



SUMMIT FOCUS  
POINT DE MIRE SUR LE SOMMET  
ENFOQUE EN LAS CUMBRES



# THE SUMMIT OF THE AMERICAS FOLLOW-UP SERIES

## UNFUNDED MANDATES IN THE WESTERN HEMISPHERE

The Organization of American States (OAS), the Inter-American Development Bank (IDB) and Summitry of the Americas



**The Canadian Foundation for the Americas (FOCAL)** is an independent, non-governmental organization that fosters informed and timely debate and dialogue on issues of importance to decision-makers and opinion leaders in Canada and throughout the Western Hemisphere. Established in 1990, FOCAL's mission is to develop a greater understanding of important hemispheric issues and help to build a stronger community of the Americas.

FOCAL's main Program Areas include: poverty and inequality, economic development and trade integration, governance and democratic development, inter-American relations, North American integration and the Research Forum on Cuba ([www.cubasource.org](http://www.cubasource.org)).

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## FORWARD

The 1994 launch of the Summit of the Americas process in Miami opened a new chapter in hemispheric relations. Shared values and common interests became the organizing framework for regional discussions, a remarkable change in relations historically marked by distrust and division. Indeed, creation of a "Partnership for Prosperity" in the hemisphere linked together the futures of North, South, and Central America and the Caribbean in a new way, based on the understanding that shared prosperity depends upon economic integration and democratic development, not import substitution models and exacerbation of the North-South divide. At the time, agreement to establish a Free Trade Area of the Americas by 2005 grabbed the headlines, and continues to be a top priority, but it was only one of many initiatives that leaders agreed by consensus in such areas as democracy and human rights, good governance and anti-corruption, sustainable development, healthcare, education and women's rights.

As a comprehensive, integrated development agenda, the Miami Summit charted a bi-partisan course in U.S. policy that was further refined at Summits in Santiago in 1998 and Quebec City in 2001, and was itself the logical extension of the Enterprise for the Americas Initiative. Indeed, the Summit in Monterrey, Mexico in January 2004 takes these Summits as its antecedents, and is expected to build on previous work in the areas of Economic Growth with Equity, Social Development, and Democratic Governance.

The first Summit of the Americas took place at a time of hope, of an unusual convergence of values and aspirations throughout the Western Hemisphere, of market-oriented economic reform and positive per capita growth, and the emergence of democracy as the only legitimate form of government in the Americas.

The Special Summit in Monterrey takes place at a more troubled moment in the hemisphere, where disappointing economic statistics and popular impatience with the ability of democracy to improve citizens' social welfare has led to a divergence in some countries from the original Summit vision of shared opportunity and mutual responsibility.

In Monterrey, the leaders will have the opportunity to rededicate themselves to the positive values and practical initiatives approved in previous Summits, including the most recent meeting in Quebec City. Leaders will also have the opportunity to recommend new ways to unshackle the

entrepreneurial spirit throughout the region as a means to restore economic growth, create jobs, and reduce poverty, while simultaneously building the institutions that fully support democratic governance. They can also build on the 2002 United Nations Conference on Financing for Development in Monterrey, where President Bush joined other world leaders in pledging to significantly increase development assistance to nations practicing good governance, sound economics, and social justice.

We are pleased that the 2004 Monterrey Declaration will include concrete initiatives in such pressing areas as transparency and integrity in government, in setting high educational standards and combating HIV/AIDS, in fostering small and medium-sized enterprises and good jobs, and in harnessing the development potential of remittances. To each of these worthy goals, we urge leaders to attach measurable performance targets, adequate financial resources, and to identify committed instruments of implementation. Leaders should also ensure accountability and strengthen both internal and external monitoring and evaluation mechanisms. After all, the Summit documents will have little practical impact if leaders' commitments are not implemented. That is where the hard work is really done, and where the hard truth of Summit impact on the Americas can be measured.

We now have almost a full decade of Summit implementation experience. There are true successes. Some vital agenda items, such as the creation of the Free Trade Area of the Americas, and the Inter-American Democratic Charter, remain works in progress. Some agenda items, such as the Inter-American Convention Against Corruption, require renewed emphasis. If the 2004 Summit is to help restore Latin America and the Caribbean to economic and political health, commitments must be implemented, with specific purpose and resolve.

These critical issues come into sharp focus in the following report "Unfunded Mandates in the Western Hemisphere: The Organization of American States (OAS), the Inter-American Development Bank (IDB), and Summitry of the Americas." This forward-looking report raises important questions about regional implementation of the Summit agenda, essential issues for governments to consider as they prepare for Monterrey. The Summits of the Americas are the highest form of multilateralism in the Western Hemisphere, but governments often lack the means to implement their self-mandates. Hence, Plans of Action assign many initiatives to existing regional institutions, especially the OAS and the IDB. The study finds that for both regional institutions, despite posi-

tive intentions and real achievements, there remains a gap between the Summit directives and what the two premier regional institutions could be accomplishing. The study concludes with recommendations for improving Summit implementation.

The Council of the Americas, the Canadian Foundation for the Americas (FOCAL), the North-South Center at the University of Miami, and the APEC Study Center, University of California, San Diego are pleased to work together to publish this study in the hope of advancing the dialogue on these matters. In the Americas, as elsewhere, the diplomacy of summity is a new art form. Patience is called for, as governments learn how to better negotiate and design multilateral accords that turn words into deeds by meeting the real needs of their people. This study aims to contribute toward that understanding.



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*The views expressed in this report are those of the authors, not of the Canadian Foundation for the Americas, the Council of the Americas, the North-South Center at the University of Miami, and the APEC Study Center at the University of California, San Diego, which are nonpartisan public policy and research institutions.*

THE SIGNATORIES ENDORSE THE OVERALL CONTENT AND THRUST OF THIS POLICY REPORT AND SUPPORT ITS PRINCIPAL RECOMMENDATIONS, BUT MAY NOT AGREE FULLY WITH EVERY PHRASE.

## **Unfunded Mandates in the Western Hemisphere: The Organization of American States (OAS), the Inter- American Development Bank (IDB) and Summitry of the Americas**

### **EXECUTIVE SUMMARY**

The Summits of the Americas are the highest form of multilateralism in the Western Hemisphere, but they lack their own bureaucratic instruments with which to implement the Leaders' mandates. Hence, Summit Plans of Action assign many initiatives to existing regional institutions, especially the Organization of American States and the Inter-American Development Bank. Both institutions have advanced key Summit initiatives. However, while the OAS has become "nested" under the hierarchy of summitry, the IDB has eschewed subordination in favor of a "parallel" relationship pursuing largely convergent activities. For both regional institutions, there remains a wide gap between the many directives emanating from the Summits and what the two regional institutions have been able to accomplish. The study concludes with recommendations for improving Summit implementation:

- Summits should refine their "Plans of Action" to a leaner list of priorities that can be realistically implemented and where possible should be accompanied by measurable indicators of success;
- The IDB is gradually becoming more integrated into Summit preparations but more needs to be done to incorporate the Region's premier development institution into Summit preparation and implementation;
- The OAS should engage in a reform-for-resources bargain: further administrative reform as a condition for a bigger budget to carry out its Summit mandates;
- OAS and IDB cooperation on Summit implementation should be deepened and institutionalized.

### **RÉSUMÉ**

Les sommets des Amériques représentent la forme la plus haute de multilatéralisme dans l'hémisphère occidental malgré le fait que ce processus ne dispose pas des ressources suffisantes pour remplir ses mandats.

