



2001 SUMMIT

A JOINT NEWSLETTER ON THE QUEBEC CITY HEMISPHERIC SUMMIT • NOVEMBER 1999

Going Beyond Trade

When the leaders of the 34 democratic nations of the Western Hemisphere reconvene for the Third Summit of the Americas in Quebec City in 2001, they may well find themselves at a crossroads. If the Miami Summit of 1994 is remembered as the starting point of the Free Trade Area of the Americas (FTAA) process, and the Santiago Summit as the launch of official negotiations, the Quebec City Summit could be remembered as the point at which the FTAA negotiations were either reinvigorated or sidetracked in the face of growing obstacles and opposition.

Trade liberalization is only one of a number of important issues to be addressed at the Summit. The strengthening of fledgling democracies, the eradication of poverty, and the need to increase resources for social programs in Latin America and the Caribbean are also crucial issues needing immediate attention. While some would argue that these issues should have priority over trade matters, political reality leads us to believe that, without the prospect of a successful conclusion to the FTAA negotiations, governments in the region will have little incentive to commit to actions on non-trade priorities. This would be a shame, since the FTAA is only one element, albeit essential, in the fabric of the common society gradually coming together in the Americas. A dense web of trade and financial flows, common rules and practices, and migratory movements is transforming the countries of the hemisphere, including the giant in its midst—the United States.

If the 2001 Summit in Canada is to be judged by progress on trade issues, the governments of the hemisphere will have

to overcome serious obstacles. At the same time that the economic downturn in South America is diverting attention away from the FTAA process, the governments of the hemisphere may be tempted to put regional negotiations on the back burner during the World Trade Organization meeting. There is greater support in the US for the WTO, and the business sector is eager to facilitate access to global markets with standardized rules. However, to those already announcing the death of the FTAA or its continuance as a low-level, but useful, talking shop on trade issues, we point out that the next WTO round of negotiations is poised to have a rocky start with little concrete progress expected in the first year. Finally, an additional obstacle to the FTAA is the US Congress's unwillingness to grant fast-track authority to the Clinton administration.

Yet, there are signs of progress. The Toronto Trade Ministerial is expected to approve annotated outlines of each of the future chapters of the FTAA. Other concrete steps scheduled to be announced at the Toronto meeting include customs-related business facilitation measures and transparency rules to make government regulations more accessible to the region's burgeoning private sector.

From an outside perspective, prospects for the FTAA may look dim. Already, however, the governments of the hemisphere are building the foundations of a rules-based system that is transforming participating countries. The web of relationships being created between government officials, businesspeople, academics, labor representatives and NGOs could, in the end, achieve much more than a simple trade agreement. ♦

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**CANADIAN FOUNDATION FOR
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Improving Anti-Drug Cooperation

After more than a year of intense negotiations, the 34 countries of the hemisphere have agreed on a multilateral evaluation mechanism (MEM) for national drug strategies. The measure was finalized by the Intergovernmental Working Group on the MEM in Ottawa and formally adopted by the OAS's Inter-American Drug Abuse Control Commission (CICAD) meeting in Uruguay in October 1999. The MEM is an early result of commitments made at the Santiago Summit and a key hemispheric instrument for improving cooperation in the evaluation of national and hemispheric anti-drug efforts.

The MEM follows a peer review system under which countries provide data in

response to a standard questionnaire formulated by a Government Expert Group. This group will use the results of the questionnaire to carry out evaluations on a country-by-country basis, based on principles developed by the Working Group. These include: respect for sovereignty, full and timely participation of states, and shared responsibility among drug producing and consumer countries. Sanctions of any kind are excluded. The final evaluations will be submitted to CICAD.

The idea for the creation of the MEM arose at CICAD's annual meeting in November 1997, when countries of the Americas expressed the need for improved cooperation in the OAS's multi-

lateral drug control effort. CICAD was given the task of creating the new mechanism at the Santiago Summit the following year. Canada chaired the Intergovernmental Working Group on the MEM and played a leading role in its design.

The first evaluations are expected to begin early next year and should be completed in time for the 2001 Summit. Although the MEM is not formally intended to replace the unilateral certification process conducted by the United States, it is hoped that the new mechanism will promote joint action that may make the US certification progressively less relevant. ♦

Mercosur: A View from the South

With Argentina responsible for chairing the Trade Negotiating Committee during the 18 months following the Toronto Trade Ministerial, Mercosur will have a chance to play a leading role in the second phase of hemispheric negotiations. The Mercosur customs union (Brazil, Argentina, Uruguay and Paraguay) accounts for almost half of Latin America's GDP and is a key actor in the regional integration process. Mercosur countries believe that the FTAA should be built on existing integration schemes in the hemisphere and conform to WTO provisions, avoiding links to labor and environmental issues. They are holding out for an FTAA that improves access to the US market for

important Mercosur products such as concentrated fruit juice, textiles, steel, shoes and sugar, which currently face tariff and non-tariff barriers.

