, and that is indeed happening. In 34 countries of the hemisphere, we are in contact with government, finance, and trade people, all kinds of people. We have bilateral contacts with all countries and with the different groups of countries. The OAS also has a very significant role in all this, and we will wrap it all up, this process of consultation, by the end of November."

Fast track continued ...

Trade Representative Charlene Barshefsky, also said in the press conference that, according to his information, should fast track be dropped during this session of the U.S. Congress, it would certainly be taken up again in 1995.

Until GATT implementing legislation is approved — which is still possible in this session of Congress — the United States probably will not explain in detail its free trade initiative for the Summit Agenda. The current free trade initiative, number 6 of the agenda's 14 initiatives, refers to "future consultations" between U.S. government officials and the governments of the hemisphere.

(See "Fourteen Initiatives" in this issue).

CONSULTING TEAM TRAVELS TO ARGENTINA, CHILE, BRAZIL, AND COLOMBIA

A U.S. Summit of the Americas team traveled to Chile, Argentina, and Brazil the week of August 22, 1994, and to Colombia on September 1, as part of the second round of consultations on the Summit's agenda. The team included Richard E. Feinberg, senior director for Latin America of the National Security Council; Ambassador Charles A. Gillespie, who heads the State Department Summit Coordination Office; Mark Rentschler of the White House Office on Environmental Policy; Ramón Daubón of the Agency for International Development; Glen Race of the Office of Economic Policy; and Mary Beasley of the Treasury Department. The team also included representatives of two non-governmental organizations, Susan Bass of the Environmental Law Institute and Ron Watson of the Natural Resources Defense Council.

The trip to the Southern Cone countries was taken between the MERCOSUR Summit of August 5 and the meetings of the Rio Group on September 9. In its discussions with local governments, the U.S. group emphasized that the trade agenda would remain on hold until Congress completes the GATT review, officials reported. Chilean newspapers noted that during these technical discussions, the U.S. government had expressed an interest in how "... the Chilean government has encouraged probity in public office and expressed special interest in the work of the National Commission on Public Ethics, created by President Frei."

Chile's influential newspaper, *El Mercurio*, commented on August 24, 1994, that Chile and the United States agreed on the basic aspects of the agenda, but that there were "some discrepancies concerning the emphasis that should be placed on environmental topics and poverty."

Chilean Under Secretary of Foreign Relations José Miguel Insulza noted, however, that Chile agrees with the basic themes and even their order of priority: "There is basic agreement on what is fundamental."

After Argentina's representatives met with the U.S. team, an Argentine official noted that the meetings had gone well and that, with respect to the environment, "The U.S. initiatives for the Summit were a subset of the Agenda 21 agreement already approved by Argentina at the Rio environmental conference. We had no problems with it."

MERCOSUR MOVES AHEAD AS U.S. CONGRESS WRESTLES WITH TRADE ISSUES

While U.S. trade policy initiatives are on standby as Congress wrestles with GATT implementation legislation, Southern Cone countries are steadily moving toward consolidating and expanding their regional free trade agreements. The growing importance of these regional agreements as a percentage of trade within the hemisphere is shown in the accompanying chart.

The MERCOSUR countries — Argentina, Brazil, Paraguay, and Uruguay — have taken a significant step since their successful August 4, 1994 Summit toward a modified customs union that will come into effect on January 1, 1995. Following the MERCOSUR Summit, Argentine Under Secretary for Foreign Affairs Rogelio Pfister said in Buenos Aires that Argentina was still clearly interested in joining NAFTA but that entrance into NAFTA would take four or five years, when all MERCOSUR countries would be ready to engage in free trade agreements with the NAFTA countries.

At the same time, non-member Chile, which is certainly the leading candidate for a free trade relationship with the United States, whether it be via NAFTA or an exclusive bilateral treaty, has expressed increasing interest in MERCOSUR. In fact, President Frei of Chile was an honored guest in Buenos Aires during the MERCOSUR conference. Chile is the fourth-largest investor of foreign capital in Argentina.

Chilean Ambassador to the Organization of American States, Edmundo Vargas Carreño, who served as ambassador to Argentina until recently, stressed in an interview that his country advocates "open regionalism," a concept used in the description of the still sketchy free trade initiative for the Summit of the Americas. Open regionalism usually is understood to mean that participation in one regional or bilateral trade arrangement should not exclude the possibility of participating in another,

nor should it lead to discrimination against other trading partners.

Chile's strong interest in MERCOSUR responds to the country's growing web of financial and commercial interests in the Southern Cone. It also is a reaction to the lack of a clearly defined U.S. position on trade integration in the hemisphere.

Intra-Group Exports as a Share of Total Intra-Hemispheric Exports, 1992

Group	Intra-Group Exports (%)	Group Exports to the Western Hemisphere (%)
MERCOSUR	1.98	6.07
ANDEAN	0.61	5.20
LAIA	5.32	22.38
CACM	0.24	1.20
CARICOM	0.11	0.90
NAFTA	74.05	85.47

Source: ECLAC on the basis of official statistics.

MERCOSUR is the Mercado Común del Sur, the Southern Cone Common Market: Argentina, Brazil, Paraguay, and Uruguay. ANDEAN is the Andean Group: Bolivia, Colombia, Ecuador, Peru, and Venezuela. LAIA is the Latin American Integration Association: Chile, Mexico, and the members of MERCOSUR and the Andean Group.

CACM is the Central American Common Market: Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua. CARICOM is the Caribbean Common Market: Antigua and Barbuda, Barbados, the Bahamas, Belize, Dominica, Grenada, Guyana, Jamaica, Montserrat, St. Kitts and Nevis, St. Lucia, St. Vincent, and Trinidad and Tobago.

NAFTA is the North American Free Trade Agreement: Canada, Mexico, and the United States.

RIO GROUP SUMMIT

The annual Summit of the Rio Group met in Rio de Janeiro September 10-11, 1994, and focused largely on regional economic integration. The group also discussed the Summit of the Americas and developed a "non-paper," which is a compilation of ideas relevant to the declarative part of the December Summit of the Americas. This non-paper will probably be presented to the U.S. government by the Rio Group's steering committee during a one-day meeting at the State Department later in September; fourteen member countries will be represented. The Group also issued declarations that were critical of U.S. policy regarding Haiti and Cuba.

The Declaration of the Rio de Janeiro Summit, issued on September 9, before deliberations began, acknowledges with satisfaction the substantial increase in commercial and economic flows resulting from bilateral trade agreements between several Latin American countries and welcomes the work being carried out at the Asociación Latinoamericana de Integración (ALADI), "which provides a legal framework and a negotiating forum for expanding these multiple and positive initiatives working for integration." The role of the North American Free Trade Agreement (NAFTA) was also acknowledged as representing "an important contribution to the liberalization of trade within the hemisphere."

The Rio Group believes that a South American Free Trade Area (SAFTA), "to be achieved through the negotiation of a network of free trade agreements, will be a means to restate and strengthen" the process of greater integration of the region into the world economy. It invites the European Union to "join with us in adopting a common strategy in which new channels of dialogue and cooperation are defined to strengthen economic and trade relations," and notes "our increasingly active dialogue with Japan and the People's Republic of China."

The declaration does contain

(Continued on page 4)

Rio Summit continued...

some of the points to be included in the "non-paper" scheduled for presentation to the State Department on September 22, 1994, with respect to transfer of technologies and social development. It also states that Latin America and the Caribbean should be contemplated in any enlargement of the UN Security Council. It reiterates that "institutional stability and the democratic system will be strengthened through dialogue, mutual cooperation, and the strict respect for the principles enshrined in the charters of the United Nations and Organization of American States, among which are non-interference in the internal affairs of each country and self-determination."

In another related development, Alexander Watson, U.S. Assistant Secretary of State for Inter-American Affairs, and Ted McNamara, U.S. Deputy Assistant Secretary of State for Political and Military Affairs, addressed the foreign ministers of the Group in Rio de Janeiro, "to fully inform the Rio Group where things stand (on Haiti) from our perspective," according to Watson, who was quoted in a press report.

With respect to Haiti, the Group issued a statement that calls for Haiti's military rulers to relinquish their power in favor of democratically elected authorities to avoid even graver consequences for themselves and their people.

The Group's declaration on Cuba proposes "a constructive dialogue...in order to contribute to the internal process of democratization of their sister nation" and reaffirms "the need to lift the embargo against Cuba." The Group also expresses the goal that the Cuban government should transform itself peacefully into an elected democracy that respects human rights. Both declarations on Cuba and Haiti were the result of long and difficult debate.

Constituted eight years ago (when the Contadora Group and Contadora Support Group that brought a Latin American perspective to bear on the Central American crisis of the 1980s met jointly in Rio de Janeiro), the Rio Group now includes Argentina, Bolivia, Brazil,

Chile, Colombia, Ecuador, Mexico, Panama, Paraguay, Peru, Uruguay, Venezuela, and this year, Trinidad and Tobago and Guatemala as representatives of CARICOM and Central America.

The Rio Group's current president is Brazil, and its next president will be Ecuador. The Group's steering committee is formed by representatives of Brazil, Chile, and Ecuador (the Troika), who will be traveling later this month to Washington, D.C. and Ottawa to hold consultations on preparations for the Summit of the Americas.

U.S. BUSINESS LEADERS WARN AGAINST TOO MANY BILATERAL FREE TRADE AGREEMENTS

A white paper on the views of the business community, drafted by the U.S. Chamber of Commerce Western Hemisphere Working Group, proposes that the Summit leaders "commit themselves to the goal of achieving a Western Hemisphere Free Trade Agreement (WHFTA) by the end of the century." It also endorses the North American Free Trade Agreement (NAFTA) as the "surest and swiftest path toward hemispheric free trade," while warning against "further proliferation of new bilateral free trade agreements (FTAs) in the region."

The white paper claims that a series of new FTAs would be harmful to the goal of a broad regional arrangement, though it acknowledges that "existing agreements, like MERCOSUR, the Andean Pact, CACM, and CARICOM, and Mexico's agreements with Chile, Costa Rica, Colombia, and Venezuela might be expanded to include new members or merged with each other." This warning comes at a time when U.S. trade policy toward the hemisphere appears to be on hold, while Congress debates GATT implementing legislation.

The white paper, entitled *Agenda for the Americas: A White Paper on the Views of the Business Community*, was analyzed at a round-table discussion at the U.S. Chamber of Commerce in Washington, D.C., on September 8, 1994. The meeting featured Julius L. Katz, president of the U.S. Chamber of Commerce, and Robert C. Fisher, Director of Hills and Co.