En général, les plans d'action qui résultent de ces sommets assignent de nombreuses initiatives aux institutions régionales existantes, plus particulièrement l'Organisation des États américains (OEA) et la Banque inter-américaine de développement (BID). Ces deux institutions ont fait avancer certaines initiatives clés du Sommet. Cependant, alors que l'OEA a été " nichée " sous la hiérarchie du Sommet des Amériques, la BID a évité la subordination en faveur d'une relation " parallèle " en poursuivant des activités qui convergent largement avec sa raison d'être. Pour ces deux institutions régionales, il demeure un énorme fossé entre les directives qui découlent des sommets et ce que ces deux institutions ont été en mesure d'accomplir. En conclusion, cette étude propose des recommandations afin d'améliorer la capacité d'implémentation du processus lié au Sommet des Amériques :

- Les sommets devraient épurer leurs " plans d'action " afin de produire une liste d'initiatives concrètes et réalistes, en favorisant celles pouvant être accompagnées d'indicateurs qui serviront à quantifier le succès;
- Bien que la BID soit graduellement en train de s'intégrer aux préparations liées aux sommets, il est nécessaire que la principale institution de développement régional s'incorpore davantage au processus de préparation et d'implémentation du Sommet des Amériques;
- L'OEA, dans le but de mener à terme ses mandats du Sommet, devrait s'engager dans une entente qui lui garantirait un budget plus important à la condition d'entreprendre une profonde réforme de son administration;
- La coopération entre l'OEA et la BID devrait être approfondie et institutionnalisée en ce qui concerne l'implémentation du Plan d'action du Sommet des Amériques.

## **RESUMEN**

Las Cumbres de las Américas constituyen la expresión más alta de multilateralismo en el Hemisferio Occidental; sin embargo, no dispone de los recursos necesarios para implementar sus mandatos. Por consiguiente, los planes de acción de las cumbres confían muchas de las iniciativas a otras entidades regionales, en especial la Organización de Estados Americanos (OEA) y el Banco Interamericano de Desarrollo (BID). Ambas instituciones han promovido iniciativas clave de las cumbres. No obstante, mientras que la OEA se ha visto "englobada" dentro de la jerarquía las cumbres, el BID ha procurado mantener una relación de "igual-

dad" y no de subordinación a la hora de acometer objetivos comunes. Ambas entidades están muy retrasadas en cuanto al número de iniciativas que han surgido de las cumbres y las que ellas han logrado realizar. El presente trabajo concluye con un grupo de recomendaciones encaminadas a mejorar la puesta en práctica de los acuerdos de las cumbres:

- Las cumbres deberían ceñir sus planes de acción a un grupo más reducido de prioridades que puedan ser implementadas más realistamente, y siempre que sea posible, acompañar tales iniciativas de indicadores para determinar el éxito de las mismas;
- El BID está cada vez más vinculado al proceso de las cumbres; sin embargo, es necesario que la principal entidad de desarrollo en la región se incorpore más activamente en las actividades de preparación e implementación de las cumbres;
- La OEA debería realizar una mayor reestructuración administrativa como condición necesaria para disponer de un mayor presupuesto que le permita llevar adelante sus mandatos emanados de las cumbres;
- La cooperación entre la OEA y el BID concerniente a la implementación de las cumbres debería profundizarse e institucionalizarse.

## INTRODUCTION

The two main institutional pillars at the heart of the "system" of inter-American relations are the Organization of American States (OAS) and the Inter-American Development Bank (IDB). With nearly 100 years of history between them, both are firmly established entities of recognized authority with highly articulated institutional norms and detailed bureaucratic routines. The OAS is the world's longest-standing regional political body, and the IDB is the oldest and arguably most respected major regional development bank. This institutional solidity is confirmed in marble and concrete: the headquarters of both institutions fill large buildings in Washington, DC.

The OAS and IDB are not independent bodies, rather they are inter-governmental inventions governed in principal and, in some measure in fact, by the governments that created and own them. Both bodies were founded through formal inter-governmental agreements. For the OAS, the highest authorities are the ministers of foreign affairs who convene annually as the OAS General Assembly, and periodically as crises require. Each government assigns an Ambassador to the OAS's Permanent Council, which meets regularly at OAS headquarters in Washington, handles ongoing political and administrative issues, and oversees the programs of the institution's main units. For the IDB, ministries of finance and in some cases economy or development, convene annually as the Bank's Board of Governors. Their representatives, the Executive Directors, compose the IDB's Executive Board that meets in continuous session in the Bank's Washington headquarters to review the policy memoranda and loan documents prepared by staff.

For decades, the OAS and the IDB have formed the core of the inter-American system (Rosenberg, 2001). Moreover, the division of labor between the OAS and IDB has been relatively clear and non-controversial: the OAS had jurisdiction over security, diplomacy and politics, and the IDB had responsibility for advancing economic development. The "system" was orderly and understood, lines of authority were clearly drawn and parallel jurisdictions well demarcated.

In late 1993 US President Bill Clinton invited the other 33 democratically-elected heads of state and government of the Western Hemisphere to attend a Summit of the Americas with a broad, multipurpose agenda covering political, economic and social issues (Feinberg, 1997). The 1994 Miami Summit would be the beginning of an on-going, increasingly institutionalized series of such high-level meetings connected by a web of fol-

low-up activities. The Miami Summit was the first such gathering of national leaders since 1967, and therefore, the first since the collapse of the Soviet Union and the end of the Cold War. Neither the OAS nor the IDB played major roles in the preparation of the December 1994 Summit (although the heads of both organizations were consulted during the preparatory meetings and addressed the gathering in Miami). Nevertheless, the assembled Hemispheric leaders signed a Declaration of Principles and a Plan of Action replete with 23 separate initiatives detailed in some 164 action items - and that stepped all over the jurisdictions of the OAS and IDB. The Plan of Action was divided into three sections, and the first, which dealt with "Preserving and Strengthening the Communities of Democracies of the Americas," overlapped mightily with jurisdictions of the OAS, while the second and third sections, "Promoting Prosperity Through Economic Integration and Free Trade" and "Eradicating Poverty and Discrimination in Our Hemisphere," invaded the central missions of the IDB.

However, the Summit leaders did not establish a new bureaucracy to implement their Plan of Action. Rather, they chose to rely heavily on existing institutions. In a detailed "appendix," the Plan of Action explicitly assigned many of its mandates to the OAS and IDB for implementation. This immediately raised the question of how the pre-existing institutions would be reconciled or reformed to adapt to the new institutionality of summitry. Nor did the Summit leaders place price tags on their ambitions, nor promise to authorize significant new monies, to fund their many mandates. Subsequent Summits persisted in this process of unfunded mandates. Other than occasional and very modest special contributions, the OAS and IDB were left largely to address Summit mandates within their existing budgetary resources.

The leaders that signed the Miami Plan of Action are the supreme political authorities in their governments, and are the direct superiors of the ministers of foreign affairs and finance that, in turn, govern the OAS and IDB. At first blush, therefore, the lines of authority would appear evident: the governing organs of the two central regional institutions would follow the orders of their leaders and take up the responsibility of turning the energies and resources of the OAS and IDB into instruments of Summit compliance. The actual story, however, is much more complex. In fact, there has been considerable slippage in the effective transmission of commands from leaders assembled at Summits to the OAS and the IDB. Initially, many political appointees and staff in both regional institutions perceived the Summit process as a threat to their institutional autonomy and resisted encroachment.