Brazil and Argentina have made US fast-track authority a condition for conducting further substantive FTAA negotiations. Both countries have indicated that the FTAA is a secondary priority, taking a back seat to strengthening Mercosur and expanding its links to create a South American Free Trade Area (SAFTA). Consolidating a regional power base, they believe, will give them a stronger basis for negotiating trade liberalization with the US. Preferential trade agreements between Mercosur and Chile (an associ-

ate member), Bolivia and the Andean Community are planned or already underway. Internal political factors—namely, the October presidential elections in Argentina and Uruguay—have also distracted Mercosur's attention, as have sub-regional disputes involving trade imbalances following the devaluation of the Brazilian currency in early 1999.

The economies of South America will probably experience zero or negative growth this year as a consequence of depressed commodities prices and capital flight. A return to growth is expected sometime next year, but that leaves little time to renew the momentum for the FTAA before the 2001 Summit. ♦

The Health Agenda

The health picture in the Americas has continued to improve over the past decade. Real progress has been made in many areas, including access to immunizations. Cases of measles, for example, have steadily declined, raising hopes that the disease will be eradicated by the year 2000. At the same time, however, tuberculosis, cholera, malaria and other diseases once thought to be almost eliminated from the Americas have developed drug-resistant strains and again threaten millions of people.

Poverty remains the primary obstacle to sustaining a healthy population in the hemisphere. In the mid-1990s, some 39% of all Latin American and Caribbean households were living in poverty. The region also has the world's most unequal distribution of income, a gap that is reflected in the health inequalities and inequities of the population. Among other negative statistics, women in the region's less developed countries have a 400 times greater risk of dying during childbirth than women in wealthier countries.

All Summit statements include commitments to health issues. The key implementing agency, in addition to national governments, is the Pan American Health Organization (PAHO). In recent months, several major hemispheric events have put the spotlight on health. In September 1999, regional health ministers met in Puerto Rico to discuss the increasing threats from infectious diseases, tobacco use, tainted blood supplies and organic pollutants. The participants approved the Integrated Management of Childhood Illness (IMCI) Strategy, calling it the key to meeting the PAHO goal of preventing 100,000 deaths of children under five between now and the year 2002. At the Spouses Summit in Canada the following month, spouses of heads of state of the hemisphere emphasized the importance of investing in the health of young children and women's reproductive health.

Health is a cross-cutting issue that involves civil society as well as government decision makers. During the period leading up to the Quebec City Summit, health issues, including the transfer of resources, new technologies and models for new health strategies, will remain a priority. ♦

Calendar of Summit-Related Events

DATE	EVENT	PLACE
November 8-12, 1999	Working Group on the Draft Inter-American Declaration on Rights of Indigenous Peoples	Washington, D.C.
November 19, 1999	Meeting of Summit Implementation Review Group (SIRG)	Washington, D.C.
November 28-29, 1999	First Meeting of Inter-American Committee Against Terrorism	Miami
December 2-3, 1999	III Session of the IA Women's Commission Executive Committee (CIM)	Washington, D.C.
February 2000	Meeting of Ministers of Labor	Dominican Republic
February 2000	V Hemispheric Meeting of Ministers of Energy	Mexico
February 3, 2000	Hemispheric Meeting of Ministers of Finance	Cancún
March 2000	Meeting of Summit Implementation Review Group (SIRG)	Washington, D.C.
April 2000	Women's Affairs Ministerial of the Americas	TBA
June 4-6, 2000	XXX Regular Session, OAS General Assembly	Windsor, Canada

Summit-Related Sites

In addition to the FOCAL (www.focal.ca) and SOAC (www.americasnet.net) sites, the following provide useful information on the Summit process:

www.summit-america.org

The OAS Office of Summit Follow-Up. Best source of information on the Summit of the Americas process and the institutional memory for inter-American summitry. Provides the necessary technical support for the Summit Implementation Review Group (SIRG).

www.americascanada.org

Official Government of Canada website on Canada's role as host of the FTAA Trade Ministerial, the OAS General Assembly and the 2001 Summit of the Americas. Provides information about hemispheric events and conferences held recently in Canada, including the Summit of the Spouses of Heads of State of the Americas and the Pan American Games. Includes links to numerous other summit-related sites.