FOURTEEN SUMMIT AGENDA INITIATIVES PRESENTED BY THE U.S. TO GOVERNMENTS OF THE HEMISPHERE

The United States believes the Summit of the Americas will accelerate the development of a hemispheric community based on democratic rule, increased economic integration, and shared values and interests. It represents an unprecedented opportunity for the leaders of this hemisphere to affirm a joint vision of the future and to lay a foundation for hemispheric cooperation into the next century. Taken together, initiatives developed in preparation for the Summit will unite the governments and people of the hemisphere in an historic partnership. The following proposed initiatives are being discussed throughout the hemisphere.

Theme One — Making Democracy Work: Reinventing Government

Initiative 1

No to Corruption: A hemispheric call on governments and international businesses to recognize the need for transparency and accountability, to refrain from offering or seeking bribes, and to take specific actions necessary for compliance. Discussions might include 1) how to participate in implementation of the May 1994 recommendation of the Council of the OECD on bribery in international business transactions; 2) development of national action plans to strengthen formal and operational mechanisms for combating corruption, e.g., review of law and practice relating to management of public funds, procurement, conflict of interest of public officials, donations to political parties, and auditing structures; 3) adoption of strong criminal, civil, and administrative prohibitions against bribery of foreign officials in international business transactions; and 4) greater cooperation to improve public procurement, civil service, and business regulation.

Initiative 2

Battle Plan against the Cartels: A hemisphere-wide commitment to law enforcement measures against the major drug traffickers and to demand/production targets.

The initiative would focus on moving our long-established efforts on the continent to a new plateau of cooperation and sophistication. The theme would be a call for a modernized, forward-looking drug agenda grounded on the understanding that the narcotics trade is a fundamental threat to democracy and sustainable development throughout the hemisphere.

We will pursue discussions, commitments, and initiatives focused on two separate but reinforcing objectives. The first will be an enforcement challenge to the cartels that calls for regional and institution-building programs that deprive traffickers and their operations the opportunity to elude law enforcement. This will be broad enough to encompass the particular interests of each participating government: chemical controls for some; money laundering, interdiction, and kingpin investigations for others. Several Latin American governments have expressed particular interest in strengthening regional efforts against money laundering.

The second objective will be a call to reject the legalization of drugs and commit to a substantial reduction in drug cultivation and consumption by the year 2000. The goal will be to eliminate opium poppy production and significantly reduce illicit coca cultivation by the year 2000 and to resume, at a faster rate, the downward trend in drug abuse in the United States. For its part, the United States will be willing to step up technical, operational, and financial support for eradication and to lead an international effort to raise billions of dollars in sustainable development assistance over the remainder of the decade to create economic alternatives for drug producers.

Initiative 3

Regulatory Reform: Financial market integrity and investor protections are necessary to maximize capital inflows. Leaders could endorse the activities of existing regional regulatory bodies such as the Council of Security Regulators of the Americas (COSRA) and the Center for Monetary Studies of Latin America (CEMLA), lending them greater legitimacy. In addition, the U.S. is prepared to expand IRS and customs programs that provide training to national authorities in the collection of taxes and tariffs.

Initiative 4

Making Civil Society Work: An integrated program would include a model legal/tax framework for the operation of NGOs, start-up financing through an IDB civil society fund, better support through organized hemispheric networking, and an OAS prize to recognize outstanding individual contributions. The Summit would react to existing analyses and proposals for improving the climate for creation and operation of civic-minded NGOs and private voluntary associations. It would endorse the creation of a fund within the IDB which would stimulate private philanthropy by providing matching funds for the endowment of "Mentor Foundations" in the civic development area.

The mentors would advocate needed tax and regulatory policy reform in individual countries and help other organizations get started. The Summit would also endorse networking among NGOs to share experience.

Initiative 5

Enhance OAS Capacity to Strengthen Democracy: Commitment for OAS 1) to assist member states to strengthen their legislative branches through technical assistance and increased interaction with their democratic counterparts and 2) to enhance the capacity of the organization to preempt or manage situations in member states that threaten the democratic order. A proposed mediation and reconciliation service would be able to call on outside notables to facilitate peaceful constitutional solutions before the democratic order is broken. Creation of a crisis management center would enable the OAS to respond more effectively when and if a breakdown occurs.

Theme Two — Making Democracy Prosperous: Hemispheric Economic Integration

Advancing Trade and Investment
Strengthening Financial Linkages

Initiative 6

Hemispheric Free Trade: The Summit offers the opportunity to affirm the vision of free trade in the Western Hemisphere based on the principles of "open regionalism." Senior U.S. government trade officials will consult with governments of the hemisphere on ways and means to make this powerful vision a reality.

Initiative 7

Hemispheric Capital Movements
Liberalization: Barriers to the free movement of capital hamper investment and economic growth. Leaders could commit to progressive liberalization of capital flows. Those leaders prepared to move ahead now could give momentum to this process by agreeing to launch negotiations for a Hemispheric Capital Movements Code that would provide for a standstill and the progressive liberalization of capital restrictions. This code would facilitate the free flow of capital, promote comparable financial standards, bolster transparency, and reduce opportunities for corruption. Development and advancement of the code may require establishment of a committee on hemispheric capital markets comprised of senior financial officials meeting periodically to examine issues related to cross-border capital flows in the region.

In addition, the leaders might consider other agreements that could provide private investors assurances about the future open-

ness of their investment regimes.

Initiative 8

Hemispheric Infrastructure:

Part A — Hemispheric Infrastructural Protocol: The goal of this initiative is to reduce the cost of financing the tremendous infrastructure requirements of the hemisphere, including those in the telecommunications, transportation, energy, and public utility grids. Leaders could agree to develop a protocol to facilitate international financing for private infrastructure projects that could 1) enunciate the policies and principles that governments should follow to support private financing of infrastructure; 2) establish procedures for consultations before enacting policy changes affecting an infrastructure project; and 3) agree to compensate investors in private sector infrastructure projects for damages caused by government failure to respect the commercial integrity of such projects.

In addition, this initiative would benefit from harmonization of inconsistent standards and regulations across borders. It would complement initiatives in the environmental domain to ensure that infrastructure development is consistent with sound environmental policies.

Part B — Information for the Americas: Sharing information is essential to making markets work and to promoting democratic institutions and sustainable development. Today, the primary means of sharing information is electronic. The leaders could endorse private investment, competition, open access to networks, universal service, and flexible regulatory frameworks as the basic principles of a hemispheric information infrastructure linked to the global information infrastructure. These could be achieved through an energized Inter-American Telecommunications Commission (CITEL) that would serve as the regional forum and focal point for telecommunications development activities. Working individually and through CITEL, countries could set a goal to put the Americas online by ensuring hemisphere-wide access points connecting major hospitals, universities, libraries, and research institutions to the Internet within one year.

Theme Three — Making Democracy Endure: Sustainable Development

Major challenges are investing in people, the hemisphere's most valuable resource, and creating an alliance with nature to ensure that our natural resources are available to sustain future generations.

A. Investing in People

The Summit offers the opportunity to call for policies that would allow all members of

the hemisphere's societies to partake of the benefits of development. The proposed initiatives in this area focus on population segments — the poor, women, and indigenous populations — likely to remain excluded from full benefits of development unless specific policy measures are taken.

Initiative 9

Universal Access to Quality Primary Education: Obtain a commitment from the hemisphere's governments to re-focus existing resources more effectively toward quality primary education. A hemispheric partnership proposes to achieve 100 percent primary school completion rates and 75 percent secondary school enrollment by the year 2000. Aim at education sector reforms in financing, decentralization, and a reordering of budget priorities, so that an increased proportion of government budgets would be invested in primary education. The hemisphere initiative would approve the design of a plan of action involving all nations. The action plan would be monitored by a region-wide consultative partnership involving governments, NGOs, the business community, and international organizations. Achievement of the goal would enable all citizens to participate productively and democratically in a maturing economic and political environment.

Initiative 10

Equitable Access to Basic Health Care: Summit leaders would call for each country's commitment to ensure equitable, universal access to basic health services so as to reduce child mortality rates in the region by one-third and maternal mortality rates by one-half by the year 2000. Health reform commissions would be designated in each country and include public and private participants and donors to help plan, monitor, and mobilize resources for reforming the health sector and ensuring equitable access to services. Under the country plans, reforms will include decentralizing services, reorienting budgetary allocations to favor essential services for the poor, developing new financial mechanisms, and encouraging privatization of some services and greater use of NGOs. As a result, countries should be able to ensure access to a basic, cost-effective WHO and World Bank-endorsed package of clinical and public health services. The Pan American Health Organization (PAHO) and other existing regional mechanisms will monitor implementation of the country plans, consistent with the Nariño Accord, and provide a forum for sharing information and expertise.

Initiative 11

Nurturing Microenterprises: The IDB group could take the lead in crafting a pilot project to integrate the poor into the formal economy through reducing legal obstacles to enterprise growth and through development of financial services targeted specifically at small businesses and microenterprises. Specifically, it could 1) provide assistance to improve the marketing, management, and financial capabilities of NGOs that sponsor successful savings associations and financial companies for microenterprises so that they can operate on market terms and conditions; 2) provide financial and technical assistance to commercial banks and saving institutions to help lower transaction costs associated with originating and monitoring small loans to entrepreneurs; 3) develop and provide seed capital and technical support for a network of locally owned business advisory services affiliates; and 4) assist in efforts to reduce legal obstacles to microenterprises, e.g., simplification of business registration and tax codes and improved land titling.

B. Alliance with Nature

The alliance with nature's overall objectives are 1) to ensure that resource use today does not reduce the quality of life of future generations, 2) to halt and reverse resource waste and environmental degradation in the hemisphere, and 3) to strengthen natural resource stewardship by facilitating increased participation of indigenous people, local communities, and non-governmental organizations.

The initiatives described below build on the agreements reached at UNCED 1992, including the Climate Change and Biodiversity Conventions and Agenda 21. Follow-up would be focused on at a ministerial-level meeting on sustainable development, proposed to be held in Bolivia in 1995.

Initiative 12

Energy: Summit leaders would agree to begin implementation by 1998 of programs to promote sustainable energy use based on the principles of integrated resource planning and consideration of the full range of energy and capacity resources. Leaders would call for the identification and financing of non-conventional renewable energy and energy efficiency, especially by the multilateral development banks, which would be asked to increase financing for sustainable energy projects. As a first step, energy ministers will develop national work programs to promote energy efficiency, renewable energy, and natural gas use for discussion at the November 1995 meeting of the Latin American Energy Organization (OLADE). Technical cooperation could be coordinated

by OLADE and Renewable Energy In The Americas (REIA).

Initiative 13

Hemispheric Partnership for Nature: The leaders would reaffirm their commitment, utilizing existing international agreements and the newly replenished Global Environmental Fund (GEF) to build cooperative action on the management and conservation of living resources. The partnership would focus on enhancing scientific and management capacity in forest management, management of coral reef and marine resources, and parks, reserves, and migratory species. Special emphasis would be placed on support for natural resource management efforts of indigenous communities. The leaders would call on the OAS to establish a Western Hemisphere convention office to report on progress of the initiative.