With the passage of time, the Summit process became more consolidated and institutionalized. Summits were held periodically (in Santiago, Chile in 1998, in Quebec City, Canada in 2001, and scheduled for Mexico in 2004 and Argentina in 2005). Summit implementation procedures were established, and an inter-governmental organ (the Summit Implementation Review Group or SIRG) meets quarterly to maintain continuity and review the reports from the various ministerials and other follow-up activities. As it became apparent that Summits were a permanent institution, the OAS and IDB became more responsive to Summit mandates. For example, both agencies now routinely release information cataloguing their contributions to Summit follow-up, and in the preparation for the January 2004 Special Summit in Monterrey, Mexico, IDB staff worked to prepare initiatives for inclusion in the Summit Declaration. Institutional responsiveness, however, has been unequal. To an impressive degree, the OAS - its Secretary General, national Ambassadors and senior management - has embraced the Summit process and mandates, and has significantly revamped its mission and agenda to conform to Summit Plans of Action. In contrast, the IDB has been more hesitant to adjust, even as important components of Bank programs do share Summit preferences, and the growth of some IDB programs can be attributed to Summits. In the construct of Vinod Aggarwal, the OAS has become "nested" under the hierarchy of summitry, whereas the IDB has eschewed subordination in favor of a "parallel" relationship pursuing largely convergent activities (Aggarwal, 1998). However, for both regional institutions, there remains a discernable gap between the pledges and directives emanating from the Summits and what the two regional institutions have been able - and could be capable - of accomplishing.

This study explores the reasons behind this slippage between the principals (the Leaders) and the agents (the two regional institutions). While understanding the creation of international institutions has long been central to the study of world politics, relatively little attention has been paid to the impact of new institutions on older ones (Aggarwal, 1998, p.ix). Why and how have the regional bodies shirked some of the commands of their erstwhile superiors, even after their CEOs agreed, in their Summit remarks, to the informal contracts that are the Summit Plans of Action? To what extent does the fault lie in the Summits themselves, a result of overloading institutions with far too many mandates with unclear priorities and few to no new resources? In what circumstances have the pre-existing regional agencies chosen to follow select Leaders' mandates? What are some of the key explanatory variables behind this behavior?

To understand the differential adaptations of two of the world's premier regional institutions to the new Summit phenomena, it has been necessary to look inside the institutional "black box" and to disaggregate their levels of authority, to consider the reactions of their CEOs, their on-site governing boards and their senior management. For this purpose, extensive interviews, including a structured quantitative survey and qualitative questions, were conducted in 2002 at both institutions at all three levels of authority. As the interviews proceeded, six variables emerged with varying levels of explanatory power: the governing ministerial authorities, the power of competing institutional mandates, the robustness of existing institutional missions, the character of internal bureaucratic structures, the breadth of membership, and the personality and incentives facing top leadership.

This study concludes with a prescriptive section that responds to the questions: how can Summit processes be better structured, and how can the OAS and IDB be reformed, to reduce the principal-agent slippage and to establish rules and procedures for this newly enhanced inter-American system wherein Summits are now an established feature? How can the two pre-existing regional institutions be more successfully embedded - better "nested" in Aggarwal's construct - in a Summit-lead regionalism? How can we improve institutional design?

To begin, we must first examine summitry in the Americas, as the highest form that multilateralism has taken in the Western Hemisphere.

## **MULTILATERALISM IN THE AMERICAS**

Theoretically, cooperation among nations is useful as they seek to manage common problems that cannot be solved in isolation, where spillovers across borders require joint action, where the creation of international public goods can benefit the participating parties, where information can be usefully exchanged, lessons learned and "best practices" shared (Ruggie, 1993; Simmons and De Jonge Oudraat, 2001). It is generally accepted that in the political, economic and social arenas, multilateralism can usefully contribute to the interests of the participating parties (nation states as well as private actors).

Relative to other regions of the world, the Western Hemisphere is a zone of peace. The overwhelming dominance of the United States in the military/security sphere has helped to secure the region from the sort of violent inter-state security conflicts of the sort that have long characterized

other conflict-intensive areas of the globe, notably Europe. Hence, with security concerns attenuated, conditions for effective multilateral cooperation in the more pacific issue domains appear propitious in the Western Hemisphere.

Summitry assembles the highest authorities of the state to engage in collective action. By institutionalized multilateral summitry - as opposed to just one-off summits - we refer to periodic meetings of Leaders as well as to the related complex of implementation mechanisms (the secretariats, oversight instruments, working groups, ministerials, conferences, projects, consultative groups, multi-stakeholder partnerships, endowments) that provide organic continuity between Summits. Despite its increasing importance, there are remarkably few studies of summitry, as most studies of multilateralism focus on international institutions that are essentially ministerial-led activities or, increasingly, on the role of private actors (epistemic communities, civil society organizations). Partly this bias can be explained by the newness of summitry. Summitry at the global level does not yet exist in a structured form, speeches by Leaders at the annual UN General Assembly or other one-shot UN gatherings notwithstanding. But summitry at the regional level is now commonplace - in the European Union, the African Union, the Asia Pacific Economic Cooperation forum (APEC), and many smaller sub-regional groupings such as the Association of Southeast Asian Nations (ASEAN) - and deserves more scholarly attention.

Summitry among the industrialized nations was the subject of an early study by Robert Putnam and Nicholas Bayne (Putnam and Bayne, 1984). Hangin' Together: The Seven-Power Summits drew attention to the annual summits of the leaders of the seven major industrial nations that had begun in 1975. Noting that "regular summitry of this sort is virtually unprecedented in modern diplomacy," Putnam and Bayne argued that Group of Seven summitry was a response to three fundamental needs: "to reconcile international economics and domestic politics, to supplant hegemonic stability with collective management, and to restore political authority over bureaucratic fragmentation and irresponsibility (Putnam and Bayne, 3, 7)." Putnam and Bayne gave mixed grades to G-7 summits, but overall endorsed this effort at collective action. They underscored the value of regular, high-level consultations and their contributions to building personal relations among leaders, and the opportunity to address common problems when the timing was good.

Western Hemisphere summitry is exhibiting some of the problems that Putnam and Bayne also identified in their G-7 study, and that are also common to ministerial multilateralism (Feinberg, 2000; Simmons and de

Jonge Oudraat., 2001, esp. chapters 17-18). There is the preference for making decisions by consensus, which drives language toward a least-common-denominator acceptability and gives small minorities veto power, making innovation and boldness more difficult - and frustrating the more powerful members. Logrolling among member states quickly adds up to long laundry lists of initiatives (The Miami Summit logged 164 action items, Santiago manufactured 141 and Quebec hit 245) (Mace and Loiseau, 2002). Weak surveillance mechanisms and faint sanctions regimes are also cropping up in regional summitry. In addition to these problems common to multilateralism at whatever level of representation, summitry adds another level of problems associated with top leadership constrained by short time horizons. As politicians, Summit leaders often suffer the familiar political plague of myopia, and from the parochialism induced by their natural preoccupation with their domestic agendas.

Most importantly, regional summitry often lacks its own instruments to implement its decisions. For example, in APEC, ASEAN and summitry in the Americas, there are no strong bureaucracies that have been created specifically to carry out the Leaders' mandates. In addition, there is often a wide gap between the scope of approved initiatives and the allocation of funds for their realization. Unfunded mandates are common attributes of regional summitry where Leaders are pressed by a wide array of pressure groups into making ambitious promises, and where implementation instruments are underdeveloped, problems of non-compliance are compounded (Simmons and de Jonge Oudraat, 2001, p.690).

