

ACHIEVEMENTS OF THE SUMMITS OF THE AMERICAS: INSTITUTIONAL CONTRIBUTIONS



IOM International Organization for Migration
OIM Organisation Internationale pour les Migrations
OIM Organización Internacional para las Migraciones



THE SUMMITS OF THE AMERICAS SECRETARIAT OF THE ORGANIZATION OF AMERICAN STATES (OAS) WAS RESPONSIBLE FOR THE COORDINATION AND PUBLICATION OF THIS REPORT, AND RELIED UPON THE CONTRIBUTIONS OF THE INSTITUTIONS MEMBERS OF THE JOINT SUMMIT WORKING GROUP IN ITS PREPARATION, ALL OF WHOM WE THANK VERY MUCH FOR THEIR COOPERATION

Achievements of the Summits of the Americas: Institutional Contributions

Joint Summit Working Group Report on
the Implementation of the Mandates from
the Third Summit of the Americas and
the Special Summit of the Americas

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Preface

In July 2001 the heads of the General Secretariat of the Organization of American States (OAS), the Inter-American Development Bank (IDB), the Pan American Health Organization (PAHO), and the United Nations Economic Commission for Latin America and the Caribbean (ECLAC) decided to “establish a permanent process of coordination and information” to provide the necessary support for implementation of the mandates of the Summits of the Americas Process. The initiative comes in response to the mandate of the Plan of Action of the Third Summit of the Americas “to deepen partnerships and coordination between the Summit of the Americas Process and its partner institutions, including examination of the suitability of new relationships with subregional multilateral development banks”.

Working in conjunction with the above-mentioned entities are the Inter-American Institute for Cooperation on Agriculture (IICA), the World Bank, the Andean Development Corporation (CAF), the Central American Bank for Economic Integration (BCIE), the Caribbean Development Bank (CDB), the International Organization for Migration (IOM), the International Labour Organization (ILO) and the Institute for Connectivity in the Americas (ICA). These institutions comprise the Joint Summit Working Group (JSWG).

Introduction

This report presents and describes the implementation of the mandates given to the institutions of the Joint Summit Working Group (JSWG) that were adopted by the Heads of State and Government of the Americas who met at the Quebec Summit in 2001 and the Special Summit in Monterrey in 2004.

There is no precedent in the history of the Hemisphere for a process that has led a dozen entities, some from the inter-American system, others belonging to the United Nations system, and still others of regional nature, to work together in a spirit of cooperation. If the Summits Process has been pivotal in enabling the Member countries to develop a common language and adopt shared goals, it has also been fundamental for the entities comprising the JSWG, in that it has furnished them with countless points of common interest.

The object of this document is to present in a single text the report of the institutions on the implementation of the mandates of the Third Summit of the Americas and of the Special Summit of the Americas in Monterrey. This report covers diverse activities and reflects the type of support provided by each entity in keeping with their particular nature and areas of specialization.

As the following pages clearly indicate, the Summit Process addresses a multitude of concerns of importance to the people of the Hemisphere. As is often the case, results are encouraging in many of these areas, yet a redoubling of efforts is necessary in order to meet all of the commitments that have been adopted. That said, it would be fair to describe the achievements as substantial, especially with regards to the advances in such areas as democracy-building, the fight against HIV/AIDS, and the development of connectivity in the Hemisphere.

Does that mean that the countries represented in the Summits Process have overcome the challenges examined? Not at all. However, the progress made and the fact that the partner institutions of the JSWG have cooperated decisively in the accomplishment of different goals are reasons for hope.

Presentation of the

OAS Secretary General

Speaking on behalf of the institutions making up the Joint Summit Working Group, the Organization of American States is pleased to present this publication, which contains a report on the most significant activities carried out by the institutions associated with the Summits of the Americas Process in order to implement the mandates of the Declaration and Plan of Action of Quebec and the Declaration of Nuevo León.

The Summits of the Americas Process revived the importance of inter-Americanism, revitalized the multilateral agenda, and achieved recognition of the fact that the inter-American organizations comprising the Joint Summit Working Group are important players in promoting solidarity and collective action, which commit us all to attaining a better future for the Americas.

The Joint Summit Working Group, which comprises institutions in the inter-American system, the United Nations, the World Bank, and subregional banks has been performing a major role in helping countries to implement the mandates of the Summits, by providing technical assistance, sharing experience, running training courses, supporting the implementation of recommendations, and preparing diagnostic assessments, in keeping with their respective comparative advantages, thereby providing value added to this joint effort.

The purpose of this report is to underscore that support and, at the same time, to inform governments and the general public about the outcomes of the Summits of the Americas.

The Group's coordinated work has facilitated more active and organized participation by these institutions in ministerial meetings and, hence, in the Summit Process. It has helped to avoid duplication of efforts and to guide programs and actions toward fulfillment of joint objectives, and in so doing it has strengthened the common hemispheric agenda.

Since the Summit of the Americas held in Miami in 1994, there has been considerable growth in the support and involvement of the institutions in the Summit Process. In the case of the OAS, in particular, this institution's agenda has become increasingly tied to fulfillment of the mandates of the Summits of the Americas. The IDB has also stepped up its participation in Summits-related activities and has provided loans and technical cooperation in areas directly linked to the presidential mandates. For its part, ECLAC, too, has been lending its support to the process in a number of different sectors. Particularly worth underscoring are its work in the connectivity and transportation sectors, and, especially, its support to the Free Trade Area of the Americas (FTAA) negotiations, through its participation in the Tripartite Committee, along with the OAS and the IDB.

PAHO and the IICA have a more clearly defined task, as they have taken the lead in monitoring and implementing the mandates in the health and agricultural fields, respectively. The World Bank and the subregional banks; CABEL, CDB, and CAF have also been supporting key projects for the economic integration of the Americas that address several of the mandates established in the Summits of the Americas. For their part, IOM, ICA, and ILO have all been very actively involved in the preparations for the IV Summit of the Americas.

Coordinating efforts to support monitoring and implementation of the Summits of the Americas poses a great challenge for the members of the Joint Summit Working Group, who have committed to achieving greater integration of the Summit' mandates in their own agendas and in their technical and financial cooperation activities. The Group's goal is to continue consolidating its work of coordination and support to governments in the implementation and monitoring of the mandates, through cooperation activities; the preparation of evaluation mechanisms, indicators, and diagnostic assessments; and the financing of programs and projects designed to foster the social and economic development of the Americas.

JOSÉ MIGUEL INSULZA

Secretary General

Organization of American States

Contribution of Canada

As Host of the Third Summit of the Americas

Sovereignty in the 21st century is increasingly about open, democratic, and accountable governments building partnerships at all levels, thereby creating a more secure and prosperous world for all.

- Prime Minister Paul Martin, Monterrey, January 2004

Canada was honoured to serve as Chair of the Summit of the Americas Process from November 1999 to June 2003 and to host the Third Summit of the Americas in Quebec City in April 2001. The Quebec City Summit highlighted Canada's commitment to the Americas and underlined the importance of a balanced hemispheric agenda that places priority on strengthening democratic governance, more liberalized trade and growth with equity, and realizing human potential with a particular emphasis on human rights. At Quebec City, the ground-breaking "democratic clause" was also agreed which led to the adoption on 11 September 2001 of the Inter-American Democratic Charter to reinforce instruments for the active defence of representative democracy.

Advancing this balanced hemispheric agenda requires the full commitment of governments, the engagement and support of hemispheric institutions, and the cooperation of all stakeholders, including civil society, business, labour organizations and academics. The institutional partners of the Summit of the Americas Process which participate in the Joint Summit Working Group have a special role to play in this respect and the importance of their contributions was particularly highlighted at Quebec City.

Since 2001, Summit partner institutions have been supporting the implementation and follow-up of Summit mandates. Cooperation between the countries of the region and partner institutions and the coordination of these efforts through the Joint Summit Working Group is key to the effective actualization of Summit commitments.