Initiative 14

Environmental Protection and Compliance Regimes: Leaders would agree to pursue an agreement to develop and strengthen compatible environmental laws, standards, and enforcement regimes to reduce environmental problems and negative impacts, promote a level playing field for industries operating in the hemisphere, increase demand for environmental technologies and services, and offer opportunities for public participation in the environmental policy-making process. This "upward" harmonization of environmental standards in the Americas would strengthen legal frameworks, enhance environmental compliance and enforcement capacity, and build institutions through technical cooperation, training, and education. A first step would be to focus on a sector or sectors of critical importance to human health, such as pesticides, lead, mercury, or industrial pollution, as well as on developing mechanisms to promote public involvement in the decision-making process. Leaders should also call on appropriate regional institutions to provide technical coordination linking government agencies, NGOs, the private sector, and professional groups. Leaders could announce an initial set of principles and commitments, e.g., pollution prevention, cost internalization, ecosystem protection, and the right of nations to adopt levels of protection more stringent than international levels.

SUMMIT CALENDAR *continued*

NOVEMBER (TBA), Fort Lauderdale: At the Convention on *International Trade in Endangered Species of Wild Flora and Fauna* (CITES), the North-South Center, University of Miami will organize a regional forum to present the results of the Agenda working group meeting in Kingston, Jamaica, and will make a special presentation to environmental ministers of governments from throughout the hemisphere on the environmental concerns of the Miami Summit.

DECEMBER 7-8, Coral Gables: Two-part *Journalism Conference*, organized by the North-South Center, University of Miami, and co-sponsored by the Inter-American Press Association and the School of Communication, University of Miami.

December 7, Panel discussion with participation of journalists who covered the 1967 Punta del Este Summit, co-sponsored by the School of Communication, University of Miami.

December 8, Seminar on the Miami Summit Agenda for North American journalists covering the event, co-sponsored by the Inter-American Press Association.

DECEMBER 9-10, Miami:
Summit of the Americas

POST-SUMMIT ACTIVITIES

FEBRUARY (TBA), Washington, D.C.:
A Post-Summit Evaluation Congressional Workshop will convene 10 to 15 members of the U.S. Congress, sponsored by the North-South Center, University of Miami, Florida International University, and the Greater Miami Chamber of Commerce.

SUMMIT LOGO CHOSEN

Miami's host committee for the Summit of the Americas has chosen a logo for promoting the event. The winning entry was



submitted by Coconut Grove, Florida, artist Tom Graboski, who used five broad brush strokes to depict the Americas.

His design was selected from more than 1,100 entries.

Correction

In our first issue, Colombia was erroneously identified as a member of the Rio Group's steering committee. The Rio Group's steering committee is formed by Brazil, chair of the Rio Group; Ecuador, the next designated chair of the group; and Chile, the group's chair for 1993.

The Inter-American Dialogue is a forum for sustained exchange among leaders of the Western Hemisphere and an independent, nonpartisan center for policy analysis on U.S.-Latin American economic and political relations. Founded in 1982, it is an independent, not-for-profit organization, based in Washington, D.C.

The mission of the North-South Center is to promote better relations and serve as a catalyst for change among the United States, Canada, and the nations of Latin America and the Caribbean by advancing knowledge and understanding of the major political, social, economic, and cultural issues affecting the nations and peoples of the Western Hemisphere.

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What comes out of summit?
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1st ladies first initiative
Identify women real leaders



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MEMORANDUM

To: Ms. Melanne Verveer
Deputy Chief of Staff to the First Lady

September 19, 1994

From: Robert Ledogar 
Senior Planning Officer
UNICEF, New York

Subj: Background material on the situation of Children in Latin America and the Caribbean

At our meeting on Friday you asked for a concise background piece of the child situation in the Americas region. I think the attached, "Agenda 2000: Children Now - Second Meeting on Children and Social Policy in the Americas - Mid-decade Status of the Goals for Children, and Perspectives" by Marta Maurás Pérez, Regional Director of UNICEF for Latin America and the Caribbean, should fit the bill. Note that the last 12 pages contain a set of graphs that provide a good glimpse of the situation as we know it in UNICEF.

I hope you find this useful.

Agenda 2000: Children Now **Second Meeting on Children and** **Social Policy in the Americas**

MID-DECADE STATUS OF THE ***GOALS FOR CHILDREN,*** ***AND PERSPECTIVES***

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REGIONAL OFFICE FOR LATIN AMERICA AND THE CARIBBEAN

I. SOCIAL AND ECONOMIC EVOLUTION OF LATIN AMERICA AND THE CARIBBEAN

The Socio-Economic Situation and Children

Child mortality, the reduction of which is one of the principle objectives of the World Summit for Children, is a global indicator of conditions of wellbeing and development of society.

In the past forty years these conditions of children in Latin American and the Caribbean have undoubtedly improved: in 1950, one of every five children died before the age of five. Today the relation is one out of twenty. The average yearly reduction of the mortality rate for children under five has accelerated notably between the 50s and the last decade. This means that each year one million eight hundred thousand fewer children die than would be the case if the mortality rate of the fifties had remained constant. When compared to other regions of the developing world, Latin America and the Caribbean offer more promising conditions for child survival and development.

But, out of a total of twelve million births in the region every year, 585,000 children under five die. It is true that this figure represents the lowest infant mortality rate in the developing world. Furthermore, the causes of death have changed with the notable improvements in health service coverage, the tremendous success of the expanded immunization program, control of diarrhoeal diseases, and reduction of protein-energy malnutrition.

Nonetheless, the differences among mortality rates in the region have been maintained, and even widened. In 1960, the country in the worst position presented a mortality rate six times higher than the country in the best position. Today this difference has increased to twelve times. Furthermore, the difference between mortality in Latin America and the Caribbean and that of the industrialized countries increased from three to five times between 1950 and 1990.

Important advances also have been experienced in other global social indicators, such as access to primary education, which is almost universal, and the massive incorporation of women into the work force. However, we still

suffer high rates of repetition in the region, the highest in the world, and women's employment, although it certainly has a positive and direct impact on child wellbeing, still shows significant disparities in the type of employment and salary levels, affecting especially women heads of households.

In recent years, the processes of democratization and respect for human rights have been strengthened in Latin America and the Caribbean. But in some countries, institutionalization of democracy has been seriously challenged and important steps must be taken before an autonomous justice system can be consolidated, to impede corruption and control abuses against human rights, especially those of children and women. Also, many countries have established social programs with massive and enthusiastic support from the populace, from important non-governmental organizations, from the media, which permitted, among other things, universal immunization of children in 1990 and the virtual elimination of poliomyelitis in the current decade. Just as important, almost all countries have ratified and promulgated the International Convention on the Rights of the Child, and are taking important steps to adapt national legislation to it, and guarantee its full enforcement.

On the other hand, after a generally adverse economic climate in the 80s (characterized by a dramatic fall in real income, an increase in "informality" and precariousness of employment, drastic cuts in social spending and a transference overseas of resources as interest and payments on foreign debt), the decade of the 90s is taking on a different profile. Economic growth has been restored, a significant flow of foreign capital into the region has begun, and an atmosphere of confidence in economic institutions has been generated. After profound economic reforms, the region's economies now reflect controlled macroeconomic variables, quite different from the recurrent crises of the previous decade.

Despite these advances, and the fact that, at the same time, the region continues to show positive indicators in social areas, there has been a notable increase in poverty and inequity which, if it continues, will jeopardize the mentioned achievements. Poverty increased in the majority of the countries, and for segments of society which previously had been free of poverty, quality of life decreased. Economic reforms still do not show sufficient vigor to incorporate large sectors of the population, nor to temper the concentration of wealth in increasingly smaller groups. In fact, in a few cases where

economic growth was experienced during the last decade, the income of 25% of households decreased. At the same time, the income of the wealthiest households increased. All this has resulted in the sharpening of an already high degree of inequality, existing ten or fifteen years ago.

In the last three years, the accumulated per-capita GDP has grown 4.3% but, during the 80s, total GDP grew less than in any other part of the world, and more slowly than the population. As a consequence, the region had an accumulated negative growth of 9% per inhabitant. Today, almost one in two inhabitants of Latin America and the Caribbean is poor, that is, 196 million people, the majority of whom live in urban areas.

Given the current panorama of economic dynamism, political stability, and a substantial backlog of social limitations, it is crucial that we take advantage of the moment to make an effective improvement for all the population, and very especially for children and women.

Consensuses on Human Development

One of the consensuses which becomes increasingly clearer in the region is that it is necessary to adopt, simultaneously and in complementary fashion, policies of economic growth and social development. There is talk of a "social reform" which, together with economic reform, would not only compensate for the social effects of a lack of growth, but, more importantly, convert current growth into effective social benefits for all, and especially for the poorest sectors. At the very center of social reform are the children.

Studies made in the second half of the 80s in Peru and Nicaragua showed that an additional year of education results in an increase of salary in adults of 10% and 13%, respectively. The technical report on children presented at the Third Iberoamerican Summit examined this relationship for the case of Chile, showing that persons with twelve years of school receive twice the income of those with only six years. In the case of women, this increase was fourfold. According to World Bank studies, a country with a work force with six years of education could have, on an average, a GDP 12% higher than a country with a work force with an average three years' education.

Numerous studies throughout the world have been able to prove that parents' education levels and, especially, that of the mother, prove to be extraordinarily positive in the survival of children: reductions of from 50% to 80% of mortality of under-fives are obtained, if the mother had secondary education, in comparison with mortality in children whose mothers had no formal education.

In terms of the effectiveness of investment in children, the same report to the Third Iberoamerican Summit stresses that the cost of repetition in the first grades of primary education triples the costs of total primary education. It is estimated that the annual cost of the 20 million children who repeat grades is 2.5 billion dollars. Furthermore, the probabilities of an undernourished child becoming sick, rise from 13% to 26% in comparison with a healthy child. A hospital stay for an undernourished child averages 24 days, while a sick child who is not undernourished stays eight days. At the same time, the cost of hospitalization of an undernourished child is approximately US\$1,000 per year, while the cost of a non-undernourished child is US\$44.

To the economic reasons for social investment must be added reasons of equity. Economic development is not automatically translated into greater equity. For that reason, there is a growing consensus in the region concerning the nontransferable role of the State in correcting inequalities and intervening in the distribution of the benefits of growth in favor of the most vulnerable groups. In Latin America and the Caribbean there are countries which have similar levels of per-capita income and nevertheless, mortality in some of them may be three times that of others. The explanation for this has been investment in human priorities. Just as the market should guarantee efficiency, the State should guarantee equity.