In the Western Hemisphere, Leaders have sought to overcome this absence of bureaucratic and financial underpinning by turning to pre-existing regional institutions and assigning them responsibilities for following through on summit decisions. Yet, neither the governments of the Western Hemisphere nor scholars have focused sufficient attention on the implications of this new source of authority for the already existing inter-American system, of the introduction of summitry into hemispheric multilateralism.

Realistically, summits have a number of functions other than implementation of their Plans of Action. Summits underscore shared values, add legitimacy to certain ideas, help to fortify personal relations among leaders and their senior staffs, and may reduce tensions among states. For the leaders, summits can serve as platforms to display their diplomatic prowess and prestige, to impress the folks back home. But over time, if summit pledges of action remain unfulfilled, the whole summit process

will increasingly be perceived as "only empty rhetoric," and the other functions of summits will also suffer. The entire edifice of summitry requires at least some degree of transformation of words into deeds.

## **MEASURING IMPLEMENTATION**

The Summit Plans of Action explicitly assigned a large number of mandates to the IDB and OAS. What can we say about their records of implementation?

There are several daunting difficulties in any effort to score implementation. First, one has to specify whether we are measuring "outputs" such as loans, meetings and ministerials, or "impacts" such as improved health, more education or better governance, and if the latter, exactly which quantitative indices to employ, whether sufficient time series data is available, and to what degree any observed changes are attributable to Summit-induced actions. Second, are we measuring "effort" or "performance"? The institutions may have worked hard to achieve certain Summit goals only to find their efforts overwhelmed by variables beyond their control; for example, the sharp swings in the global economy that impact decisively on many Summit economic and social goals are hardly under the control of the IDB. Recognizing such difficulties, in surveying implementation of another multilateral initiative, the ministerial-level Community of Democracies, the Democracy Coalition Project (funded by the Open Society Institute) fell back on judging governments' efforts rather than trying to measure effectiveness (The Democracy Coalition Project, 2002). Third, can we attribute the actions of the regional institutions to the Summits, or might they have been motivated by other factors? Were the observed activities Summit-value added, or simply activities that would have occurred in any event, even if the institutions might opportunistically label them as fulfilling Summit mandates? Understandably, a survey by the Canadian Foundation for the Americas of some of the judicial reform called for in Plans of Action simply catalogued actions undertaken at the national level, without attempting to discern whether Summits, in one way or another, were the causal factor, other than to note that Summits had placed the issue "in the spotlight" (FOCAL, 2002, p.15). Fourth, with so many Summit mandates, it is to be expected that some mandates will be shirked partially or even entirely, such that the overall picture will be "mixed"; such was the conclusion of the one independent comprehensive effort to track Summit follow-up (Leadership Council, 2001; see also Mace and Loiseau, 2002).

Based upon interviews (see below), we can say with confidence that the IDB and OAS have taken meaningful actions that respond directly to some of the most important Summit mandates. Without doubt the most important policy initiative of inter-American summitry has been the launch and on-going impetus given to the negotiations for the Free Trade Area of the Americas (FTAA), arguably the most important single policy initiative in the history of inter-American relations. Without summits, there would have been no FTAA (Feinberg, 1997). While the idea of hemispheric free trade was hardly new, the 1994 Miami Summit transformed an inchoate aspiration into an official pledge and a detailed action plan with a date certain for completion. Subsequent summits have served to drive FTAA negotiations, as presidencies review progress being made by their trade ministries. Most recently, the proximity of the January 2004 Monterrey, Mexico Summit placed pressure on the November 2003 trade ministerial meeting in Miami to avoid an embarrassing breakdown of the FTAA talks. For their part, together with the UNECLAC, the IDB and OAS re-invigorated the Tripartite Committee that has coordinated their respective trade units to advance Hemispheric integration, through research, publications, training and backstopping the FTAA negotiations process (IDB, 2002c). Without doubt, the OAS and IDB have been champions of hemispheric economic integration. In the context of the 2003 US - Central America Free Trade Agreement (CAFTA) talks, the IDB responded with an ambitious trade capacity-building program of technical expertise and financial resources.

While the democracy promotion units in the IDB and OAS have origins independent of Summitry, interviews confirmed that Summits have raised their prominence, increased their budgets and revised their agendas (OAS, 1995-2002). The Summits have given a boost to efforts to open select OAS and IDB activities to representatives of civil society organizations (Payne, 2003). In many other areas, the IDB and OAS have taken actions that advance Summit mandates, although frequently it would be less certain that these actions were Summit-induced. As we shall see below, the OAS frequently acknowledges that its activities are the direct result of Summit mandates. The IDB is much more reticent to accept Summit authority; in three published reports, the IDB catalogues long lists of its projects that "coincide with" Summit goals; in the first two such reports, the Bank asserts, "In effect, practically all of the activities of the IDB contribute to the Agreements proposed at the Summits" (IDB, 2001b, 2002c, 2003).

Certainly, the IDB and OAS have shirked many Summit mandates. Jeffrey Puryear has documented the failure - particularly of the IDB - to fulfill the education mandates that were a centerpiece at the 1998

Santiago Summit (Puryear, 2000). Studies commissioned by the Leadership Council for Inter-American Summity have documented shortfalls in implementation of other important Summit mandates, including anti-corruption, counter-narcotics and sustainable development (Leadership Council, 1999). The above-cited FOCAL study of judicial reform found "uneven" progress (FOCAL, 2002, p 24). The OAS itself prepared an extensive internal "Implementation and Monitoring Chart" (2002) that lists the initiatives of the 2001 Quebec Summit together with the institution or country assigned "lead responsibility." In many cases where the IDB or OAS shouldered such responsibilities, the "actions taken" were either minor (e.g., attendance at a meeting, preparation of a report, approval of small isolated loans) in comparison to the ambitiousness of the mandate, or the action boxes were empty altogether.

**Table 1: Opinion Survey Questionnaire**

1. To what extent are you familiar in detail with the Summit of the Americas' Plans of Action?
2. To what extent do you feel that your governors or ministers consider the Summit Plans of Action to be authoritative mandates that should guide your institution's work?
3. To what extent do you feel that your institution's senior management (president/secretary general and other top executives) consider the Summit Plans of Action to be authoritative mandates that should guide your institution's work?
4. To what extent are Summits and/or their Plans of Action referred to at your institution's management meetings (of the Executive Board at the IDB, of the Permanent Council at the OAS)?
5. To what extent have Summit mandates been affecting your institution's actual allocation of resources, including overall strategies and programs (and for the IDB, loans and grants)?
6. To what extent have you allocated your own time and energies toward focusing your institution on advancing specific Summit initiatives?
7. To what extent do you feel that the Summit Plans of Action have been useful in helping your institution achieve the objectives that you feel are most important?

**Table 2: Survey Results**

Question #	1	2	3	4	5	6	7	Average
IDB Executive Directors (9)	2.3	2.6	2.6	2.4	1.9	1.4	2.9	2.3
Managers (8)	2.1	1.9	2.9	2.1	2.3	2	2.6	2.2
IDB Average	2.2	2.3	2.8	2.3	2.1	1.7	2.8	2.3
OAS Ambassadors (9)	3.3	3.7	3.6	3	2.7	3.6	3.7	3.4
Managers (9)	4	2.8	3.6	3.2	2.2	4	3.6	3.3
OAS Average	3.7	3.3	3.7	3.1	2.5	3.8	3.7	3.4

## SURVEY RESULTS

To better understand the uneven implementation record of the OAS and IDB, and to compare and contrast their respective behavior, an interview survey was conducted with the institutions' political authorities and senior management and less formal interviews were conducted with the CEOs.