www.ftaa-alca.org/view_e.asp

Official Free Trade Area of the Americas (FTAA) website. Presents chronology of the FTAA process and declarations of principles from the Miami (1994) and Santiago (1998) summits with regard to trade, structure of negotiations, etc.

www.state.gov/www/issues/economic/ftaa/0599_ftaa_exec.html

Official website of the FTAA Committee of Government Representatives on the Participation of Civil Society. Contains the executive summaries of civil society mailbox submissions.

www.sice.oas.org

OAS Trade Unit Foreign Trade Information System. Includes information about dispute settlement mechanisms, intellectual property rights and investment treaties.

Civil Society and the Summit Process

A new manifestation of the trend toward democracy in the hemisphere is the increasing civil society involvement in policymaking at the national and regional levels. This involvement is at times chaotic, raising such key questions as: What is civil society? Who do these groups represent? Is the private sector part of civil society or is this space reserved exclusively for nongovernmental organizations (NGOs)?

Civil society issues have found their place in Summit documents since 1994. Mandates from Miami, Santiago and the Bolivia Sustainable Development Summit encourage governments to consult with national civil society organizations (CSOs) on hemispheric issues. Other commitments call on the OAS and the Summits to incorporate consultations with CSOs into their proceedings, with the goal of democratizing these forums.

Among the multilateral processes that involve civil society are the Inter-American Strategy for Public Participation in Decision-Making for Sustainable Development (ISP) and the FTAA "mailbox," a process that allows CSOs to submit their written concerns about trade issues. Proposed new multilateral processes include the OAS Guidelines for Civil Society accreditation, which could eventually lead to the participation of CSOs in Summit deliberations. The guidelines are a priority for a number of governments, notably Canada, the

Dominican Republic, the United States, Ecuador and Jamaica.

The current FTAA debate illustrates the problems that surround the issue of civil society involvement in multilateral negotiations. Some governments oppose civil society involvement in trade talks, while some CSOs want more than governments are prepared to give. A degree of accommodation between these two views is clearly needed. In addition to the question of political will, however, many CSOs lack information about Summit meetings and processes. Many do not have the resources to participate

at every meeting or suffer from intensely competing interests. Other CSOs oppose being grouped with private sector organizations, and most only focus on the FTAA and not on the overall Summit process.

The Toronto Trade Ministerial will include deliberations about whether to continue, improve or shut down the FTAA mailbox. The Ministerial itself will be preceded by a Civic Forum to discuss such issues as investment; finance and debt; and poverty and social exclusion. Some 300 CSOs from throughout the hemisphere are expected to attend. ♦

A Shared Vision

The Summit of the Americas Center (SOAC) and the Canadian Foundation for the Americas (FOCAL) are pleased to launch this joint newsletter with information on the Summit of the Americas process. SOAC and FOCAL have entered into partnership to reflect the widening circles of institutions that have a stake in inter-American relations. The next Summit of the Americas will be held in Canada in May 2001; with Canada taking the lead in so many hemispheric processes and events, we hope that these newsletters will shed light on the Canadian interest in leadership in the Americas and provide a new source of policy-relevant thinking for the region's decision makers. This first issue, timed for the November 1999 Trade Ministerial and the meeting of the Summit Implementation Review Group (SIRG), is intended to highlight key Summit-related developments.

Founded in 1990, FOCAL is an independent, not-for-profit policy center that is dedicated to developing greater understanding of hemispheric issues relating to inter-American relations, governance and human security, social policies and economic integration. FOCAL monitors developments in the Americas, works with experts to analyze emerging issues, and publishes policy papers on a regular basis.

SOAC was established by the Latin American and Caribbean Center at Florida International University, with the backing of the State of Florida, to monitor the initiatives of the 1994 Miami Summit. The center's mission is to provide independent analysis of the impact on Florida of free trade and other dimensions of hemispheric integration. SOAC's web page, www.americasnet.net, documents this ongoing process.

Both organizations share a vision of hemispheric integration in the broadest sense, not just economic, and not simply through periodic declarations and agreements. The integration process is real, if haphazard at times, and bifurcated into trade and nontrade tracks. It is easy to separate the institutional processes and the multilateral dialogues from the real needs of the region's citizens. In our view, inter-American summitry is not an end in itself; rather, it is a reflection of the ever-increasing links between the peoples of the Americas in their search for common solutions to problems that no longer have borders.

This newsletter is also available on our websites: www.focal.ca and www.americasnet.net. We welcome your comments. ♦

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