A third consensus which is beginning to take hold in the region is that social development is a necessary condition for expansion and deepening of democracy. Processes of extension and consolidation of a democratic and participatory political culture only may be founded on values, attitudes, and practices which are created at the first stages of child development. A democrat cannot be created at forty years of age. Investment in child development is an economic investment, but also it is equally an investment in constructing and perfecting democratic practices and strengthening institutions for peace, justice and equality of opportunity.

II. GOALS FOR CHILDREN: A BALANCE

The World Summit for Children, celebrated in September, 1990, committed the international community to achieve, with the year 2000 as a deadline, a set of goals which represent the most important degree of concertation ever achieved on behalf of children and women.

GOALS FOR THE YEAR 2000 (summary)

1. *Reduce the infant and under-five child mortality rate .*
2. *Reduce the maternal mortality rate.*
3. *Reduce severe and moderate malnutrition rates.*
4. *Universal access to safe drinking water.*
5. *Universal access to sanitary means of excreta disposal.*
6. *Universal access to basic education and completion of primary education by at least 80% of primary school-age children.*
7. *Reduce adult illiteracy rate by at least 50%.*
8. *Improve protection of children in especially difficult circumstances.*

Ninety-one countries have signed the Declaration and Action Plan adopted by the Summit, among them almost all the countries of Latin America and the Caribbean. This commitment is reflected in the stimulus given by the countries to National Programmes of Action for Children, and to the achievement of some of the Summit goals, even before the established deadlines.

For Latin America and the Caribbean, their achievement will mean a substantial increase in the historic tendencies toward improvement of population wellbeing during the 90s. The numbers themselves give an idea of the magnitude of the efforts being made. These efforts are translated into saving an additional two million children and 86 thousand mothers from death; 4 million more children will be saved from malnutrition and 24 million more adults will be liberated from illiteracy; 12 million more children who have not finished primary school will do so; 100 million more people will have access to drinking water and 156 million more people will have basic sanitation services.

GOALS FOR 1995

The Action Plan agreed upon at the World Summit established the need to evaluate progress achieved at mid-decade. Therefore, in consultation with the countries and specialized international organizations, a set of goals and strategies were established for 1995, in adaptation to the region of Latin America and the Caribbean.

Great advances have been achieved in those goals related to the application of technologies which are simple and low-cost, but effective in reduction of mortality and morbidity, such as programmes of vaccination, oral rehydration therapy, and the iodization of salt. Goals whose achievement seemed impossible now appear to be reachable.

At this moment, the greatest challenge for Latin America and the Caribbean lies in advancing toward the achievement of the so-called "hard goals": perinatal mortality, maternal mortality, quality of education, equality of opportunities for the poor, for women, for minorities and equality of rights for all children. But it is necessary also to consolidate progress toward the other goals, extending their benefits to the last sectors of the population still not covered, a difficult but possible objective.

Evidence collected to date shows that the region as a whole will reach its goals in child development for mid-decade. With the exception of some countries which will need to make great efforts to accelerate the decrease of mortality in children under five by 2000, the great majority will reach the goal of reducing their 1990 rates by one third. In the area of health, by 1995 the

eradication of polio will have been certified, neonatal tetanus will have been eliminated, and measles will have been notably decreased. In the same fashion, goals related to the elimination of micronutrient deficiency (iodine and Vitamin A) will be reached. More difficult will be the reduction of maternal mortality, which will require a concerted effort to improve services to mothers and expectant mothers.

In general, more than problems of coverage, the great challenge is the improvement of the quality of basic health services. Similarly, the effort to improve the quality of education will require greater investment and better use of resources. Insofar as water and basic sanitation are concerned, the technology exists and will make possible the universalization of coverage if adequate resources are available. Excepting the poorest countries, all this investment in children is financeable with resources available in the region. It will be necessary to sustain, and in some cases increase, investment in health and education in order to achieve additional gains in mortality, morbidity and quality of life, thus improving productivity and economic growth.

Goals in Health

GOALS FOR 1995: HEALTH

Increase coverage of the Expanded Programme on Immunization to 85%; eliminate neonatal tetanus; reduce measles deaths by 95% and measles cases by 90%; certify the eradication of poliomyelitis.

Increase to 80% the use of Oral Rehydration Therapy, and to 50% the correct treatment of diarrhoea.

Reduce maternal mortality by 1/3 and improve access to family planning information and services.

Reduce deaths from acute respiratory infections.

1. The Extended Immunization Programme is one of the greatest successes achieved by countries in the region. According to preliminary PAHO data for 1993, the average coverage in the region is 73% for vaccination against diphtheria, pertussis, and tetanus; 77% in vaccination against measles; 82% against polio; and 84% against tuberculosis. Thirty-one percent of pregnant women have been vaccinated against neonatal tetanus, making this the greatest gap remaining to be closed. If the elimination and eradication of some of these diseases is to become a reality in the next twelve months, all countries need to continue the effort so that children are immunized as a matter of routine during their first year of life, and have access to all the necessary boosters. To do this, some countries will need to continue annual campaigns, while others will need to strengthen daily activities within networks of health centers, with support from community leaders. The majority of countries will opt for a combination of these two strategies, with the aim of assuring sustainability of immunization coverage during the coming years, while reaching the remotest sectors of the population.
2. After perinatal causes, diarrhoea is the second cause of infant mortality and of mortality of children under five, and is responsible for approximately one of five such deaths. The last five years have seen a 20% drop in the ratio of episodes of diarrhoea per child under five, which means that the number of cases of diarrhoea has been reduced by about 13 million per year. At the same time, the number of deaths from diarrhoea avoided in children under five has quadrupled in the region since 1985. Although the great majority of countries had not prioritized diarrhoeal diseases, the cholera epidemic contributed to creating awareness and motivating commitment to reducing the number of deaths from that disease. Up until December, 1993, some 750,000 deaths from cholera had been registered in 21 countries, but the rate of mortality had decreased from 1.02% to 0.71%.

Morbidity and mortality from diarrhoea have a number of causes and conditioning factors, among them those related to water and basic sanitation. Nevertheless, in countries which still present high rates of mortality from diarrhoea, efforts to reduce deaths should emphasize massive publicity campaigns and educational programmes aimed at family and community, promoting Oral Rehydration Therapy with continued feeding of the child.

3. Maternal mortality, while greatly underestimated, amounts to 180 per hundred thousand live births on average, one of the lowest rates among developing regions. Nonetheless, there is great variability among countries, ranging as high as 600 per hundred thousand live births. This mortality is between 18 and 60 times higher than in developed countries, and represents 21,000 deceased mothers each year -- that is, one woman dies every 25 minutes -- for reasons which are considered avoidable in more than 90% of the cases. The death of a mother has devastating effects on infant survival.

Abortion constitutes the first or second cause of maternal mortality in numerous countries in the region. Many maternal deaths classified as caused by infection or hemorrhage may in fact be caused by abortions. Too-early or too-frequent pregnancies are also associated with high maternal mortality. In this region, an average of 16% of all births are to adolescent mothers, and in the Caribbean the proportion is much higher. Childbirth and pregnancy complications, along with an absence of policies and programmes for attending women's health throughout the life cycle, including promotion of self-care, complete the picture.

The technology and knowledge necessary to prevent these causes of mortality have been available for decades and their application is feasible in all countries:

- a) information, education and communication on risks associated with pregnancy, and culturally acceptable practices to avoid undesired pregnancies;
 - b) social and political mobilization for improving the health and nutritional status of women and girls;
 - c) extension of coverage and improvement of quality of pre- and post-natal and childbirth attention for mothers.
4. Acute respiratory infections still are the third cause of mortality in children under five, after perinatal causes and diarrhoea. To achieve a reduction of acute respiratory infections it is necessary to develop common information, education, and communication messages, linked to other basic action programmes in health, oriented toward the person who cares for the child. It is also necessary to put into practice, standardized treatment of Acute Respiratory Infection cases, by means of adequate training and permanent supervision of health personnel.

Goals in Nutrition

GOALS FOR 1995: NUTRITION

Eliminate Vitamin A deficiency and iodize all salt.

End free distribution of breast milk substitutes and make all hospitals "Mother and Baby Friendly".

Reduce protein-energy malnutrition by 20%.

1. Although it is estimated that one fifth of the population of children under five suffers from Vitamin A deficiency, available data are insufficient, and it is of high priority to prepare an epidemiological map of the areas of Vitamin A deficiency in each country. Where this deficiency constitutes a public health problem, the countries should adopt a national strategy to eliminate it, centered on fortification of a basic food of general consumption among the population at risk (like sugar, rice, corn flour, or wheat). For this objective it is necessary to promulgate appropriate legislation.

Together with this measure, it is important to promote its operational integration with other micronutrients, like iodine, iron, and fluor, and with other programmes such as vaccinations, and control of diarrhoea and respiratory infection.

2. The greatest part of the population which lives in the high plane areas of Central, South and North America is in high risk of suffering from iodine deficiency disorders, which include retardation of mental development, cretinism and goitre. It is estimated that of 63 million children between 6 and 11 years of age, 10 million suffer from goitre. Universal iodization of salt is the priority action for eliminating iodine deficiency disorders. In those countries where it still is not practiced, it is necessary to adopt legal

measures to enforce the consumption of iodized salt, and in all countries, the vigilance of compliance with such laws.

3. Only one in every three Latin American and Caribbean mothers breastfeeds her baby between twelve and fifteen months of age. This is the lowest proportion in the developing world.

The importance of nursing has been confirmed by many studies. For example, in the south of Brazil it has been shown that children of nursing age who were not being nursed had 18 times the probability of dying from diarrhoea and three times higher probability of dying from acute respiratory infection than babies not receiving mothers' milk.

An essential step toward protection, promotion, and support for nursing in maternity services is to end the free distribution or subsidy for substitutes for mothers' milk. Achievement of this goal is essential to strengthen the practice of exclusive nursing, given the special relevance of maternal services as opinion makers in the areas of attitudes and behaviour. To achieve this goal it is necessary to adopt legal and administrative measures to terminate free or subsidized infant formulas and substitutes for mothers' milk in all hospitals and maternity services. This goal should be met in all countries by June, 1994. Fourteen countries already have complied.

It is indispensable to combine this strategy with that of promoting Mother and Baby Friendly Hospitals, for which objective criteria for hospital certification must be established. It also is necessary to create commissions to certify the hospitals.

In the same way, it is necessary to put into practice support measures for promoting and protecting exclusive breastfeeding in the first four to six months of life, such as: sufficient maternal leave time from work; facilities in the workplace for breastfeeding; and solutions for other problems of nursing women.

Goals in Education

GOALS FOR 1995: EDUCATION

Increase completion of primary education by more than 50, and reduce repetition by 10%.