A formal questionnaire was posed orally by the author in private meetings (Table 1 lists the seven questions) and respondents answered each question with quantitative answers, ranging from 1 to 4: 1 for "to very minor or no extent," 2 for "to little extent," 3 for "to some extent," and 4 "to a great extent." The survey results are recorded on Table 2.

In the OAS, among both Ambassadors and senior managers, there was a high degree of awareness of the details of Summit Plans of Actions, and all five managers declared themselves to be well informed of the basic Summit texts. Furthermore, the OAS Ambassadors and senior managers said that they have acted on this knowledge, reporting to have allocated their own time and energies toward advancing specific Summit initiatives. All five managers reported working "to a great extent" to focus the OAS on summitry. OAS respondents felt that the institution's senior management - in particular, Secretary General Cesar Gaviria - respectfully salutes summitry, recognizing the Summit Plans of Action to be "authoritative mandates" that should guide their institution's work. OAS Ambassadors were equally convinced that their bosses, the ministers of foreign affairs, held Summit Plans of Action to be authoritative mandates; but OAS managers, were less certain, suggesting some slippage in information flow from national ministries into the OAS bureaucracy.

When it comes to altering important aspects of OAS behavior, respondents were less affirmative. They found that the Permanent Council, which is comprised of one representative from each member state and acts as the permanent committee of the General Assembly in Washington, DC, remained preoccupied with routine internal matters and the crisis of the moment (often Haiti) and was therefore seized of Summit business just "to some extent." There was also widespread frustration that there was little flexibility in a budget that had been declining in real terms for many years, and that the OAS had only been able to reallocate resources in response to Summit mandates to between "to little extent" and "to some extent."

The IDB responses reveal a very different story. The IDB respondents scored lower - for most questions markedly lower - than did OAS respondents. Overall, on the four-point scale, whereas OAS respondents averaged a 3.4 - between "to some extent" and "to a great extent." IDB respondents averaged more than a full point lower, at 2.3 - between "to a little extent" and "to some extent."

To begin with, IDB awareness of Summit Plans of Action was rather low and correlated with an even lower allocation of the respondents' own time and energy on specific Summit initiatives. IDB respondents believed that

the hemisphere's finance ministers did not consider Summits as "authoritative" sources of power. Senior management reflected the view of managers that their highly respected CEO, President Enrique Iglesias, had communicated clearly that Summits were important. However, respondents generally agreed that the IDB Executive Board had paid scant attention to Summit Plans of Action and that the IDB has reallocated resources to respond to Summit mandates "to little extent."

To gain a more in-depth understanding of the key factors behind these quantitative results, interviews also contained a more qualitative, free-flowing discussion intended to probe the reasoning of the interviewee. The second-stage follow-up questions probed both the attitudes and activities of the interviewee's home institution and the differences between the two regional institutions in their responsiveness to Summit mandates. These discussions suggested six explanatory variables: ministerial authorities, competing mandates, institutional missions, internal structures, membership and leadership. First the IDB responses will be examined, followed by those of the OAS.

## **THE INTER-AMERICAN DEVELOPMENT BANK**

### **Ministerial Authorities and Competing Mandates**

IDB respondents noted that their Board of Governors - their supreme authority - is composed primarily of ministers of finance (some countries are represented by ministers of economy or economic development), and that ministries of finance have not been heavily involved in the summit process. Ministers of finance have for the most part not attended the summits and many finance ministries have not been very involved either in the diplomatic negotiations of the Plans of Action nor even within their own governments' inter-agency summit preparatory committees. Ministers of finance may have been elbowed out by other parties, or may have purposefully kept a distance from the summit process, precisely in order not to feel obligated by Summit mandates. Finance ministries tended to see the summit process as being directed by the offices of the Leaders or by ministries of foreign affairs. These agencies are, to varying degrees, bureaucratic rivals of finance ministries, and may also be pursuing different agendas, interests and even worldviews.

Within finance ministries, and within the IDB, attitudes toward presidencies and foreign ministries are not always flattering, as they are often perceived as being "political" and not fully understanding the hard realities of

the global economy. One IDB interviewee shared this opinion: "The credibility of the Summits' political leaders is not all that great. To what extent are they really talking to their local media, and how long will they be in office?" Another IDB official commented wryly, "Foreign ministries who run these (Summit) events are on their way to some place else." A third IDB respondent with prior experience in diplomacy remarked: "Foreign affairs ministries are good at drafting first-class communiqués, at arranging meetings - but the levers of real power at their disposal don't convert into anything." Yet another IDB respondent flatly dismissed Summits with a wave of his hand: "por la galleria," for popular consumption. So it is not surprising that ministries of finance seek to keep their distance from diplomatic processes perceived as serving the interests of other agencies whose motives and capacities are questionable. Symptomatic of this disinterest or even hostility toward summitry inside ministries of finance, one Executive Director remarked, "Many Latin American governments don't transmit to their Executive Directors the message that Summits are important. After Quebec, my government conveyed nothing to me, and the same would be true for other borrowing-country governments." Other Executive Directors confirmed such an absence of instructions from their ministries.

IDB respondents offered another (but not inconsistent) explanation for why finance ministries and the IDB itself - its Executive Directors, managers and staff - might not be fully responsive to Summit mandates. The Bank recognizes three sources of authority - none of which are Summits. For many years, the IDB has functioned with a guidance system consisting of three major elements: 1) the 1959 Agreement Establishing the Inter-American Development Bank (the Charter), which establishes the broad enduring purposes of the institution; 2) periodic replenishment agreements negotiated by the shareholders of the institution, which set priorities and targets for Bank action over a multi-year period; and 3) regular decisionmaking by the Board of Executive Directors on policy issues.

IDB interviewees repeatedly noted these three sources of authority, and demoted Summits with such descriptors as "guides," as "references to be taken into account." As one Executive Director affirmed, "Summits have no legal standing for the IDB. Mandates and issues become authoritative for the Bank only when they are incorporated into the Bank's official documents. If a Summit Plan of Action includes something that is outside of the context of the Bank's activities, it would not be an authoritative mandate." Or as one hard-nosed Executive Director asserted, "Summits are useful to the extent that they are consistent with the goals and objectives of my government."

Indeed, IDB documents make it very clear that Summit mandates are not IDB mandates, by omission: Summits are very rarely mentioned in IDB documents, whether public or internal, printed or electronic. Why might the IDB prefer these three accepted sources of authority? One explanation is bureaucratic: finance ministries and their Executive Directors are in charge of negotiating the replenishments, and it is hardly surprising that Executive Directors favor themselves in their capacity as the Board of Directors, while senior management are well positioned to have considerable influence over Board activity. In addition, the two sources of accepted authority outside the Board - the Charter and the replenishments - are at most very loosely binding. Current Bank activity has diverged greatly from the language of the 1959 Charter, apparently without consequence, and the replenishment planning documents are so general and broad as to encompass almost any activity that the Bank Board and management would prefer to pursue and so package. Thus, by paying homage to the Charter and the periodic replenishments, the Executive Directors and management maintain a wide freedom of action for themselves. To accept Summit mandates as binding would restrict that sphere of freedom.

However, the OAS might have acted under a similar logic, but, as we shall see, has behaved otherwise. So we must consider additional explanations for IDB behavior.

### **Institutional Missions and Internal Structures**

By coincidence the first Summit of the Americas occurred just months after the IDB had successfully negotiated its Eight Replenishment that elevated its capital base from \$60 to \$100 billion, guaranteeing it sufficient funds to increase its annual lending level to some \$8.5 billion and to sustain activity at that comfortable level far into the future. The replenishment gave the Bank a series of missions including poverty alleviation, modernization of physical infrastructure, regional integration, environmental protection and strengthening of the private sector. With this reaffirmation of political support, a big capital injection and a negotiated mission statement, the IDB understandably felt no need for additional political backing or further mission requirements.