Partner institutions have a particularly important role to play in the context of the theme of the Fourth Summit of the Americas, "Creating Jobs to Fight Poverty and Strengthen Democratic Governance." The work of hemispheric institutions such as the OAS, the IDB, PAHO and IICA, among others, is at the root of hemispheric cooperation to effectively meet these challenges in the region. Our newest partner institution, the Institute for Connectivity in the Americas, is also making an important contribution in support of inclusion and equality.

At Quebec City, Leaders committed to promote a Connectivity Agenda for the Americas. In response, Canada created the Institute for Connectivity in the Americas (ICA) to promote the use of information and communication technologies (ICTs) in the region. ICA fills an essential gap by facilitating the coordination, collaboration, and sharing of ICT expertise across countries, serving as an active agent to enable strategic partnerships and financing, and providing leadership and support. ICA became a partner institution of the Summit Process in 2005. Its work, as illustrated in the following report, demonstrates that the 'Digital Divide' can be overcome.

The Fourth Summit of the Americas in Mar del Plata provides an opportunity to renew our commitment to hemispheric cooperation. More than ever, we need to continue building partnerships at all levels, and call on partner institutions to continue supporting the Summit Process.

PETER M. BOEHM

*Personal Representative of the Prime Minister of Canada for the Fourth Summit of the Americas
Foreign Affairs Canada*

Position of the

Government of Mexico

on the Role of the International Institutions in the Summits of the Americas Process

The role of institutional partners in the Summit Process is regarded by the Mexican Government as extremely important. Since the Third Summit of the Americas, the participation of these institutions in providing support for the implementation of mandates derived from the Summit Process has increased significantly.

The Joint Summit Working Group was established on June 21, 2001, in response to a mandate emanating from the Third Summit of the Americas, and through a Letter of Understanding, the objective of which was to support the Summit Process and move towards increased coordination in supporting the implementation and follow-up of Summits of the Americas mandates.

The work completed by the Joint Summit Working Group has been recognized by Mexico and is considered highly valuable in planning collaborative activities and exchanging information regarding programs, projects, and activities related to the execution of mandates derived from the Summit Process. The Government of Mexico recognizes the work accomplished thus far by the Joint Summit Working Group, which it hopes will continue to deepen alliances among the various actors involved and redouble efforts toward the implementation and follow-up of summit mandates, in order to ensure an even better interaction in the planning and implementation of Summit mandates, within a framework of close collaboration and compliance with the internal laws of Member States.

Without a doubt, the function of the institutions that participate in the Joint Summit Working Group as financial backers for investment projects and as agents that mobilize technical knowledge and resources, is of crucial importance for our countries and supports, to a significant degree, the social and economic objectives of the Summit Process. This is of particular importance for small economies and middle-income countries

The Government of Mexico is convinced that, with the support of institutional partners, collaboration and extension of information exchange will be strengthened in order to promote the efficient use of resources, optimize the effectiveness of program execution, avoid the duplication of existing mandates, increase opportunities for financial backing and ensure coherent implementation of those mandates derived from the Summit Process which aim to achieve greater social justice in our societies.

MINISTRY OF FOREIGN AFFAIRS

Mexico

Presentation of the

Government of Argentina

Since the Third Summit of the Americas in Québec, the Americas have benefited from and been strengthened by the reports of the inter-American institutions associated with the Summits of the Americas Process led by the Organization of American States. Among those institutions, we recognize the valuable contributions of the Economic Commission for Latin America and the Caribbean (ECLAC), the Inter-American Development Bank (IDB), the Pan American Health Organization (PAHO) and the World Bank. In June 2001, these institutions created the Joint Summit Working Group. They subsequently incorporated the Inter-American Institute for Cooperation on Agriculture (IICA), the Andean Development Corporation (CAF), the Caribbean Development Bank (CDB) and the Central American Bank for Economic Integration (CABEI). In 2004, the Joint Summit Working Group was expanded to include the International Organization for Migration (IOM), the International Labour Organization (ILO), and the Institute for Connectivity in the Americas (ICA).

The combined work of these institutions has resulted in a deepening of examination into subjects that are of particular relevance for the inter-American agenda. In addition, their reports constitute useful tools for gathering information on progress in fulfilling the mandates which emanated from past Summits.

The 34 governments, involved in the Summit Process, closely interact with these multilateral organizations that constitute the inter-American system which, in the context of the Summit Implementation Review Group (SIRG), present useful reports for the implementation of public policies.

The Summits of the Americas Process promotes efforts oriented toward revitalizing the multilateral agenda, at the same time engaging regional organizations --as specialized actors in the promotion of development in our Continent-- in an arrangement with special status for active and close cooperation with our governments with the goal of building a better future for the Americas.

Prior to the XL GRIC, that took place in Buenos Aires, on September 7, we held a seminar with the participation of National Coordinators and the institutions of the Joint Summit Working Group to identify concrete initiatives which were considered for the Plan of Action of Mar del Plata. This initiative was promising and some institutions have shown their interest to collaborate in the formulation of proposals. We hope that in the future all the institutions might participate to improve and guarantee efficiency in the coordination of initiatives.

MINISTRY OF FOREIGN AFFAIRS, INTERNATIONAL TRADE AND WORSHIP

Republic of Argentina

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Inter-American Institute for Cooperation on Agriculture (IICA)

Organization of American States (OAS)

The Summit Process has been fundamental in shaping the plans of action and activities of the Organization of American States in recent years. Indeed, it would be fair to say that the workings of no other inter-American entity have been influenced to the same extent by the Process set in motion in Miami in 1994.

This fact has led the Organization to center efforts on consensus building on hemispheric policies and to resume its role as the main forum for hemispheric dialogue. At the same time, the OAS has served as technical secretariat at many meetings of high-ranking officials, as well as the institutional memory and depository for documents and information on the Summits Process.

These gatherings of government officials include the meetings of ministers of Trade, Education, Sustainable Development, Defense, Labor, Culture, Social Development, Telecommunications, the Interior, and Justice, as well as those responsible for Science and Technology, Tourism, Ports and Social Investment Funds. In addition to the above, of course, are the General Assemblies of the Organization, which are composed of the Ministers of Foreign Affairs of the Hemisphere that review progress the implementation of Summits mandates.

Inter-American Democratic Charter

Without overlooking other mandates received, at the Quebec Summit the Heads of State and Government adopted the so-called democratic clause according to which, "any unconstitutional alteration or interruption of the democratic order in a state of the Hemisphere constitutes an insurmountable obstacle to the participation of that state's government in the Summits of the Americas Process" and instructed the OAS to prepare an Inter-American Democratic Charter. Both decisions underscored the principal responsibility of the Organization: to work to defend, strengthen and consolidate democracy in the Hemisphere.

The Inter-American Democratic Charter was adopted in Lima, Peru, in September 2001. It affirms that representative democracy is strengthened and enhanced with the permanent, ethical and responsible participation of the citizenry, and that such participation in decisions pertaining to their development is a right and responsibility of all the peoples of the Americas. The Charter reaffirms the obligation of governments to defend the right to democracy. It also contains a chapter on integral development and combating poverty, the articles in which draw attention to the close link between democracy and economic development, as well as addressing the issues of illiteracy; creation of productive employment; observance of economic, social and cultural rights; preservation and good stewardship of the environment; as well as the concept of education available to all. The Charter mentions the constitutional subordination of all state institutions to the legally constituted civilian authority and respect for the rule of law on the part of all institutions and sectors of society.

The Charter refers to situations that represent a breakdown or alteration of democracy, as well as the range of measures and steps available to the OAS to ensure an unflinching protection of the observance of democracy. In that connection, it introduces the concept of "alteration of the constitutional regime"; in other words, now an event prior to an "interruption" may be grounds for action or reaction on the part of the Organization. The text echoes the preventive sense of the OAS Charter in its reference to the use of "diplomatic initiatives" and "good offices" at the request of the government concerned.

In the framework of the Charter, representative democracy means much more than free and transparent elections; it also entails respect for human rights and fundamental freedoms, the separation and independence of powers, transparency, accountability, probity, responsibility, citizen participation, a strong civil society, and a pluralistic system of political parties. All of these characteristics have been included, as have those of access to information; freedom of the press and freedom of expression; an effective system of controls; elimination of all forms of discrimination, and the supremacy of the constitution and the rule of law.