Ensure that 60% of children acquire basic learning skills.

Increase non-formal early education and family education.

Improve access for those excluded from the formal system.

Latin America and the Caribbean is the region which has most improved access to primary education but it also has the highest rates of repetition. As a whole, 29% of all primary students repeat a grade each year. In first grade, almost 4 out of 9 million children who enter school fail their first educational experience. Of each 100 children of school age, 86 begin school at the appropriate age, but only 48 finish the primary cycle. This level of completion is the lowest in the world.

Furthermore, there still is a deficiency of access and coverage in a few countries and in some geographical areas, particularly in zones of rural or indigenous population. Today, both boys and girls enter school. Gender equity is not a problem in terms of access to school, although in educational contents and discriminatory pedagogical practices, it definitely is.

On the other hand, there is a significant broadening of formal programmes of child development for children between three and five, which have increased from 18% in 1980 to 24% in 1989, principally benefitting children from high-income families. The current challenge, especially using non-formal programmes, is to increase knowledge and abilities of parents, with respect to socio-affective development of children; to incorporate integral child development into programs of nutrition, health and others; and to introduce strategies which facilitate the transition of the child into the first year of school and improve their capacity to learn.

With respect to improving the functioning of schools, it is necessary to concentrate on the adoption of pedagogical practices which are centered on the child, and are more participatory in promoting intercultural and multigrade education and in strengthening the learning of reading and writing.

Spending on primary education represents a little more than 40% of the general education budget, but approximately 95% is destined to teachers' salaries. The primary education budget reserved for books -- one important factor in success at school -- is only one per cent (that is, some US\$2 per child) in almost all countries. It will be necessary to invest a minimum of US\$5 per child in texts and learning materials. It also is necessary to assure that at least 80% of the classroom hours programmed for the school year are dedicated to systematic learning activities; at present, only 50% are.

Goals in Drinking Water and Basic Sanitation

GOALS FOR 1995: WATER AND SANITATION

Reduce by 25% the gap between population with access to drinking water and population without it.

Reduce by 17% the gap between population with access to sanitation and the population without it.

In the area of supply of drinking water and basic sanitation services, Latin America and the Caribbean are characterized by insufficient investment and operational shortcomings. The cholera epidemic of the 90s is an expression of this deficiency, especially for the poorest groups. Currently, 78% of the population has access to water and 66% has adequate sanitation services.

To meet the goal of universal access to water and basic sanitation by the year 2000, it will be necessary to supply water to an additional population of 176 million, and basic sanitation to 221 million persons. These figures reflect the magnitude of the effort which must be made.

III. PROCESSES AND ACTORS

The achievement of the goals of child survival and development requires not only technologies, which in large part already exist, but also of social, institutional and political processes to assure the universal access to, and use of, good-quality and sustainable services.

1. To achieve this, the International Convention on the Rights of the Child creates an ethical and juridical framework which guarantees a real commitment by all of society to the survival, protection, and development of the child, especially the child who finds himself or herself in a situation of personal or social risk. The entire region of Latin America and the Caribbean, excepting Haiti, has ratified the Convention. The process of promulgation which is a mechanism for incorporating the Convention into national legislation, already is a reality in the majority of the countries.

Today we face a challenge which might be called "post-ratification", which invites us to explore the uses of the Convention as an instrument for policy formulation and planning, going beyond its strictest value as a juridical norm. Where it has been applied, the Convention has shown itself to be a powerful instrument for mobilization, capable of substantially transforming society's perception of childhood. More concretely, the challenge consists of incorporating the new paradigm represented by the Convention into both National Programmes of Action and social and economic policies. It has to do with discovering all possibilities which link the socio-economic and juridical conditions of childhood.

2. The National Programmes of Action for Children are instruments of social policy, capable of contributing to the effective translation of the results of economic development into improvements in the living conditions of the entire population. Almost all the countries of the region have formulated their National Programmes of Action, receiving in many cases the highest-level political support for implementation and follow-up. This is an important step in incorporating them integrally into social policy, overcoming the assistance oriented approach which reigned at the beginning of the epoch of economic adjustments.

To the degree that National Programmes of Action contribute to focusing social spending on the most vulnerable groups, supported by processes of decentralization of political and administrative power and promote greater participation by the civil society, they will be contributing to the modernization of the State, a process which is firmly underway in the region.

On the other hand, a more disaggregated formulation of plans and programmes favoring children is beginning at the level of regions, states, provinces, departments and municipalities. Municipal plans allow the goals of the World Summit for Children to acquire meaning for local communities, and promote participatory development models involving women and/or youth, sports and cultural associations, religious organizations, labor and business groups and community organizations.

However, development of community participation is unthinkable without the effective strengthening of municipal governments, local representations of centralized ministries and grassroots organizations. In this context, the Initiative of Mayors Defenders of the Rights of Children, which in Latin America is creating an extensive network to promote local leadership in support of municipal action plans for children, will contribute decisively to that strengthening.

The goals have been a challenge for existing follow-up and evaluation mechanisms. In order to generate relevant information it has been necessary to adapt censuses, surveys, and other instruments, as well as to devise new information systems. However, the greatest challenge is related to the use of this information by State agencies and social groups in making decisions concerning the progress of social policies and programmes for children.

3. The promotion of objectives and strategies for survival and development of children is not a merely bureaucratic, vertical and technocratic exercise, but rather a social and political process in which those who suffer the problem become actors in its solution. Children themselves, along with youths, women, and the family have an active role in the solution, and in their own development.

The wellbeing of children necessarily is related to the wellbeing of women. Despite great advances in education and employment, full participation of women in equal conditions to men still is hampered by a series of legal, political and socio-cultural obstacles. Adaptation of national legislation to the Convention on the Elimination of All Forms of Discrimination Against Women still has a long way to go. It will require, among other things, a process of resocialization of men and women within the context of family, educational institutions, mass media and public and private agencies which provide different types of social services to women.

The International Convention on the Rights of the Child reconfirms the family as the fundamental group of society, and the natural environment for growth and wellbeing of all its members, especially children. The Plan of Action of the World Summit for Children also recognized the family as the principal responsible agent for the nurture and protection of children and adolescents, as well as for their introduction to culture, values and social norms. Thus defined, the family is an instrument and an essential means for effective implementation of intersectorial policies oriented toward the survival and development of children and women. In a larger perspective, the family becomes the instrument for social policy. Nonetheless, it has been suffering serious transformations, including growth of the number of women heads of households and their consequent pauperization, increase of single-parent households, recourse to child labor, and early pregnancy.

There is an urgent need to define a policy aimed at protecting and promoting the family, whatever its structure might be, not only in its productive and reproductive functions, but also in its functions of affection and solidarity among members and vis-a-vis other families.

IV. RESTRUCTURING SOCIAL SPENDING, COST AND FINANCING OF THE NATIONAL PROGRAMMES OF ACTION FOR CHILDREN.

Accepting the heterogeneity of situations in the region, it would seem that during the last decade, real social spending decreased just when it was supposed that it should increase or at least maintain its existing level. Cuts had an especially heavy effect on the most vulnerable sectors, and produced a

generalized deterioration of quality of social services. Efficiency and progressiveness of social spending have great importance for the most vulnerable social groups, since this represents a significant fraction of non-monetary, effective income of the poor population, varying in some cases between 26% and 50%.

The World Bank found, in a study of nine countries, that real, per-capita social spending on health, education and social security fell in such a way that, on the average in 1985, health had fallen 70% with respect to its 1980 level, education had fallen 79%, and social security had fallen 88%. Although it appears that social spending began to be protected after that year, both efficiency and equity had been weakened, when compared with tertiary and specialized sectors.

Currently the region spends an average of 2.3% of GDP on health and 2.7% on education. Within this framework, the cost of implementing the National Programmes of Action for Children -- whose estimate is necessarily incomplete and shows considerable variability -- seems to indicate that the region would be able to financially sustain compliance with the Summit goals included in the National Programmes of Action. These vary annually between 0.5% and 1.7% of GDP in the region. Nevertheless, it will be necessary to redirect spending towards priority sectors of human development.

In the poorest countries, it will be necessary to turn to external assistance in an amount between 38% and 78% of all resources required to finance the goals. At present, of the almost 5 billion dollars in Official Aid for Development received by Latin America and the Caribbean, which represents 0.4% of the region's GNP, only 6.5% has been dedicated to human priorities, far below the 20 per cent suggested by UNDP.

In all cases, financial support for social policy in the medium and long term, of which the National Programmes of Action are beginning to become an important part, will require a boost from reformed tax systems. The majority of these systems experienced setbacks owing to fiscal erosion during the past decade. Reforms are even more necessary today when the reductions suffered by social spending and the accumulated "social debt" with which the region faces the current decade are becoming evident. Furthermore, fiscal incomes

in the region represent no more than 14% of GNP, whereas in developed countries this proportion is 24%.

The major mobilization of resources to finance the National Programmes of Action now can count on increasing consensus within governments and international financial institutions. The Interamerican Development Bank (IDB), in its Eighth Capital Replenishment, has made a commitment to increasing support for areas of social reform and poverty reduction, on the order of 18 billion dollars during the coming years. Likewise, the World Bank is channelling much of its resources in Latin America and the Caribbean into social programmes. Collaboration among ECLA, IDB, UNDP, UNICEF, and the World Bank, along with PAHO and UNESCO has been strengthened at the regional and country levels during this past year, with the aim of lending both financial and technical support to initiatives in the area of social reform, focused on children and women.

V. CONCLUSION

Today we face the immense challenge of converting the economic recuperation which is beginning in the region, into a substantial improvement in living conditions for millions of children and women. We have objectives and clear strategies for doing this.

To achieve this improvement, we must invest now in children and in women, because this is the most efficient investment we might make, if we truly aspire to a sustainable economic development.

We have advanced considerably in protection and services for children. It is necessary to consolidate these advances, and to sustain achievements in immunization, in reducing the deaths of children from diarrhoea and pneumonia, in virtually eliminating iodine and Vitamin A deficiencies, in organizing Mother and Baby Friendly Hospitals, in providing drinking water and basic sanitation, and in access to primary schooling.

We cannot forget that it is necessary to continue the fight to expand coverage of basic health services, nutrition, and education to reach

universalization. This means focusing our actions principally on the poorest and on remote and unprotected populations.

Furthermore, improvement of the quality of health and education services - for example, to advance in the protection of women's health or children's learning capacity - is a basic challenge to the Latin American and Caribbean region.