At the same time, it was not surprising that the Miami Summit texts mirrored many of the themes of the IDB's Eighth Replenishment, since both documents were elaborated by the same governments (if not necessarily the same agencies or officials) at the same moment in history. This convergence of themes made it easy for the IDB to embrace those

Summit themes that coincided with its own agenda. Further, select offices within the IDB welcomed the Miami Summit Plan of Action because it helped to further legitimize or give greater focus to their missions. The fledgling office in charge of democracy promotion - "modernization of the state (MOS)" in IDB-speak - was fortified by the Summit. As an IDB interviewee noted, governability was not within the traditional IDB mandates or agenda, such that Summits have served the MOS office as a useful reference: "Summits are a way to make international rules without having to amend the (IDB) Charter." Also within the IDB, the office dealing with regional integration and trade policy saw its salience sharply upgraded and its agenda reoriented as a result of the Miami agreement to pursue a Free Trade Area of the Americas.

The structure of the Bank's internal decisionmaking procedures also made it very difficult to implement any set of finely targeted programs across the breadth of the Bank's clientele. The Eighth Replenishment mission statements set broad guidelines for the Bank's main business - loans, grants and technical assistance - but the interviewees repeatedly asserted that the preferences of the borrowing-country governments was at least as weighty a determinant. The Bank was simply not structured to run the sort of cross-country campaign that would be required to implement such Summit targets as universal education through sixth grade by 2010 and a secondary school enrollment rate of at least 75 percent. As one Executive Director explained the reasons for the Bank's inability to reach Summit-set education goals, "The Bank was prepared to lend but countries didn't come forward with the loans...the power of the Bank is limited vis-à-vis the countries." A published Bank study on educational reform (IDB, May, 2000, p.44) concluded with the exhortation, "The IDB will also have to take a more proactive attitude in the search for meaningful (education sector) operations."

Bank officials are well aware of this balance of power, and are seeking some redress: in 2002 the Executive Board laid out a new approach that envisioned that country programs will have development targets for performance in sectors where the Bank has relevant activity and results are attributable to Bank actions. But the proposals to set sectoral performance targets and to monitor outcomes would not necessarily apply to Summit mandates. The Executive Board periodically reviews implementation of Replenishment goals, but has no such mechanism for tracking realization of Summit mandates. As one Executive Director admitted, "There is no formal mechanism for Summit implementation." The Bank's publications, Quebec One Year After (IDB, 2002b), and Two Years After Quebec (IDB, 2003), were careful to report on implementation of President Iglesias' promised projects, not on the implementation of

Summit mandates per se. The 2002 publication had not been reviewed at the Executive Board and few of the interviewees were even aware of its existence.

Another constraint on the Bank's capacity to follow Summit mandates is established bureaucratic structures. The interplay of institutional checks and balances has built a stable bureaucracy with strong rules and procedures, and this consensual governance structure seeks a balanced approach across multiple sectors. Within the IDB, some refer to a "silencing" of activities by sector and geographic sub-regions, impeding coherent Bank-wide programming as well as any major reallocation of resources. One individual, now retired, with years of experience in the Bank said graphically, "There are really four banks - the president and senior management, and the three regional operations departments."

In sum, the IDB has worked with vigor to advance a number of priority Summit mandates, and no development institution - especially one already burdened with compelling mandates - could have responded faithfully to all of the hundreds of accumulated Summit Action items. Further, the mixed record of the IDB in Summit implementation is deeply rooted in the Bank's internal structure and standard operating procedures. The power of the borrowing countries makes it difficult for the Bank to drive specific development goals across the region. The Bank's bureaucracy itself is internally fractured, in ways that, to at least some degree, reflect and reinforce borrowing-country power and impede proactive, region-wide programming. The Bank does not generally pursue campaigns nor quantitative outcomes. In any case, the Executive Board has purposefully chosen not to establish strong mechanisms to pursue nor monitor the implementation of Summit mandates, nor does it perform that task itself.

## **Membership and Leadership**

The IDB's membership of 46 nations includes "non-regional" nations in Europe and Japan. Might the non-regionals - who do not sign the Summit texts - be major roadblocks to IDB follow-up of Summit mandates?

Formally, the IDB is governed by a system of weighted voting power that reserves only 16 percent for the non-regionals. The Latin American and Caribbean nations are guaranteed a slight majority - fortifying the image of a "borrowers" bank - while the United States has 30 percent and Canada 4 percent. Depending on the issue, IDB votes would be by simple majority or by two-thirds for major policy issues. With just 16 percent

of the voting shares, even if the 18 non-regional members voted as a bloc, they would still lack the ability to overrule Hemispheric members who together hold an overwhelming 84 percent.

The non-regionals' influence, while difficult to measure, is not considered very great except where they have set up special trust funds with their own monies. In interviews, non-regional Executive Directors did not claim to have vetoed IDB implementation of Summit mandates, and their view of the sources of Bank authority mirrored the broader emphasis on the Charter, replenishments and the Executive Board. But non-regional interviewees did note that their governments were not present at Summits and had not signed Summit texts. While not necessarily an overriding problem, the presence of non-regional nations within the IDB - nations not included in Western Hemisphere summitry - is a matter that has been overlooked by Summiteers.

In explaining IDB responsiveness to Summits, many interviewees referred to the leadership style of Enrique Iglesias. Having served as Secretary General of the UN Economic Commission for Latin America and the Caribbean, as Foreign Minister of his native Uruguay, and as IDB president since 1988, Iglesias is the de facto dean of inter-American relations, quite possibly the most respected and beloved figure in Hemispheric inter-governmental affairs. Respondents frequently noted Iglesias' personal enthusiasm for Summits, particularly at Board meetings immediately following Summits, an enthusiasm underscored in our personal interview. Iglesias has attended each of the Summits and on each occasion has delivered speeches affirming that Summit themes mirror those of the IDB, and pledging that the IDB will help to carry out important Summit initiatives. Yet, as an extraordinarily successful balancer of interests, Iglesias may prefer the degrees of freedom that result from his institution denying Summit mandates full authority, bestowing on him wider room for maneuver as he conciliates the many diverse interests that bear on his Bank.

Iglesias had good reasons to accept the "convergence" approach whereby the IDB has preferred to pursue those Summit initiatives that reinforce otherwise established Bank policies. As many interviewees underscored, Bank management is already burdened with more mandates than it feels it can fulfill, and does not need to seek major new missions (in contrast to the OAS, as we shall see). As a result of the 1994 Eighth Replenishment, Iglesias already had the capital resources and political endorsements he needed. Moreover, Iglesias had to be very sensitive not only to the non-regionals but also to the resistance coming from his most fundamental base of political support, the representatives of the bor-

rowing nations - their finance ministries who compose his Board of Governors, their Executive Directors and the majority of his senior managers.

Now let us turn to the OAS, and examine the same explanatory variables, comparing and contrasting the two regional institutions and their response to regional summitry.

## **THE ORGANIZATION OF AMERICAN STATES**

### **Ministerial Authorities and Competing Mandates**

OAS Ambassadors strongly indicated that they felt that their ministers of foreign affairs consider the Summit Plans of Action to be authoritative mandates that should guide the work of the OAS. The process of negotiating the Plans of Action is led by foreign ministries in most countries, giving them the buy-in that comes from participation and influence. Foreign ministers accompany their Leaders at the Summits. And foreign ministries take the lead in the follow-up processes of summitry. A 2001 OAS report noted this overlap of institutional authority: "The present agenda of the OAS is derived from the Summits of the Americas process, and the ministers of foreign relations are responsible for both the OAS agenda and the Summit process" (OAS, 2001, December, p.26).