Other initiatives related to democracy

The OAS has spawned initiatives to enhance democratic governance in the region. These activities and initiatives implement the mandates of the Summits of the Americas mandates on good governance; respect for the rule of law; modernization of the State; application of the Democratic Charter; democratic institution building; support for decentralization; the fight against corruption; support for programs for imparting democratic values; access to information; modernization of voter registration and vote counting processes; and use of information and communication technologies.

The Organization has worked to provide technical support to electoral institutions throughout the Hemisphere in order to modernize and simplify voter registration, ensure the independence of the entities responsible, and ease the way for horizontal cooperation among electoral bodies. It has also continued to encourage the use of information and communication technologies in election processes and has dispatched 27 Electoral Observation Missions since 2001 in response to requests from various states.

Other activities include efforts in the area of legislative institutions, where it has furnished technical assistance to different national and regional parliaments. The OAS has fostered initiatives in legislative modernization, inter-parliamentary cooperation, respect for separation and balance of powers, and regulations on corruption and terrorism. Several activities, such as training seminars, conferences and forums were organized to foment strengthening of legislative institutions and the exchange of best practices among national congresspersons.

The OAS has also been actively involved in local government strengthening in the region. These activities cover a broad spectrum of activities, such as support for central government in its dialogue with its local counterparts and in promotion of local government development and institution building, as well as sharing information and best practices. One area of the General Secretariat of the OAS acts as technical secretariat of the High-Level Inter-American Network on Decentralization (RIAD), a body for inter-American cooperation entity which connects high level officials and experts from the ministries and government agencies responsible for decentralization, strengthening regional and municipal administrations and civil society participation.

The Summit mandates encourage training on political issues and leadership development as well as the importance of democratic values and practices. The Organization has implemented a series of training courses, seminars and conferences on leadership and democratic values and practices for young leaders and opinion shapers from all over the Hemisphere. Through its specialized units, the OAS has furthered the principles contained in the Inter-American Democratic Charter by providing assistance in citizenship education to several countries, and has used information technologies for the purposes of education in democratic values and practices.

The Organization has also made strides in terms of strengthening and modernization of political parties. The Declaration of Nuevo León recognizes the importance of pluralism and sound political parties for good political governance. In the framework of the Inter-American Forum on Political Parties, the OAS has organized a number of training seminars and forums and has prepared studies and publications on political party strengthening and finance, and on political participation of women. The

OAS has also worked in the area of conflict prevention and resolution through implementation of programs designed to reduce the impact of violence, inter alia, through prevention, research, education and training of human capital.

Fight against corruption

The Inter-American Convention against Corruption, adopted in the framework of the Specialized Conference on this issue in 1996 was, in its time, a unique instrument that has been ratified by the vast majority of countries in the Hemisphere. On the occasion of the support received at Quebec in June 2001, the states parties issued a declaration in which they adopted the Document of Buenos Aires on the Follow-Up Mechanism for the Implementation of the Inter-American Convention against Corruption (MESICIC). That Document contains a series of purposes intended to follow up on the progress of States Parties and to facilitate cooperation among them. It also makes it clear that the Mechanism is guided by the purposes and principles established in the Charter of the OAS and, in particular, with the principles of sovereignty, nonintervention, and the legal equality of the states parties.

In the Declaration of Nuevo León, the Heads of State and Government undertook to increase cooperation within the framework of the Inter-American Convention against Corruption, particularly by strengthening its follow-up mechanism. To that end, they charged the Conference of States Parties to the follow-up mechanism of the Convention with proposing "specific measures" to strengthen the mechanism.

Accordingly, the First Meeting of the Conference of States Parties, held in April 2004 with the support of the OAS, adopted a number of conclusions and recommendations on specific measures to strengthen the Mechanism, which are in the process of application.

Human rights

This issue is another cornerstone of the OAS, which has sought to strengthen the inter-American system of human rights amid a great shortage of resources. The rise of democratic governments in the region has brought increased recognition for that system and, consequently, the protection it offers. In turn, the system has helped to boost the potential of the inter-American

system to play its role as a proponent of respect for basic rights and liberties at the national level.

The OAS, through the Inter-American Commission on Human Rights (IACHR), continued its work on the situation of especially vulnerable groups, through its Special Rapporteurs for the rights of the child, women, indigenous people, and migrant workers. The Office of the Special Rapporteur for Freedom of Expression has also continued its important work of promotion and provision of advisory services in cases where violations of such rights have occurred.

The issues of particular concern at the Quebec Summit included racial discrimination and torture. In recent years, the IACHR has been gradually including on its agenda the treatment of mechanisms designed to combat racism and discrimination and to promote full equality, and has been analyzing situations of that nature, both on a collective level in country reports, and on a individual level in the examination of petitions and cases. In March 2005, the Commission created the Special Rapporteurship on the Rights of People of Afro-Descendants and Against Racial Discrimination.

Bearing in mind that the integrity and effectiveness of the protection that the system affords to the inhabitants of the Hemisphere depends first and foremost on the efforts of the Member States to achieve the universality of the system by ratifying the American Convention and the other human rights instruments, the IACHR has held meetings on several occasions to foster the implementation of international standards and commitments on human rights.

One of the results of having open societies and greater awareness of the existence of the system has been an increase in the number of petitions submitted to the Inter-American Convention on Human Rights in recent years. The Commission's recommendations on individual cases have led to changes in domestic laws, in policies and practices, as well as in reparations to victims of human rights violations. Through the friendly settlement system that Commission has facilitated constructive dialogue between the parties with a view to resolving disputes.

In keeping with its mandate to issue recommendations to the States, in December 2002, the Commission published its "Report on Terrorism and Human Rights" in which it presented a study

on the enforcement and respect of human rights vis-à-vis anti-terrorism initiatives legitimately adopted by Member States. The Commission indicates in no uncertain terms that governments of the Americas are obliged to take the necessary measures to prevent terrorism and other forms of violence and to guarantee the security of their populations. At the same time, the Commission declares that states remain bound by their international human rights obligations at all times, subject only to suspensions or restrictions that are specifically permitted under international law when the life of the nation is threatened. The report also acknowledges that terrorist violence may occur in times of peace, in states of emergency, and in situations of war, and therefore considers states' obligations under both international human rights and the law of armed conflict.

The Summits also request the states to seek to promote and give effect to the United Nations Declaration on Human Rights Defenders. To that effect, the Human Rights Defenders Functional Unit was created, the main functions of which are to receive information regarding the situation of human rights defenders in the Hemisphere, keep in touch with nongovernmental and governmental organizations, and coordinate the work of the Executive Secretariat with regard to human rights defenders in the Americas.

With respect to the mandates on the rights of women, the Rapporteurship in charge is focused on the challenges women face in obtaining access to justice, with particular attention to violence against women and impunity. For its part, the Inter-American Commission of Women, a specialized organ of the OAS, has continued its efforts to eradicate violence against women and carried out studies on trafficking in women and children for sexual exploitation.

The Rapporteurship on the Rights of the Child has prepared a compilation of international and regional instruments on the rights of the child and a systematization of the doctrine and jurisprudence of the inter-American system on this subject. As a result of those activities it has published "Children and Their Rights in the Inter-American System for Protection of Human Rights".

Finally, in the area of freedom of expression it should be mentioned that, through the activities of the Special Rapporteurship for Freedom of Expression, the IACHR has

established itself as a strong driving force for legal reform on freedom of expression and dissemination of international standards on protection of this right.