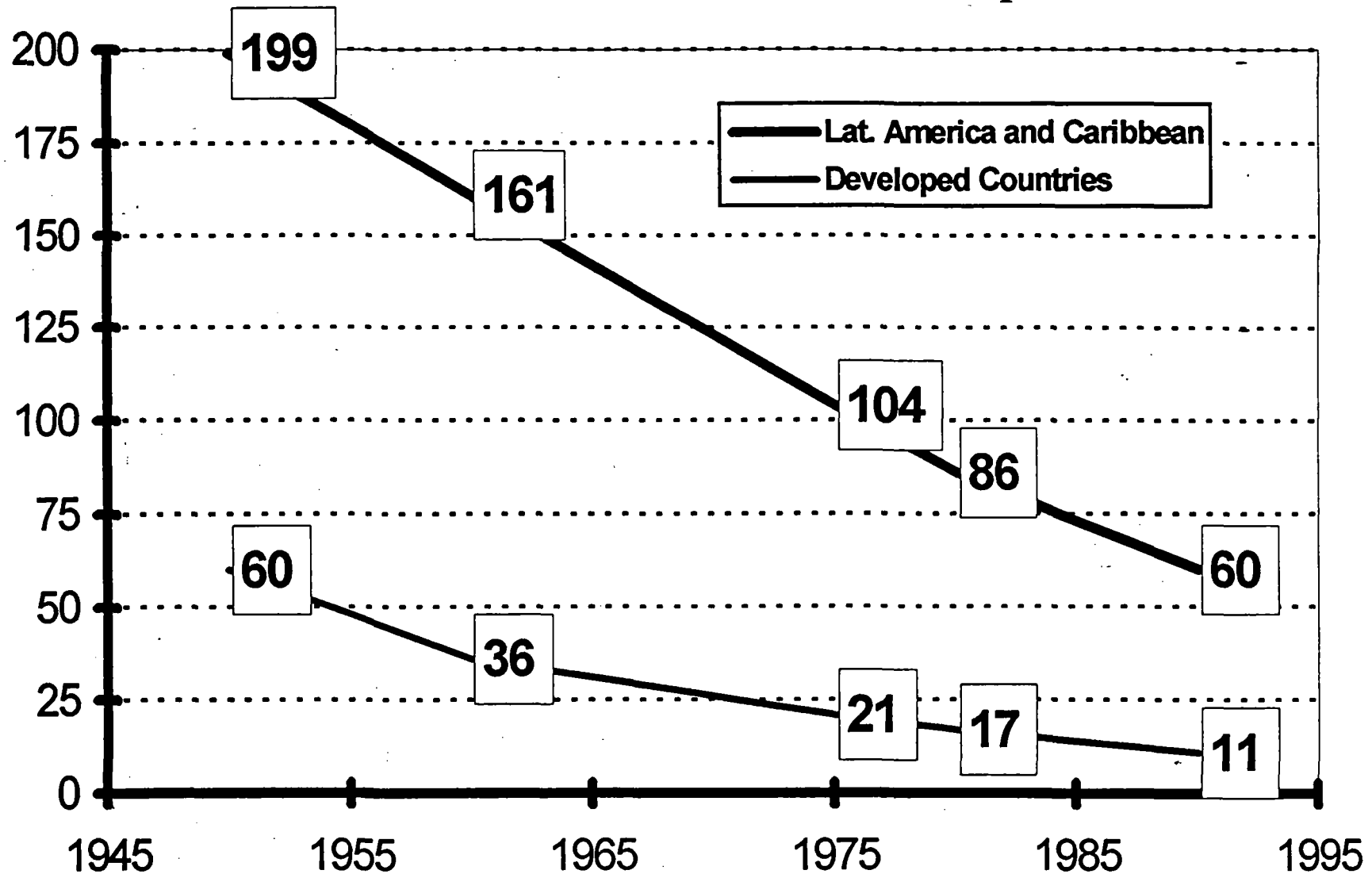
Investment in children and infancy therefore are the real basis for economic development, social justice, and democracy, values we all want to see become reality as we prepare to enter a new century.