Furthermore, the foreign ministers have grasped the opportunity of the Summits to establish their coordinating role, through the OAS, over the periodic meetings held by other ministries. At the 2001 Quebec City Summit, the Plan of Action (drafted primarily by foreign ministries) instructed the OAS "to support the Summit of the Americas Process, as technical secretariat, and to provide support to ministerial and sectoral meetings relevant to the OAS." Weakened over recent decades by the rise of specialized issues in international affairs where authority and expertise lies in other government agencies, foreign ministries welcomed this coordinating role.

Foreign ministers compose the OAS's supreme governing body, the General Assembly. In a series of formal resolutions passed at its annual meetings, the General Assembly has directed the OAS to consider Summit mandates as binding on the OAS. Shortly after the Miami Summit, the General Assembly (OAS, Resolution AG/RES. 1349) set up a Special Committee on Inter-American Summits Management of the Permanent Council "to ensure follow-up of the activities assigned to the

Organization by the Summit of the Americas" (OAS, Annual Report 1995-96, p.7). Responsive to their ministers, the Ambassadors assigned to the Permanent Council requested the Secretary General "to formulate a plan to follow-up on the initiatives of the Summit of the Americas relating to the various organs, agencies, and entities of the OAS" (OAS, Annual Report 1995-96, p.11), and the Permanent Council transmitted a report by the aforementioned Committee on Summits Management to their ministers on the follow-up to the decisions of the Miami Summit.

If there are so many powerful explanations for foreign ministries to link the OAS to summitry, why did OAS senior managers doubt that their ministers consider Summit Plans of Action to be authoritative mandates? Respondents suggested two reasons for their perception that ministers of foreign affairs are not fully behind the summitry-OAS linkage. First, senior managers look to the OAS Permanent Council for their day-to-day instructions and oversight. But there is evident slippage in the transmission of instructions or perceptions from ministers to ambassadors to senior management. Second, some senior managers reported differential commitments to summitry among the various governments. One senior manager went so far as to suggest that some of the larger countries "could care less," while some other countries, notably Canada and Chile that had hosted Summits, were very committed. More generally, the three major powers in the hemisphere, namely the United States, Brazil and Mexico, have an ambivalent record with regard to multilateralism in inter-American relations, and arguably that attitude translates, or is perceived to translate, to an ambivalent relationship to the OAS and to summitry.

Shortly after the April 1998 Second Summit of the Americas in Santiago, Chile, the General Assembly of that year resolved to fully incorporate the mandates of the Santiago Plan of Action into the organization's agenda (OAS, Annual Report 1998-99, p. x). In marked contrast to the IDB, whose official documents (internal and public) and web site rarely mention Summits, OAS documents are replete with positive references to Summit mandates. In their annual reports, many of the OAS units refer to Summit mandates as benchmarks against which they measure their own agendas. The OAS web site affirms that "Through the Summit of the Americas process, the hemisphere's heads of state and government have given the OAS important responsibilities and mandates," which are then enumerated (OAS, 2002). In the web site's "OAS History at a Glance," Summits are highlighted, and it is noted that the Miami Summit "established a range of roles and priorities for the OAS" (OAS, 2002).

Interviewees reported that in the early years of summitry, there were some in the OAS that did question the authority of Summit mandates. But this skepticism faded as ministers through the General Assembly made clear that they considered the Summit Plans of Action to be binding on the OAS, as they instructed the OAS to implement Summit mandates, and as they pressed the OAS to restructure itself to fulfill these instructions from the Leaders. In 2002, during the General Assembly in Barbados the foreign ministers momentarily constituted themselves as the Summit Implementation Review Group, normally a working-level committee, to indicate that the foreign ministers themselves were serious about Summit implementation and that, in their minds, the summit process and the OAS were increasingly joined. With these signals, OAS Ambassadors and senior staff also came to grasp that the Summits were beneficial to the authority of the OAS.

### **Institutional Missions and Internal Structures**

The OAS had been in decline since the fading of the Alliance for Progress and the attenuation of the Cold War. The old security agenda seemed largely irrelevant, the United States considered the institution ineffectual and blocked by distrustful Latin American and Caribbean members who in turn feared that the US would abuse its power to bend the OAS to its will. As a clear sign of their discontent and disinterest, the OAS member states had been slicing its budget and personnel. Thus, summitry came along at a fortuitous time for the OAS: an organization in search of a new agenda was met by a new process in need of implementing instruments (Rosenberg, 2000).

The OAS Annual Reports provide solid evidence that the institution's agenda has been reinvigorated and molded by summitry. In a summary of his first five-year term, Gaviria wrote of "solid gains on the Hemispheric agenda," "an agenda configured on the basis of resolutions adopted by the political organs of the Organization and mandates approved at the 1994 and 1998 Summits of the Heads of State and Government" (OAS, Annual Report 1999-2000, p. xi.). Interviewees offered such testimonials to summitry: "Without Summits, the OAS would be virtually obsolete and limited to formalisms, the Summits give the OAS all of its new life and energy.

OAS senior management had detailed knowledge of Summit Plans of Action, and gave numerous examples of areas where summitry has enhanced the OAS's agenda and influence on matters that are central to

inter-American relations, including the Unit for the Promotion of Democracy, the Trade Unit, the Inter-American Drug Abuse Control Commission (CICAD), the Inter-American Telecommunications Commission (CITEL), the Unit for Social Development and Education, the Inter-American Agency for Cooperation and Development (IACD) and the special committee responsible for drafting the Inter-American Democratic Charter, among others.

The internal structure of the OAS has been modified to strengthen units assigned important Summit mandates. The Unit for the Promotion of Democracy has been expanded to 19 staff members. CICAD was given the responsibility for the Multilateral Evaluation Mechanism mandated by the Santiago Summit. The Trade Unit was created in 1995 and by 2000 had 12 staff members. (OAS, Annual Report 1999-2000, p.246, table 16).

Since Miami, the OAS has gradually but continually been creating mechanisms dedicated to the oversight of Summit implementation. Shortly after Miami, the Permanent Council established the Management Committee on Inter-American Summits (later renamed the OAS Special Committee on Inter-American Summits Management). The OAS offered to host and, increasingly, to staff the Summit Implementation Review Group (SIRG), an inter-governmental roundtable convened quarterly with the purpose of monitoring Summit follow-up and preparing future Summit agendas. Despite these internal reforms, one respondent pointed out that both the Committee on Inter-American Summits Management and the Office of Summit Follow-up lacked the requisite means and procedures to effectively evaluate Summit implementation.

OAS respondents expressed frustration with the budget process. Many respondents pointed out that the OAS budget had been frozen in nominal terms for some years and hence had been declining in real terms. The OAS's central budget for 2002, \$76 million, fell well short of the \$100.4 million level required just to have maintained the purchasing power in the 1995 budget when summitry began (OAS, 2001, December, p.11). In 2001 Gaviria ordered his Chief of Staff to meet with every Unit to review the budgetary implications of the mandates assigned to the OAS by the Summit process, as a signal of the importance he attached to Summit follow-up (OAS, 2001, December, appendix J), an exercise that underscored the misfit between mandates and resources. Some respondents expressed the hope that summitry would eventually provoke governments to re-examine the long-suffering OAS budget.