Meetings of Ministers of Justice of the Americas

The OAS has provided legal advisory and technical secretariat services in support of the preparation, holding, and follow-up of the Meetings of Ministers of Justice or of Ministers or Attorneys General of the Americas, as well as to three working groups created by the latter: experts on mutual legal assistance in criminal matters, and extradition; experts in cyber crime; and officials responsible for penitentiary and prison policies. The meetings have paved the way for measures such as the creation of magistracy councils and institutions of that nature; creation of judicial training schools and programs; reforms of substantive and procedural codes; improvement of conditions or remuneration for judges and judicial officials; increase in the number of courts and tribunals; inclusion of new computer systems or modern technologies; and fixing of quotas of the national budget to finance the judiciary in member countries. Furthermore, a mutual cooperation process has been initiated among national officials directly responsible for penitentiary and prison policies through periodic meetings in the framework of the OAS and via a network set up to exchange information and experience over the Internet.

The meetings have also addressed both integral and systematic treatment of the issue of legal and judicial cooperation to combat different modalities of transnational organized crime and terrorism, as well as strengthening mutual judicial assistance on certain manifestations of crime with an international scope, such as cyber crime, corruption, and trafficking of persons, in particular women and children.

Illicit drugs

The illicit drug problem remains one of many that erode the culture of lawfulness and social trust, which are necessary foundations for reducing corruption, economic growth and, therefore, generation of productive employment in the countries in the Hemisphere.

The OAS, through the Inter-American Drug Abuse Control Commission (CICAD), has broadened its original anti-drug man-

date to include new substances of abuse (such as synthetic, designer, and prescription drugs), money laundering, firearms trafficking, maritime cooperation, port security, community policing, drug-related youth and gang violence, alternative sentencing for minor drug offenses, and, most recently, consideration of transnational organized crime. This expansion reflects CICAD Member States' awareness that substance abuse and drug trafficking problems are firmly tied to other serious socio-economic and criminal challenges which cannot be effectively targeted in isolation.

The Multilateral Evaluation Mechanism (MEM), created in response to a mandate issued by the Summit of the Americas held in Santiago, Chile, in 1998, represents an acknowledgement by the member states that the drug problem requires a comprehensive and balanced response. The broad objective of the MEM process is to foment progress at the national and hemispheric level, as well as cooperation in the fight against illicit drugs in every country in the region. The MEM pursues this objective through 34 annual national evaluations of progress in drug control conducted by a governmental expert group.

A new line of research has emerged from the MEM process. CICAD has implemented a pilot program to develop and put into practice a methodology to calculate the economic and social impact of the drug problem in Latin America and the Caribbean. This program is the first of its kind in the region and is based on research guidelines developed by the Canadian Center on Substance Abuse and the World Health Organization.

Furthermore, the MEM indicators have been modified and new economic research programs and financial investigation units have been set up to respond to the new challenges identified by the Commission. The changing needs of Member States to address new drug-related issues have made it necessary to adopt a different mindset and new measures.

Hemispheric security

The Special Conference on Security mandated by the Quebec Summit was held in Mexico, in 2003. The Conference reiterated that the hemispheric security architecture is the outcome of an open and cooperative democratic decision for a democratic future of peace and democracy, with full observance of public liberties and human rights, and a multi-dimensional approach

that acknowledges that many of the new threats, concerns and other challenges to hemispheric security are of a transnational nature and need international cooperation.

The traditional, so-called cold-war approach to the issue was replaced in Mexico by one that takes account of economic, social and political aspects enshrined in the Inter-American Democratic Charter and that synthesizes efforts to make the defense of democracy and protection of human rights the reason for being of the OAS. The discussions also showed that there is more room in the Hemisphere for diplomatic action, conflict prevention and cooperation, which are essential for the preservation of peace and security.

At the same time, activities in the OAS have addressed security concerns of small-island states that include, inter alia, the issues of trade, tourism and natural disasters, as well as movement of toxic waste. In this way, 2003 saw the finalization of the Inter-American Strategic Plan for Policy on Vulnerability Reduction, Risk Management and Disaster Response (IASP), which constitutes an essential tool for countries to design prevention policies and to prepare and provide training for their emergency services.

Inter-American Convention against Terrorism

In the wake of the events of September 11, 2001, the Member States and the Organization adopted the undertaking to systematize anti-terrorism laws and agreements into inter-American legislation that demonstrates an iron-willed commitment against this scourge. In this way, the Inter-American Convention against Terrorism was adopted at the General Assembly in Barbados in 2002. The Convention underscores the commitment of the members of the OAS to cooperate under the aegis of international law and defines as terrorist acts any of the conducts established in the international conventions and protocols adopted by the United Nations

In application of the Convention, measures have been strengthened against money laundering and terrorist financing and better controls have been instituted at borders, ports and airports. By the same token, the Convention introduced elements to facilitate mutual legal assistance, and established the cases in which the political offense exception is inapplicable and in

which refugee status and asylum requests would be denied, all strictly within a framework of protection of human rights and the principle of non-discrimination.

Civil Society

The Quebec Summit valued highly cooperation with civil society and the Chile Assembly institutionalized the dialogue between the Ministers of Foreign Affairs, the OAS Secretary General, and civil society representatives in the framework of each General Assembly. Under these parameters there are nearly 100 civil society organizations accredited with the Organization that work with different political organs, as well as almost 250 organizations that have signed cooperation agreements with the General Secretariat, and close to 1,400 that collaborate with different technical units. In this connection, civil society organizations have furnished political organs with information on such diverse issues as equality, equity, diversity, and non-discrimination, as well as human rights, governance, and sustainable development.

Trade

The OAS has continued to provide technical, analytical and financial assistance to the negotiating groups of the Free Trade Area of the Americas, as part of the tripartite committee created with ECLAC and the IDB, which supports the negotiations. In this process the OAS has prepared countless analytical studies and worked with negotiating groups to improve the draft texts of the agreement. In 1999, the Organization launched the FTAA Secure Document Distribution Service, which started with less than 500 negotiations documents and today contains more than 27,000. The coverage and quality have also been enhanced of the official website of the FTAA. The Organization continues to pursue a large number of trade-related activities that involve government officials, civil society and the private sector, as well providing assistance on FTAA-related topics, in particular to smaller economies.

Education, science and technology

In keeping with its traditional role in this field, the OAS prepared and organized meetings of ministers and high authorities of science and technology and provided secretariat services for

the recently created Inter-American Committee on Education. The OAS also furnished like support for meetings of ministers and high authorities of culture as well as for the activities of the Inter-American Committee on Culture created in 2003.

In the area of science and technology the Organization is working towards the implementation of various initiatives with a number of partner entities in both the public and the private sector, as well as strengthening its ties with civil society organizations in its contribution to the design, implementation and evaluation of public policies. In education it implemented a series of virtual forums and is carrying out the "Inter-American on Education in Democratic Values and Practices". In keeping with the Summit mandates, the OAS has also provided technical and financial support to the regional forum on indicators and evaluation.

Labor, telecommunications, and sustainable development

On other issues arising from the Quebec Summit, the Organization has strengthened its support to the Inter-American Conference of Ministers of Labor and participation of employees and employers in its discussions.

For its part, the OAS has also worked in the field of telecommunications and provided continuous support for the activities of the Secretariat of the Inter-American Telecommunication Commission (CITEL). CITEL has published a broad range of studies and reports on the development of this sector in the hemisphere and organizes ministerial meetings that have adopted common policies. CITEL has provided support in areas such as capital cost estimation in the telecommunication sector of the countries of the region, training for professionals, and a working group on connectivity initiatives, which includes principles, opinions, definitions, objectives and procedures to formulate and carry out connectivity activities. It has also worked on the preparation of a report on the situation of broadband technologies in the Americas, among various other relevant activities.

Not to be overlooked are the efforts of the OAS in the area of sustainable development and environment, inter alia, on issues such as water resources management, natural risk prevention, renewable energy development, management of coastal areas, biodiversity, and environmental legislation.

Gender equality

At the beginning of this decade the OAS convoked the First Meeting of Ministers or of the Highest-Ranking Authorities Responsible for the Advancement of Women in the Member States. The main outcome of this process was the approval of the Inter-American Program on the Promotion of Women's Human Rights and Gender Equity and Equality, which was adopted by the OAS General Assembly and supported by the Quebec Summit as an effective tool. A second meeting was called in 2004, the core issue of which was "Women, trade and economic integration".