Appendix

Graphs and Tables

UNDER FIVE MORTALITY RATE 1950-90 TREND

Latin America and the Caribbean vs. Developed Countries

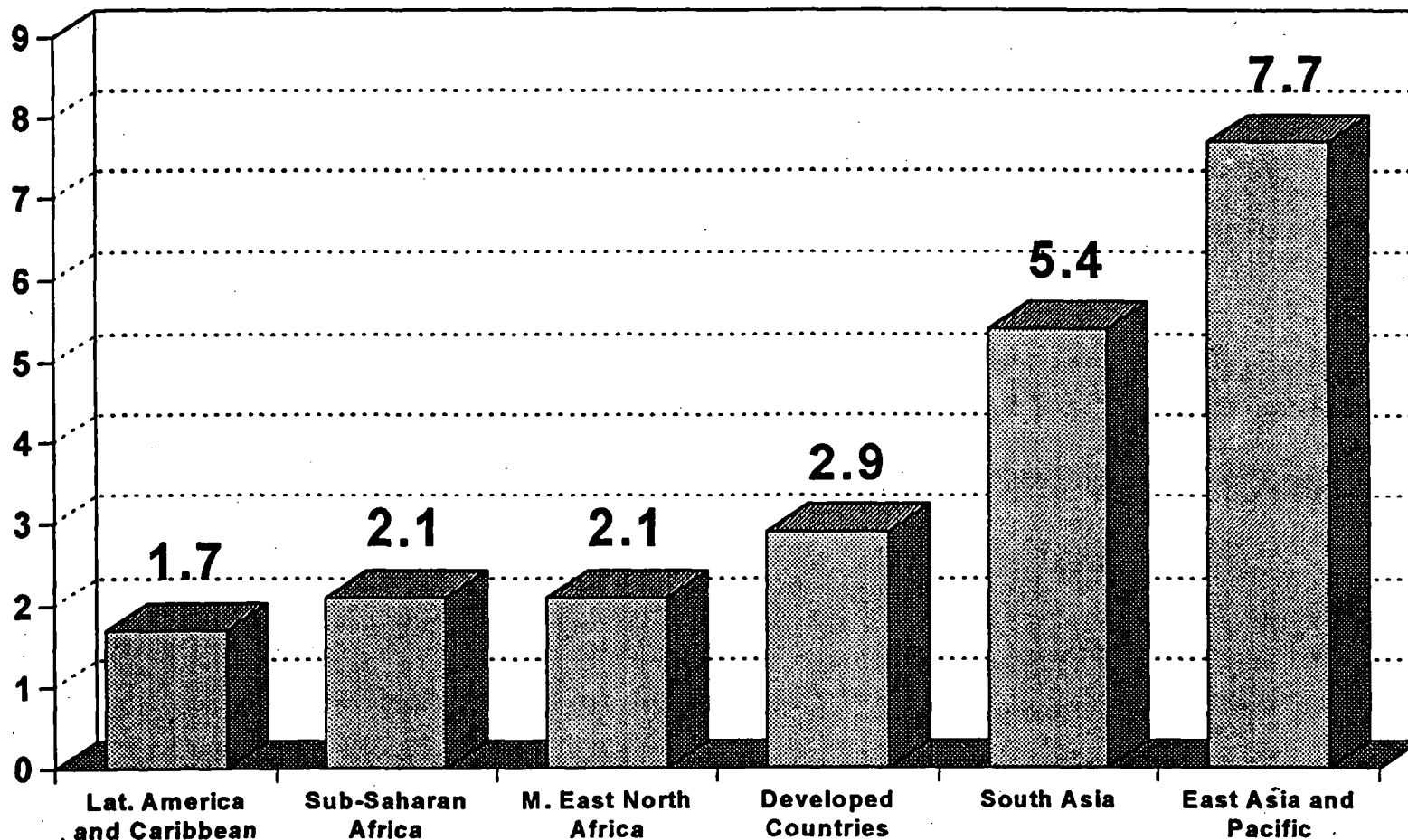


Source: WORLD BANK 1993

TOTAL GDP GROWTH, 1980-91

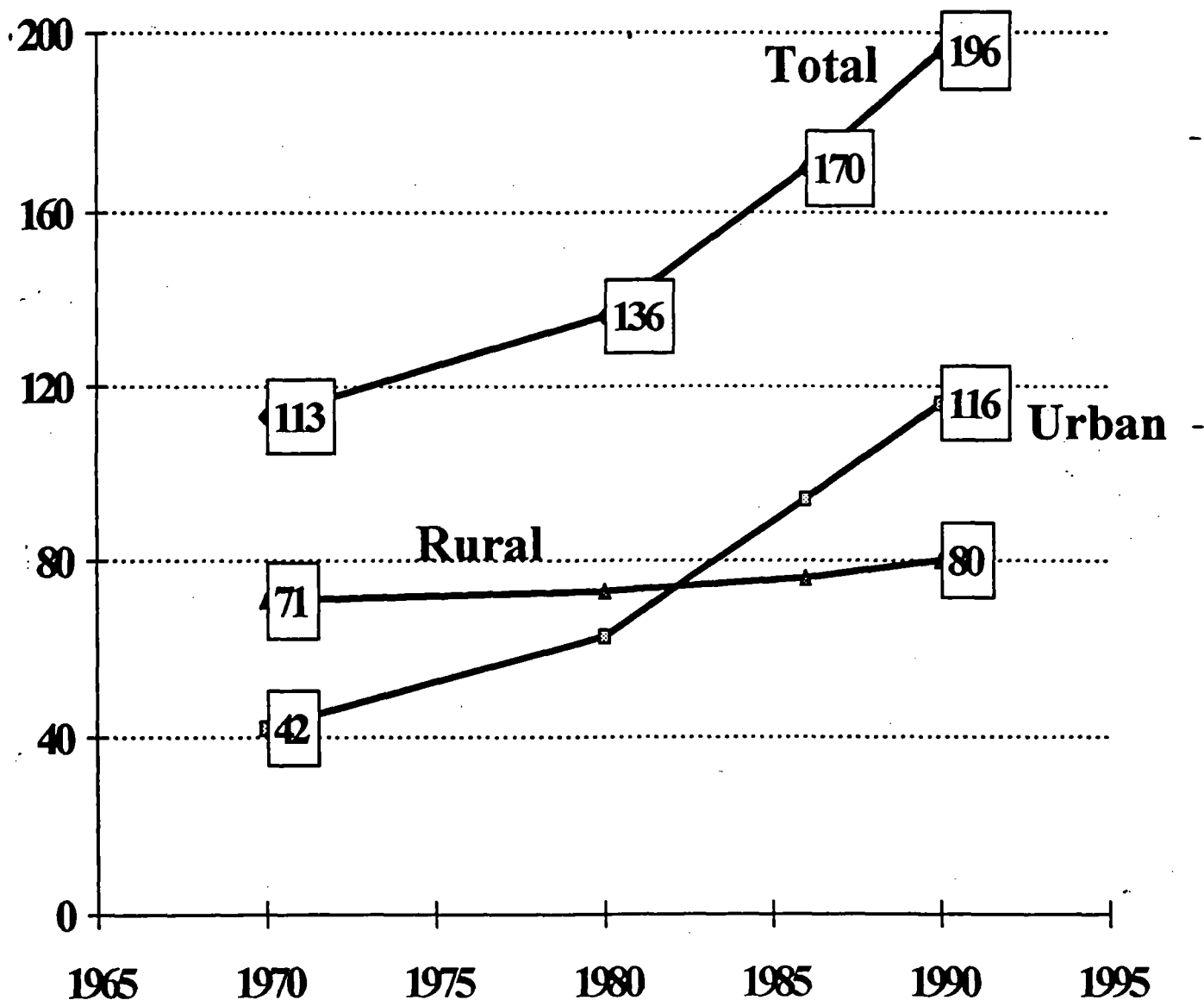
Annual percentage of growth

Latin America and the Caribbean vs. other regions



GROWTH OF POVERTY, 1970-1990

Millions of poor in Latin America and the Caribbean

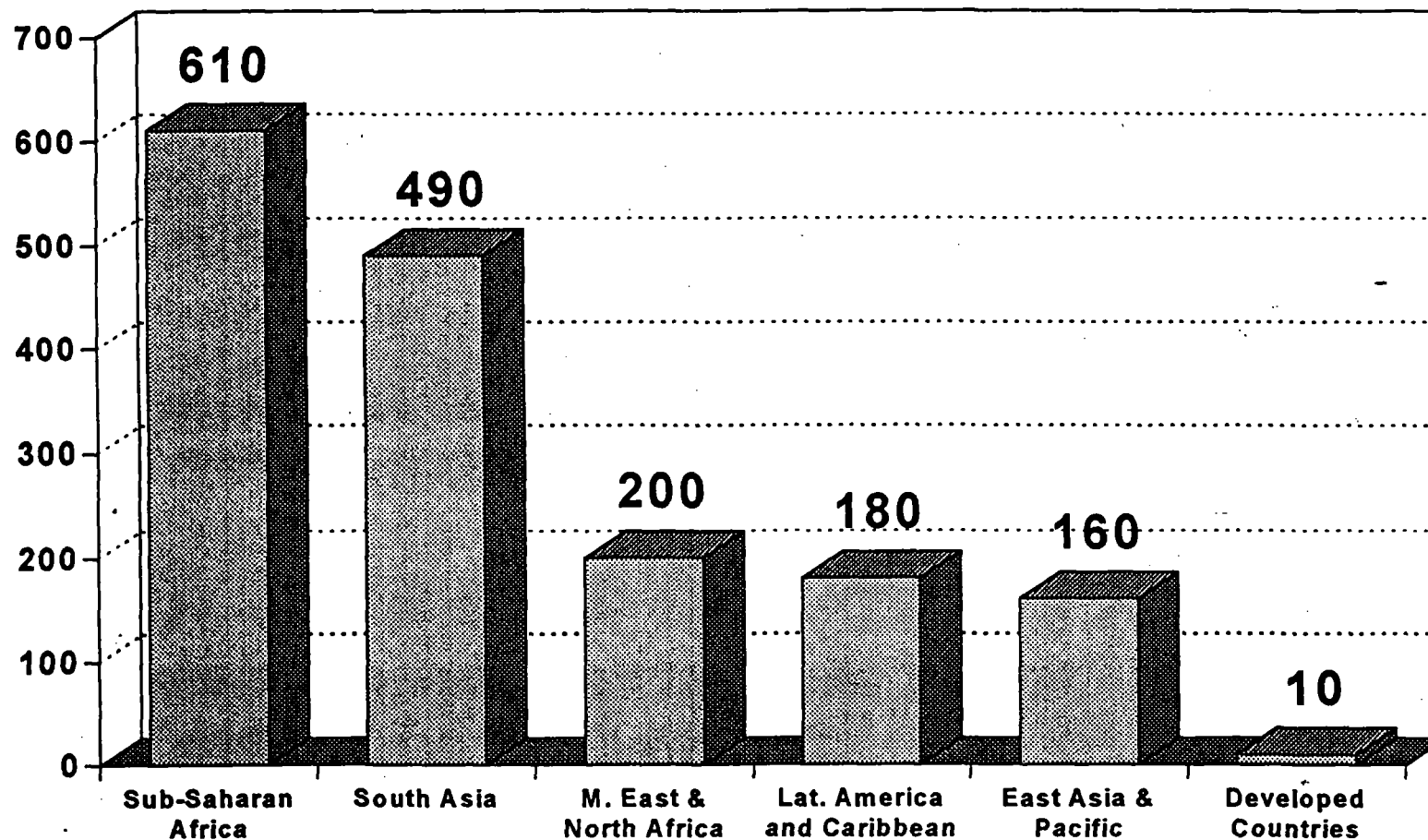


STATUS AND GOALS IN HEALTH

	Current situation	1995 Goal	2000 Goal
Immunization against measles (%)	77	85	> 90
Immunization against polio (%)	82	85	> 90
Immunization against tuberculosis (%)	84	85	> 90
Immunization against DPT (%)	73	85	> 90
Use of Oral Rehydration Therapy (%)	65	80	> 90
Maternal mortality (per 100.000 n.v.)	180	135	90
Moderate & severe malnutrition (%)	11	8.8	5.5

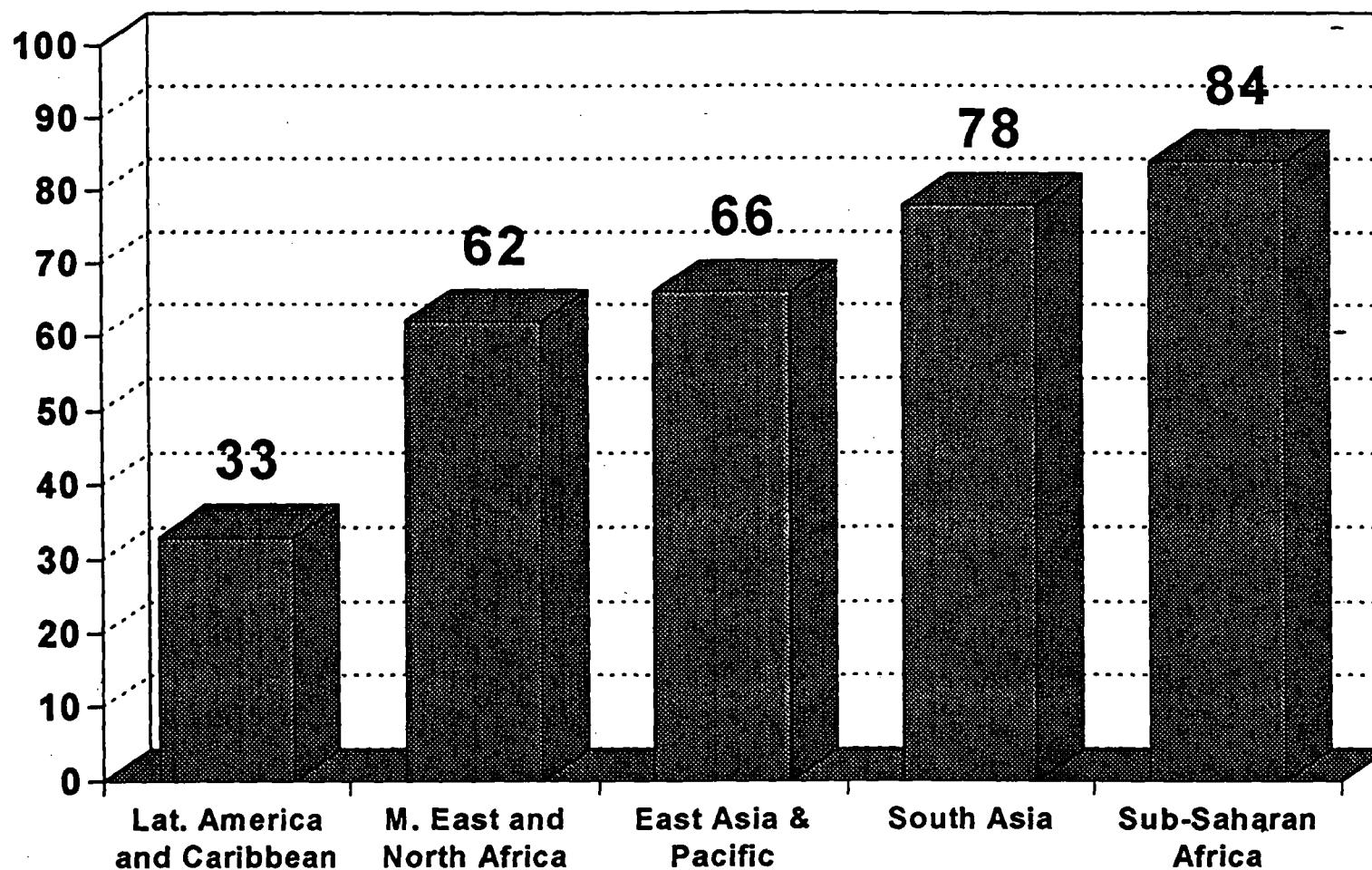
MATERNAL MORTALITY, 1980-91

Latin America and the Caribbean vs. other regions



BREASTFEEDING, 1986-91

Percentage of 12 to 15 month-old infants breastfed
Latin America and the Caribbean vs. other regions