## **Membership and Leadership**

With its 34 active members, the OAS membership is the same as summitry (Cuba remains a Charter member of the OAS, even if its participation has been suspended since Fidel Castro rose to power, and it has been excluded from summitry for not meeting the "democratically elected" criteria established by President Clinton in his invitations to the first Miami Summit). The OAS has granted permanent observer status to over 44 states, including Japan and European states, but they have no voting power. So the OAS does not face the problem that the IDB has with voting members that do not participate in Western Hemisphere summitry.

Numerous respondents underscored Secretary General Gaviria's commitment to Summit implementation and to binding the OAS to summitry, so clearly expressed in his introductions to the OAS Annual Reports. Before Gaviria took the helm, during the preparation for the 1994 Miami Summit and in its early aftermath, some at the OAS not only questioned the authority of Summits but saw summitry as a threat to the primacy of the OAS as the Hemisphere's leading political institution. However, Gaviria grasped that far from being a threat, summitry was the means to rejuvenate the OAS, to enhance its authority, to remodel its mission and to widen its agenda. He has worked hard to seize that opportunity, and has used summitry to drive a process of permanent modernization and reform of his institution.

Whereas summitry began at a time when the IDB had a strong sense of mission and a capital base heading toward \$100 billion, Gaviria inherited an OAS adrift and starved for resources. Gaviria therefore had good reason to reach out to summitry for a new agenda and, possibly, additional funding. History and personality may also have played roles in explaining Gaviria's embrace of summitry. As a former head of state, Gaviria may have identified personally with the Summit process and declarations signed by presidents. Gaviria is perhaps less concerned than Iglesias with the opinions of the managers in his institution or member states. To be sure, as compared to Iglesias, he had an important advantage: whereas Iglesias had to contend with Ministers of Finance often indifferent or even hostile to summitry, Gaviria's governing board consisted of Ministers of Foreign Affairs.

## **CONCLUSIONS**

The attitudes and responses of the two regional institutions to the imposition of summitry in inter-American relations, as suggested by our inter-

view survey and examination of institutional documentation, differ sharply. This differential response can be explained with reference to the six variables examined above: ministerial authorities, competing mandates, institutional missions, internal structures, membership and leadership.

Governed by the same foreign ministers responsible for organizing Summits, the OAS is more prone to consider Summit mandates to be authoritative, while the IDB, governed by ministers of finance who are inveterately suspicious of foreign ministries, is more likely to question the authoritativeness of Summit mandates crafted by foreign ministries. As the Summit process got under way in 1994, the IDB was fully loaded with challenging mandates freshly approved by its governing board and member states, while the OAS was in search of new purposes which, it soon came to recognize, were being served up in abundance by summitry. The IDB was satisfied with its institutional missions as prescribed by its Charter, replenishments and governing authorities, and did not welcome additional constraints on its freedom of action. The OAS also had a Charter and governing authorities, but rather than being showered with new resources via a replenishment, governments were cutting its budget, rendering it more receptive to new missions that might enhance its prestige and, eventually, attract new resources. Furthermore, OAS membership is virtually identical to Summit participation, while the IDB has to contend with non-regional voting members who feel excluded from Summits and are less ready to accept its instructions. Finally, the CEO of the OAS has energetically seized upon summitry to empower and refashion his institution.

Not surprisingly, the OAS has moved much more expeditiously than the IDB to establish internal mechanisms to promote implementation of Summit mandates, even as bureaucratic structures, budgetary limitations and member interests have constrained adaptation in both regional institutions.

Assigning relative weights to these six variables in our two case studies is a hazardous exercise. But the importance of ministerial authority and robustness of institutional mission (and its corollary, budgetary health) stand out: governed by foreign ministries deeply involved in Summits and desperately in need of new missions and financial resources, the OAS had good reasons to look favorably on Summits, while the IDB, governed by rival finance ministries and already stuffed with mandates and replenished with resources, had good reasons to remain comparatively aloof. Competing mandates and internal structures might carry intermediate weight: they can be obstacles to adaptation, but may be overcome in time

with sufficient political will. When membership between institutions is identical, as it is between Summits and the OAS, nesting is easier than when the overlap is imperfect, as it is with the IDB, even if deft diplomacy might well be able to ameliorate tensions. While the decisive leadership of OAS Secretary General Cesar Gaviria does appear to have made a difference at the outset, it is possible that over time the other compelling factors would eventually have yielded a similar outcome.

## **Policy Recommendations**

Summitry is the newcomer to the emerging inter-American system, a system that is very much a work in progress. Summitry is a new diplomatic art form that will take many years to perfect. From this analysis, various policy recommendations follow to improve the consistency and efficiency of this exercise in regional multilateralism.

- Governments need to design negotiating modalities that contain the logrolling so common to multilateralism and produce a leaner list of priority mandates that command more legitimacy and authority in the regional institutions to which they are assigned. A more realistic, refined list of mandates would help to overcome the principal-agent shirking problem by making institutional performance easier to monitor. Better monitoring and evaluation would help to add the element of accountability that has been lacking. Accountability - getting agencies to serve agreed-upon goals - would be further enhanced if Summit mandates posit measurable indicators of outputs and outcomes (Wilson, 1989, p.315 and chapter 9 on "Compliance," pp.154-175; Moe, p. 756; Pratt and Zeckhauser, p.5).
- To nest the IDB more comfortably within summitry, its governing authorities, the ministries of finance as well as its Executive Board and senior management, need to become more deeply engaged in the various stages of summitry, including the preparation of Summit mandates. If the IDB as an institution is participating actively in summitry such that it can insure that any mandates assigned to it are consistent with its other sources of authority, the non-regional members are more likely to accept a working relationship with the Summit process. In preparation for the January 2004 Monterrey Special Summit, a working dinner pulled together the SIRG (with its strong OAS presence) and the IDB's Executive Directors, a positive step toward drawing the IDB as an institution deeper into the Summit process. IDB staff were also involved in helping to pre-

pare the Summit declaration and some of its initiatives. Additional steps might include convening a meeting of ministers of finance just prior to Summits to review the draft declaration and key initiatives that would require funding, and for the IDB Executive Directors to attend Summit meetings.

- The OAS has embraced summitry but its ability to perform effective agency is constrained by its debilitating lack of resources. The OAS could engage in a reform-for-resources bargain: internal administrative reform as a condition for a bigger budget. The OAS needs to be much more aggressive in fundraising from a variety of sources, including member states but also through partnerships with the private sector and non-governmental organizations. In return for these resources, the OAS needs to cut overhead costs and revamp the Permanent Council to make it a more efficient governing body more responsive to the external environment. Furthermore, the OAS's existing Summit follow-up mechanisms need more authority and resources if they are effectively monitor and evaluate the implementation of Summit mandates.

- A more effectively integrated inter-American system requires deeper cooperation between these two mature regional bodies. Officials at the IDB and OAS who are responsible for overlapping issues could form inter-agency working committees to exchange information and on occasion engage in joint projects. With its vastly superior capital base, the IDB should be allowed to fund more Summit-mandated OAS projects, especially when there has been joint consultation. A good precedent for such inter-institutional cooperation is the Tripartite Committee (IDB, OAS and UNECLAC) that works to advance Hemispheric trade integration.

Many of these proposed reforms face serious diplomatic and bureaucratic obstacles: the present summitry process reflects deeply embedded characteristics of inter-American relations; and the existing regional institutions are encumbered with their own interests and inertia. In the end, however, the member states have the authority to further refashion the inter-American system. Only history will reveal whether the constituent states decide that it is in their respective national interests to fashion a more coherent, orderly and effective inter-American system.

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