On a broad level, the OAS, through the Inter-American Commission of Women, has implemented the mandate to mainstream a gender perspective in hemispheric policies, in particular at ministerial-level meetings. Based on work with national and regional governments, as well as with experts from civil society organizations, the OAS has suggested recommendations and lines of action to ministers of labor, justice, education, and science and technology.

Furthermore a three-year program was implemented inside the Organization to provide training for OAS officials on including a gender perspective in all OAS programs and policies.

Summits of the Americas Secretariat

The Office for Summit Follow-up was strengthened with its consolidation as the Summits of the Americas Secretariat in

May 2002, as well as with the Fund created for this process. Furthermore, the objective was met of supplying all the necessary support, as well as secretarial and logistical assistance, to the Summit Implementation Review Group (SIRG), its Executive Council, its Management Committee, and the Committee on Inter-American Summits Management and Civil Society Participation in OAS Activities of the Permanent Council of the OAS.

The Secretariat also prepares drafts, maintains, updates and publishes all documents pertaining to the process in the appropriate section of the Summits of the Americas Information Network, serves as the institutional memory, and provides information to the countries involved in the process.

As part of its follow-up on the various ministerial meetings connected with the Summits Process, the Secretariat submits periodic reports to the SIRG in coordination with other areas of the Organization. It also provides secretarial services and coordinates the activities of the Joint Summit Working Group composed of a dozen international, inter-American and regional entities working in partnership with the Summits Process.

The Secretariat also organizes periodic forums and regional and hemispheric seminars to involve civil society in the Summits Process.



Inter-American Development Bank (IDB)

The participation of the Inter-American Development Bank (IDB) in the Summits of the Americas Process has been closely articulated with the central objectives of the institution. The mandates conferred on the Bank at the Quebec Summit coincided with the priorities for the financial and non-financial activities of the institution established by the Eighth General Replenishment by the Board of Governors, the Institutional Strategy approved by the Board of Executive Directors, the sector strategies, approved by the Board of Executive Directors in 2003, and more recently in the New Lending Framework, approved by the Board of Governors in Okinawa in April 2005.

In Quebec the Bank presented 22 strategic programs in response to the political Declaration and written Plan of Action. The programs cover five areas: democratic governance; integration and economic development; environment and sustainable development; equity and social development; connectivity and technological development. The specific actions adopted by the Bank in each of these areas complement the activities that the Bank is carrying out through already existing programs.

The Bank's contributions at the Summits have included technical assistance for the preparation of official Declarations and Plans of Action, as well as aligning its regular financial and technical activity with the objectives and commitments established at the Summits. Additionally, programs and specific projects have been formed to complete those objectives and commitments, and the Heads of State and Government have been periodically informed of their progress.

At the Special Summit (2004), the IDB presented a follow up report showing the activities that the institution had undertaken to meet the mandates that stem from the Quebec Summit. In addition to helping prepare the Special Summit, the Bank has adjusted its activities to reflect the commitments made at the meeting.

Democratic governance and political development

In order to comply with the Quebec City Plan of Action mandates covered by the areas of "Toward a more efficient democracy" and "Justice, Rule of Law and Security of the Individual", the Bank has supported five strategic programs: the Program to Support Democratic Governance, the Global Legal Information Network, the Program to Train Young Democratic Leaders, the Program for the Prevention of Violence and the Program to Support the Justice Studies Center of the Americas. In this context, the Bank has approved several loans and technical cooperation operations for projects that address: the modernization of the public sector; transparency and good governmental management, judicial reform; enhancing Trade policy; promoting social peace and citizen security; and improvement of decentralization processes. Many activities have been initiated in the areas of prevention of money laundering, electoral and political reform, and the promotion of democratic leadership skills for women, youth and traditionally-excluded groups.

Other activities include the elaboration of individual governance studies for five countries in the region. They are applied studies on the state of governance in a country, which identify the principal problems and challenges, as well as opportunities to strengthen their institutional development.

The Bank organized a Regional Policy Dialogue on transparency of public management and policies. This tool created a network of public authorities that have been meeting for three years to share experiences in the design and implementation of public policies to reform civil service and promote transparency.

In regard to other issues related to the Summit, the IDB organized consultation meetings with regional civil society organizations to promote the participation of civil society in development projects and programs, in order to obtain their opinion on the Bank's policies and activities. The Board of Executive Directors endorsed the Strategy in order to promote citizens' participation in the Bank's activities. The objective of the Strategy is to serve as a guide for the Bank in its support of governments, institutions, and citizens from the region to facilitate their increase participation within the context of a major deepening of the relationship between democratic governance and socioeconomic development.

Together with the International Institute for Democracy and Electoral Assistance (IDEA), the Bank published the book *Democracies in Development: Politics and Reform in Latin America*, a comprehensive review and analysis of the region's democratic institutions. In conjunction with the OAS, the Bank participated in the Inter-American Forum of Political Parties, both at its annual meeting and at the Consultative Council. Also with the OAS and IDEA, the Bank published the book titled, *The Challenge to Democracy: Political Parties in Central America, Panama, and the Dominican Republic*, was presented at a regional conference in Costa Rica in 2004. Following this work, the Bank approved a regional technical cooperation for the OAS to undertake a study on the Situation and Perspective of the Parties and of the System of Political Parties in the Andean Countries.

In the area of empowering local governments, the Bank's most important activity has been to direct development loans to finance municipal and provincial governments. Additionally, a large number of technical cooperation operations for local governments were executed.

The Bank supported the publication of the report titled, *The inclusion of women and gender equality in the political reform of Latin America and the Caribbean*, by the Program for the Support of Women's Leadership and Representation (PROLEAD). This report aims to provide a comprehensive analytical framework on the political inclusion of women and recommendations for the Bank's Modernization of the State Strategy, based on the analysis of recent political reforms in Latin American and Caribbean countries.

In the area of human rights, the IDB worked on a database of indigenous legislation that included all of the Latin American countries. Legislation that was applicable to the region was compiled systematically and organized by topic. With the Inter-American Institute of Human Rights (IIDH), the Bank sponsored informational workshops and is working on the expansion of the database to include jurisprudence, as well as a proposal for monitoring the implementation of legislation.

Integration and economic development

In the area of "commerce, investment, and financial stability" the Bank has supported activities that continue the regional integration process, paying special attention to trade and financial affairs. Three strategic programs have been implemented to support the mandates: the Program to Support Trade and Integration, the Regional Infrastructure Program, and the Program to Promote the Implementation of International Standards for Financial Markets. At the same time, the Bank has approved several loans and technical assistance operations to strengthen the negotiating capacity of the countries.

In the context of the Tripartite Committee, the IDB, in coordination with the OAS and the Economic Commission for Latin America and the Caribbean (ECLAC), has provided technical support to the Free Trade Area of the Americas (FTAA). Through a regional technical cooperation project the Bank has provided assistance to the Administrative Secretariat of the FTAA. The Bank also supports the Hemispheric Cooperation Program (HCP) of the FTAA. The Bank has prepared national strategies for strengthening institutional capacities in the area of commerce and has organized meetings with donors to coordinate financial assistance for projects outlined in the strategies.

The IDB has supported the South American Infrastructure Integration Initiative (known by its Spanish acronym IIRSA) by

means of committees to identify priorities in investment projects. Together with other entities that make up the Technical Coordination Committee (TCC), the IDB has prepared a series of sector analyses that cover the fields of energy integration, operating systems for air, maritime, and multi-modal transportation, and information and communications technologies. Furthermore, the Bank has supported initiatives to facilitate border crossings and at the national level has supported projects that help strengthen physical integration among countries.

Moreover, The IDB has been an active supporter of the Puebla-Panama Plan (PPP) from the conceptualization of the programmatic content to the definition of its priority areas. The IDB is part of the PPP Technical Advisory Group (TAG) and has supported national and regional authorities in the development of projects that promote integration in the region, specifically in regard to the integration of electricity markets and roadways.

With regard to the topic of Corporate Social Responsibility (CSR), the Bank decided to make the Inter- American Conference on Corporate Social Responsibility a regular annual event.