STATUS AND GOALS IN EDUCATION

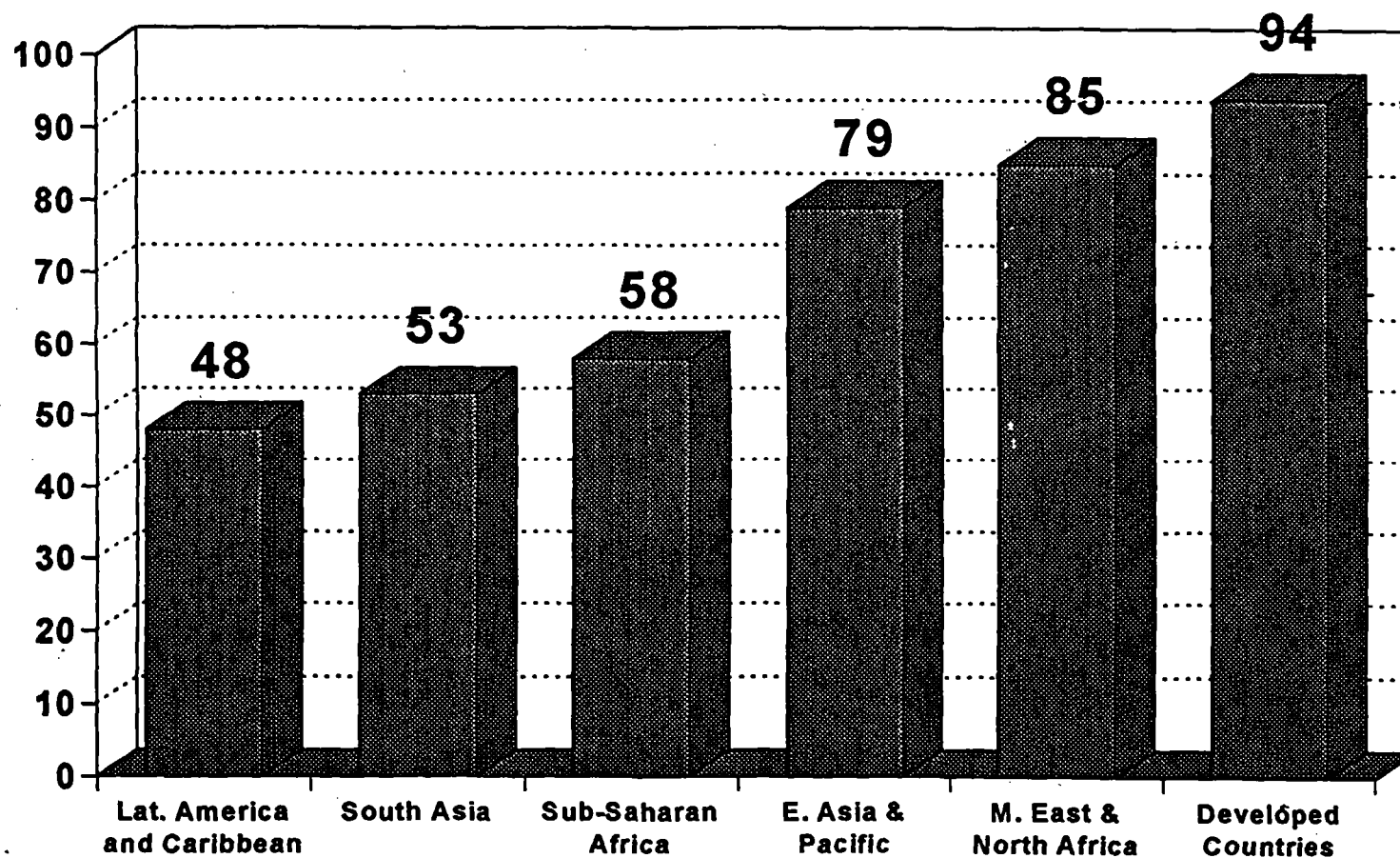
	Current situation	1995 Goal	2000 Goal
Primary completion (%)	48	>50	80
Repetition in first grade (%)	42	38	
Repetition in second grade (%)	30	27	
Total net access to primary (%)	86	+5*	100

* In countries with low access

PRIMARY COMPLETION, 1986-91

Percentage of children completing Primary School

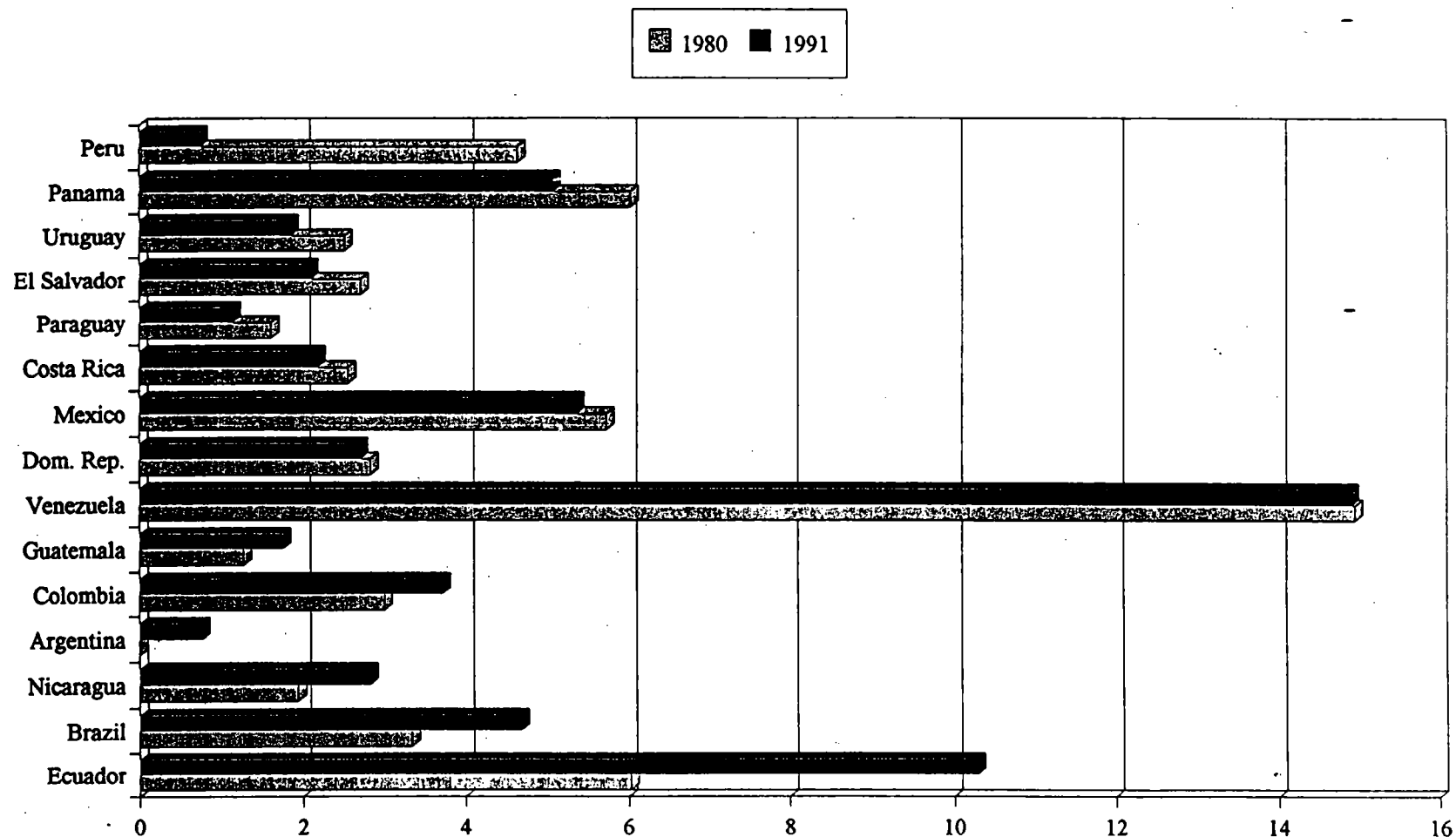
Latin America and the Caribbean vs. other regions



STATUS AND GOALS IN WATER AND SANITATION

	Current situation	1995 Goal	2000 Goal
Total access to safe water (%)	78	84	100
Access to safe water - urban (%)	87	90	100
Access to safe water - rural (%)	55	66	100
Total access to sanitation (%)	66	72	100
Access to sanitation - urban (%)	80	83	100
Access to sanitation - rural (%)	33	44	100

LATIN AMERICA AND THE CARIBBEAN **Tax on Income, Profit and Capital Gains** **Percentage of GNP, 1980/91**



Source: WORLD BANK - World Development Report 1993, calculations based on table 12

SUMMIT OF THE AMERICAS

SPOUSES' PROGRAM

FRIDAY, DECEMBER 9

Dinner for Spouses hosted by the First Lady

Location:?

SATURDAY, DECEMBER 10

Morning: Working Session on The Future Generation

Luncheon: Luncheon hosted by the First Lady
Keynote speaker:?

Afternoon: Possible site visit

Evening: Attend dinner and gala with leaders

SUNDAY, DECEMBER 11

Morning: Attend plenary session

SUMMIT OF THE AMERICAS

SPOUSES' PROGRAM

SECURING A PROSPEROUS FUTURE--

FOR OUR CHILDREN AND THROUGH OUR CHILDREN

CONCEPT PAPER

The First Lady will host a working session of spouses on "Securing a Prosperous Future--For Our Children and Through Our Children." They will focus on ways to improve the condition of children in the hemisphere and the role these children will play in the next century. The agenda would be drawn from the leaders' Statement of Principles and Agenda for Action, extracting those components which will affect the lives of children and noting how their ongoing implementation will depend on our passing the torch to the next generation.

-- The Western Hemisphere is young. The majority of the populations of Latin America and the Caribbean is under 20 years of age. Many of the region's leaders are young. The presidents of Mexico, Colombia, Trinidad, Costa Rica, and the United States are in their forties.

-- The goals of the Summit, while addressing the needs of the hemisphere's population as a whole, are also based on the premise that future generations will continue its work. Only through ensuring the well-being of our children, as laid out in the Plan of Action, and educating them as to importance of the principles stated in the Summit Declaration can we establish the foundation for an integrated and prosperous hemisphere.

-- Children will benefit directly from many of the Summit's initiatives. The health and education initiatives focus heavily on improving access to all children. Sustainable development is by definition oriented toward future generations, and specific objectives, such as clean air, are particularly important for children.

-- Job creation through trade and investment benefits families and therefore children. The democracy initiatives promote civil associations including those seeking to improve the conditions of children. More effective and honest government enhances the prospects for pro-child programs.

-- By viewing the agenda through the needs of the children, the spouses will not be focusing on a narrow aspect of the Summit

agenda, but rather ensuring that the positive advances initiated at the Summit will continue for, and through, future generations.

Organization

The First Lady will host and chair the session just as the President is hosting the leaders' meetings. Nevertheless, it would be useful to establish a steering committee to help craft the event. Membership could include Ms. Gaviria, an outstanding leader who might be able to bring to bear some of the resources of the OAS; other outstanding spouses such as Ms. Zedillo, Ms. Samper, Ms. Sanchez de Lozada, and Ms. Figueres; leaders of international organizations including Jim Grant, Gus Speth, and Enrique Iglesias; Brian Atwood or his deputy, Carol Lancaster; and NGO principals such as Marion Wright Adelman.

The event could be organized around one of several models:

- A leaders' meeting: a rather structured event in which the spouses would be asked beforehand to prepare remarks on particular subjects.

- A working seminar: a free-flowing discussion around some general themes.

- Panels: external experts could be invited to brief the spouses. Select spouses could participate on the panels.

Additional Issues for Decision:

1. Should the spouses issue a communiqué? or a simple press statement?

2. Should the UNICEF offer to produce a video be accepted?

3. Beyond the agenda itself, how should the spouses' session be linked into the leaders' sessions? Can the leaders' statements include more references to children than it does in the current draft? Should the final drafts include explicit reference to the spouses' communiqué if there is one?