In 2004, the Multilateral Investment Fund (MIF) launched its cluster of CSR projects. The objective of these projects is to expand the use of CSR's actions, especially between small and medium enterprises (SMEs). The MIF sees the CSR as a tool for improving competitiveness and including the private sector in new models of development. Within the cluster several possible areas of assistance were identified including: (i) supporting the creation of new CSR measures and standards or adopting those which currently exist; (ii) giving financial assistance to businesses to help them in the training of the technical know-how needed to implement CSR measures; and (iii) creating partnerships with large companies that express interest in investing in development programs, although they may not be part of basic specialization for that area of business.

Ecology and sustainable development

In the areas of "Disaster management, environmental basis for sustainable development" the IDB has supported two strategic programs: the Program to Address Natural Disasters and the Program for the Sustainable Development of the Meso-American Biological Corridor. In this context, the Bank works with countries in the region to incorporate environmental sustainability

into development agendas, by providing financial support to improve their capacity to manage the environment and natural resources, and integrate environmental considerations into programs, policies, and strategies. Activities include operations to support environmental governance as an instrument for sustainable growth and assistance to support the sustainable development of renewable resources.

In the last three years, the IDB has approved 41 environmental loans totaling US\$ 946 million. These environmental loans reflect the IDB's vision that the environment is a transversal topic, as well as the need to adopt a more integrated focus for development, natural resource management, and environmental protection in the region.

In 2004, with funds from the Global Environment Facility (GEF), the Bank approved a regional program for the sustainable management of indigenous territories within the Meso-American Biological Corridor. The design of this program was based on an intensive and innovative consultation process with indigenous organizations in the region. This enabled the communities that were involved to take ownership of the process through sustainable productive activities and environmental conservation.

Since the approval of the Environmental Strategy in 2003, the Bank has developed an action plan to implement the Strategy, it has also developed a toolkit for the Strategy to support the Bank's specialists in their work. Work on the new Environment and Safe-Guards Compliance Policy is currently in progress.

Through its participation in the Inter-Agency Group on Rural Development (IGRD), the Bank addresses the priorities established within the framework of the Summits of the Americas on topics related to rural development, agriculture and fishing.

Between 2001 and 2005, the Bank financed US\$ 4 billion in loans that promote agricultural and rural development. This amount corresponds to approximately 70 loans, which mostly include, although in differing degrees, the objective of improving income levels and well being of the population in rural areas through sustainable development.

The IDB also supports the prevention and mitigation of natural disasters as well as assistance in emergencies and reconstruction after disasters. Activities in this area include a regional dialogue on policies managing natural disasters, approval of

various credit operations to reconstruct damaged communities and the infrastructure affected by natural disasters, and seminars on how to reduce the impact of natural disasters. The Bank also carried out a study of three countries on the practical application of financing instruments to handle natural disasters. Additionally, two operations were approved using a new financial instrument that is particular to the IDB called the Sector Facility for Natural Disaster Prevention.

One of the principal aims of the Bank's work in the area of disasters in 2003 and 2004, has been the formal revision of its policy for disasters and the development of a new policy. The evaluation revealed that the Bank's average annual investment in loans for disasters totaled US\$ 475 million, between 1995 and 2002. Of this amount, 41 percent was allocated for the prevention of disasters, while 59 percent went to responding to disasters.

Equity and human development

A substantial part of the Bank's lending and non-lending activities and services fall under the "Equity" heading, closely linked to the Bank's priorities for poverty reduction and social equity promotion which is one of the Bank's overarching general objectives. The IDB is implementing eight strategic programs to address these issues including the Program for Comprehensive Poverty Reduction Strategies, the Inter-American Teacher Training Program, Voluntary Youth Service in the Americas Program, the HIV/AIDS Program, the Dignified, Active, Productive and Healthy Aging Program, the Program for Integrated Community-Based Projects for Excluded Groups, the Program to Train and Incorporate Youth into the Entrepreneurial Sector, and the Program for Legal Security and Sustainable Development of Indigenous Lands. In particular, the Bank has devoted significant human resources and technical cooperation to assist in the development of national poverty reduction strategies to organize dialogues with the governments and representatives of civil society to build a consensus around the urgency of comprehensive measures and plans to promote social equity.

The Bank has implemented its poverty reduction strategies and social equity promotion programs and has initiated activities to support countries in their efforts to reach the Millennium Development Goals (MDG). The Bank's support has come in the form of loans, technical assistance, exchange

of information and regional dialogues, publications, forums, workshops and seminars.

The Bank has continued to provide technical assistance to Highly Indebted Poor Countries (HIPC) (Bolivia, Guyana, Honduras, and Nicaragua) as well as developing poverty reduction strategies in other countries (Belize, Colombia, Guatemala, Paraguay, and Peru). Meeting with the recommendations of the new Strategy for Poverty Reduction and Promotion of Social Equity to write Poverty Reports for each country, the Bank completed these reports for Brazil, Uruguay, Paraguay, and the Bahamas, and is currently writing eleven additional reports.

From 2002-2005, the Bank approved funds that provide debt relief for four countries identified as Highly Indebted Poor Countries (HIPC). Each of these countries has created and implemented national strategies for reducing poverty.

As part of its support for poverty reduction strategies, the IDB has approved a series of loans that are included in a larger loan package of US\$ 4.7 billion focused on poverty which was approved by the Bank between 2002-2004.

In 2003 and 2004, the Bank supported studies on access to financial services and poverty reduction. The studies address areas such as access to credit, savings, and insurance services furthermore; a conference was organized at the Bank headquarters to discuss the results with academics, politicians, and the private sector.

The Bank continued its support to the generation of new knowledge in the area of poverty reduction and social protection policies. Of special importance, is the study *The Role of Social Investment Funds in Reducing Poverty*.

Additional assistance is being given to groups that have been excluded from the process of economic and social progress, particularly women and the elderly, disabled persons, and racial and ethnic minorities. More emphasis has been put on investments in education, health, and nutrition as a means to promote the development of human potential. Stress is put on programs geared to young people and on the universalization and improvement of the quality of education. Likewise, priority has been given to health issues including the prevention and treatment of diseases and pandemics such as HIV/AIDS, among others.

The Comprehensive Program for Community Development of Excluded Groups, allows for financing of new comprehensive community development projects focused on marginalized communities (e.g. indigenous and Afro-Latin communities). Emphasis has been placed on the use of an initial analysis and evaluation, and on consultation and participation methodologies that ensure proper representation of the population, as well as their ownership of the projects.

In its second year in operation, the Social Inclusion Fund continued emphasizing the strengthening of marginalized groups. Besides extending the investigation on the causes and consequences of social exclusion and strengthening data collection on these groups as mechanisms for strengthening their capacity for impact, the Fund carried out two operations directed at strengthening Non-Governmental Organizations (NGOs) of African descendants.

The IDB has concentrated its efforts on the transversal integration of the gender perspective in the projects it finances and within the institution itself. In 2003 and 2004, the regional operational departments identified a total of 59 projects in progress as priorities for gender integration: 27 percent in the environment and natural resource divisions; 10 percent in finance and infrastructure; 19 percent in modernization of the state and civil society; and 44 percent in social development.

From 2004 to June 2005, 16 projects with a total amount of approximately US\$ 380 million were approved by the IDB that focused on gender. At the same time, many technical cooperation programs that focused on gender were approved that address topics such as youth, micro credits for working women, violence prevention, vocational education, health, housing, and rural development among others.

The Bank promoted the creation of an HIV/AIDS subgroup as part of the Shared Agenda (PAHO, World Bank, IDB) to improve interagency coordination on AIDS related activities. The Bank participated with other regional banks in a meeting with the Global Fund to Fight AIDS, Tuberculosis, and Malaria to discuss the participation of banks in the Fund's work.

In the framework of the new Initiative to Support Regional Public Goods, the Bank has approved financing for the important regional project "Latin-American Network of Education

Portals", an initiative that will support the development of compatible education portals in each of the countries of the region, and will fund the identification and adaptation of high quality contents from extra-regional countries.

The Inter-American Teacher Training Program includes the design, production, and execution of a regional program of distance training for teachers, especially at the secondary level. The program develops high quality modules for distance or presence training that includes the areas of sciences, mathematics, and Latin American literature.

The Multilateral Investment Fund (MIF) projects promote the development of small and microenterprises in four key areas: competitiveness, improvements in the business climate to promote business development, equity investment through capital and quasi-capital contributions, and programs to promote business development services. In 2002 the MIF approved 18 support projects to microenterprises. Likewise, the Line of Activity for Strengthening Microfinance Institutions approved 5 support operations to microenterprises. In 2003, it approved 31 projects focusing on poverty reduction and in 2004 the MIF approved 84 projects for technical cooperation and investments projects.

The loan and capital investment operations carried out by the Inter-American Investment Corporation (IIC) promote the creation, expansion, and modernization of many small and medium private businesses in Latin America and the Caribbean. Since it began operations in 1989, the IIC has provided financing to more than 3,500 beneficiaries in the service and production sectors in Latin America and the Caribbean. For each dollar that the Corporation has invested, nine dollars are channeled to companies that have created 215,000 new jobs. In 2002, the IIC approved 20 operations of which 2 went to regional private capital funds and 18 were direct loans. These projects will contribute to the creation of over 9,000 new jobs. In 2003, the IIC approved a total of 14 direct projects, 10 operations by way of intermediate financiers, and 2 regional operations for a total of US\$ 318 million. In 2004, the IIC approved a total of 31 projects for a total of US\$ 293.6 million.

Since 1998, the Bank has organized the Inter-American Forum on the development of microenterprise in Latin America and the Caribbean. This forum serves a meeting point for regional microfinance leaders and representatives of business development organizations, foundations, NGOs, private businesses,

cooperatives, investment funds, and the public sector to debate current topics of importance.

The Social Entrepreneurship Program (SEP), which was previously known as the Small Projects Program, provides support to various projects to alleviate poverty on low income and marginalized groups by financing sustainable income generating activities that are also efficient and innovative. In 2004, the SEP approved a total 17 projects between loans and technical cooperations.

With regard to the mandate from the Nuevo Leon Declaration to triple Bank funding via banking systems for small, medium, and microenterprises by 2007, the Bank Group has begun actions conducive to increasing the financing of SMEs through financial intermediaries, by means of direct operations with the private sector without sovereign guarantees. To this regard, it is important to point out the March 2005 approval of IIC's Institutional Financial Program which will be channeled to SMEs through financial institutions. Complementing this effort, the Bank is analyzing reinforcing its window of direct loans to the private sector by means of an initiative with the IIC to leverage a program already begun by the IIC.

Additionally the MIF in conjunction with the IIC launched an initiative to help SMEs obtain greater access to financing. This initiative looks at the need for funds, the cost of transactions and risk management, which affect the financing of this segment of the market. Within the framework of Nuevo Leon, it is designed to complement the Bank's efforts to improve the environment for secured transactions and address other structural impediments through the "Business Climate" Initiative.

In the area of financing for development, in 2005 the Bank undertook a project researching the growth of bond markets in Latin America. In 2004, the Bank published the report "Social and Economic Progress in Latin America" which identified the main challenges faced by the banking sector in Latin America and the Caribbean. The report contributed to the analysis, understanding and design of policies for the financial sector, which promote deeper and more stable and accessible credit.

The Bank is continuing to execute a project to promote the exchange of best practices among development banks with funds from the MIF and coordinated by the Latin American Association of Development Financing Institutions (ALIDE).

Connectivity and technological development

The Bank is supporting four strategic programs that address the subject of "infrastructure and regulatory environment, connectivity, and education". Special attention is given to strengthening the capacity of the governments to develop legal and regulatory frameworks to promote connectivity. The Bank also supports establishing telecenters for rural connectivity, improving the application of information and communication technology in higher education, and improving the access to information technology for young people and other marginalized sectors.

The Bank's new strategy for Information and Communications Technology (ICT) for development, scheduled to be approved by the Board in upcoming months provides a concrete plan of action for the time period 2005-2009. The strategy makes use of lessons learned over the last five years, particularly with regard to: (a) the creation of a network to disseminate the experiences and lessons learned among the countries in the region; (b) the support of investments to obtain productivity gains; (c) the development and use of ICT to improve public management and public service provision; (d) support in creating public-private alliances to widen knowledge about and use of ICT; (e) the creation of better statistics on the level of ICT development in the region and its link to socio-economic development and governance, among others.

The Bank has been supporting the development of digital strategies, it has also published a manual to help define and design strategies to promote e-government and has edited another manual supporting government strategies for promoting e-commerce.

The IDB and three more entities are collaborating in the Puebla-Panama Plan. Additionally, the four organizations are coordinating development and telecommunications efforts in the region. Based on regional resolutions and on the agreed upon goals of these international forums, the IDB is anticipating leadership initiatives in the design of adequate financial mechanisms that can guarantee the implementation and sustainability of digital strategies and of local, national, sub-regional, and regional plans of action.

The ICT4BUS Program is sponsored by the IDB and the MIF to foster the competitiveness, productivity, efficiency of small and medium enterprises (SMEs) in Latin America and Caribbean by

improving business processes and implementing innovative ITC services and solutions. ICT4BUS supplies funds for the development and implementation of pilot projects to test innovative ITC applications for the SMEs, mainly in the areas of the integration of the value chain, workplace productivity and efficiency and market penetration.

Furthermore, with the intention of strengthening its capacity to support the countries, the Bank has established a Sub-Department of Science and Technology within the Department of Sustainable Development.

Conclusion

As noted at the beginning, the IDB has been systematically aligning its global activity and its organizational and operational modalities with the mandates from the Hemispheric Summits of Heads of State and Government, thus effectively contributing to achieving these objectives in the countries of the region.

The Pan American Health Organization¹ (PAHO)



Over the past decade, much attention has been given to health in the deliberations and mandates of the Summits of the Americas. The Pan American Health Organization (PAHO) has closely monitored these developments and given high priority to efforts to support the countries in meeting all the commitments to health resulting from the hemispheric summits. One of the fundamental objectives has been to guarantee equitable access to health services and extend social protection in health as ways of contributing, from the perspective of the health sector, to poverty reduction, decent employment, and the strengthening of democracy. This report refers to the progress in meeting the health mandates of the Third Summit of the Americas (Quebec, Canada, 2001) and the Special Summit which was held in Monterrey, Mexico in January 2004.

The Third Summit of the Americas delved more deeply into the concept of health, noting its multiple social roles and acknowledging equitable access to good-quality health services as a prerequisite for stable democracy, a healthy workforce, and, consequently, a strong economy. The leaders of the Hemisphere committed to combating communicable diseases, especially HIV/AIDS, recognizing that multi-sectoral strategies and cooperation are needed to combat sexually transmitted diseases. In this regard, the governments made a commitment to increase resources for prevention, education programs, and improved access to health services, treatment, and research. The Heads of State also emphasized the need to combat noncommunicable diseases stemming from the use of tobacco, alcohol and drugs, as well as the need to combat mental illness, cancer and diabetes, among other illnesses. Finally, the leaders made a commitment to promote health sector reform to provide better quality and more efficient and accessible health services in the Hemisphere, and to promote the use of telecommunication technologies to reach remote populations and facilitate the sharing of information and experiences.

The Special Summit of the Americas, revolved around three critical topics: economic growth with equity to combat poverty; social development; and democratic governance. The mandates in health to fight poverty and strengthen social development concentrated on promoting quality services and improving social protection in health; combating the HIV/AIDS epidemic and facilitating antiretroviral treatment by 2005 for at least 600,000 infected people; reinforcing programs to prevent, control and treat emerging and reemerging diseases by strengthening strategies to prevent and treat people affected with those diseases. The Heads of State and Government also signaled an interest in continuing to promote the right to adequate working conditions and respect for the principle of decent employment, as well as to mitigate and minimize threats to the environment and human health. Toward these ends, the Summit endorsed the development of an agenda for cooperation between the ministers of health and environment. The issue of gender equality as a strategy for achieving equity was also addressed at the Summit.

¹ *Belonging as well to the United Nations System as the regional office of the World Health Organization*

THE CHALLENGES OF THE SUMMITS IN HEALTH, AND PROGRESS ACHIEVED IN THE LAST FOUR YEARS (2001-2005)

PAHO has worked at the national, subregional, and hemispheric dimension to best respond to the mandates issued by the Heads of State and Government. The section that follows reviews the action taken during the last four years, as well as the principal achievements regarding health situation in some aspects that have been a cause of concern.

Maternal and perinatal mortality

Reduction of maternal mortality rates

Although there has been progress toward the goal of reducing maternal mortality rates by 50% over 1990 levels and major achievements have been consolidated, poverty, inequity in access to services, and poor quality health care quality in pregnancy, childbirth, and the puerperium have limited the necessary progress in this area in the countries of the region.

Effective interventions

Effective interventions to reduce maternal and perinatal morbidity and mortality include the provision of essential and good-quality obstetric and neonatal care services to all pregnant women, more staff trained to provide care in childbirth and for newborns, and a greater supply of modern contraceptives. Another effective intervention involves getting men to participate in programs to improve family health, reducing sexually transmitted infections (including HIV/AIDS) and the maternal mortality rate.

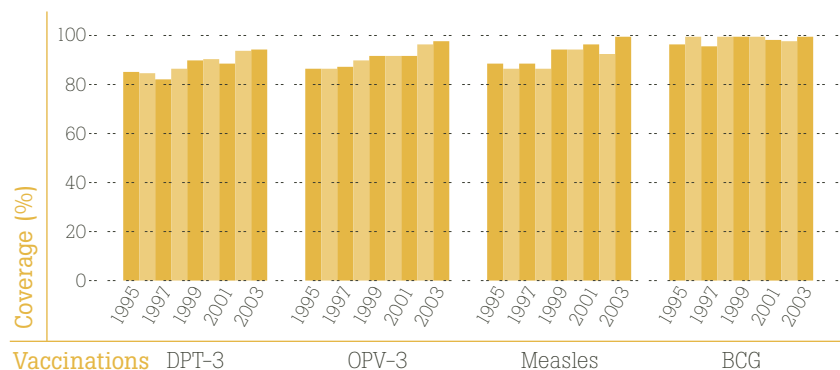
Inter-Agency task force

Given the urgent need to respond to demands to reduce maternal mortality, an inter-agency task force was created in 1999. It includes the United Nations Population Fund (UNFPA), UNICEF, the U.S. Agency for International Development (USAID), the Inter-American Development Bank (IDB), the World Bank, the Population Council, Family Care International, and PAHO. PAHO is the coordinating agency that serves as the technical secretariat. The main objective is to promote the regional program to reduce maternal mortality, generate consensus on strategies, and draw on lessons learned at the country and subregional levels to optimize resources and learn from one another. A major achievement of the task force was the development and launch in February 2004 of the Interinstitutional Strategic Consensus for Latin America and the Caribbean.

Immunization in the Americas

The immunization program in the Americas is considered one of the most successful interventions in public health because of its significant contribution to reducing infant mortality. The program has reached and maintained high coverage levels

Figure 1 Vaccination coverage of children under 1 year of age in Latin America and the Caribbean, 1995 – 2003



Source: Country Data

in the Region for all vaccines in the Expanded Program on Immunization (Figure 1). The success of this regional strategy is reflected in the increase in life expectancy attributable to the decline in mortality from vaccine-preventable diseases.

Eradication of measles

In 1994, the Ministers of Health of the Americas adopted a resolution in support of eliminating measles transmission in the Region. Thanks to the commitment of the countries to follow PAHO recommendations to administer the vaccination in three stages, measles was eradicated in children from 1 to 14 years of age. The interruption of indigenous circulation of the measles virus in the Latin America and the Caribbean since November 2002 has been a major milestone in the battle for better health for generations to come.

Elimination of Rubella and Congenital Rubella Syndrome

In 2003, the countries of the Region adopted another important public health goal: the elimination of rubella and congenital rubella syndrome by 2010. This initiative will have a major impact, reducing infant morbidity and mortality through the vaccination of men and women in Latin America and the Caribbean. To achieve this, it will be necessary to continue to strengthen the commitment of all the governments.

Vaccination Week in the Americas

The participation of all the member countries of PAHO in Vaccination Week in the Americas (VWA) has made it possible to put immunization on the policy agenda. In 2004, this initiative had the support of presidents, first ladies, ministers of health, and representatives of international organizations. Vaccination Week in the Americas promotes unity in the Region and helps to reduce inequity by immunizing difficult-to-access populations, including people living in remote areas, urban fringe areas, border regions, and indigenous communities.

Revolving Vaccine Fund

The PAHO Revolving Fund for Vaccine Procurement makes it possible for countries to acquire better-quality vaccines at lower prices. To strengthen the impact of this initiative, PAHO is

mobilizing resources to access new technologies and financial mechanisms that guarantee the sustainability of vaccination programs in the countries of Latin America and the Caribbean.

To protect and maintain the achievements in immunization and to tackle new challenges for the introduction of new vaccines, it will be necessary to continue the extraordinary partnership with the governments, with the collaboration of bilateral and multilateral technical and financial cooperation agencies, the private sector, and scientific organizations.

Child and adolescent health

Child health

Over the past decade, infant mortality rates in the Americas have been reduced from 31.7 to 27.9 per 1,000 live births. Despite this enormous achievement, 450,000 boys and girls in the Americas still die every year, and 92 % of these deaths occur in Latin America and the Caribbean. Analyzing the inequities between countries and regions is essential to strengthening targeted efforts to sustainably reduce the infant mortality rate.

With support from PAHO, the countries have implemented effective low-cost interventions to prevent mortality in children under 5. From 2003 to 2005, they succeeded in reducing the number of infant deaths by at least two-thirds and in improving the health status of boys and girls. Expansion of the Program for Integrated Management of Childhood Illness has three components: strengthening health systems; improving the skills of health workers; and promoting family practices that foster child growth and development. Over the years, this program has helped to reduce child mortality and morbidity rates.

To tackle the challenge of the meeting the development objectives of the Millennium Declaration and the mandates of the Summits of the Americas, PAHO has forged a permanent partnership with ministries of health, national agencies, civil society organizations, international organizations and foundations, and the international financial institutions to carry out joint activities in support of the interventions undertaken by the Member States in this area.

Adolescent health

Since 1996, PAHO has had an ambitious program in place to respond to the needs of young adults and adolescents in Latin America and the Caribbean, taking into account the gender perspective and the differences between the various age groupings between 10 and 24 years of age. The emphasis has been on the most impoverished and vulnerable (young women, indigenous people, adolescents in rural areas) in priority countries such as Nicaragua, Honduras, Bolivia, Haiti, and Guyana. Priority areas for intervention have been adolescent pregnancy, prevention of HIV-AIDS and sexually-transmitted diseases, prevention of violence, and family and community health.

These interventions have contributed to achieve progress in meeting the development objectives 4 and 5 of the Millennium Declaration as it is ensured that countries invest on actions oriented to improve sexual and reproductive health of adolescents and violence prevention.

HIV/AIDS

Although the Heads of State and Governments have remained committed since the first Summit in Miami to combating the spread of HIV/AIDS, it was the Declaration of Nuevo León at the Special Summit of the Americas that turned that commitment into quantitative goals:

"Pursuant to the relevant resolution of the United Nations and its specialized agencies, the relevant decision of the World Trade Organization and the World Health Organization's 3x5 Initiative, we commit to facilitate affordable treatment for HIV/AIDS with the goal of providing antiretroviral therapy to all who need it as soon as possible and to at least 600,000 individuals needing treatment by the year 2005."

By the time the Fourth Summit of the Americas is held, the countries of Latin America and the Caribbean will have met the commitment to provide treatment for 600,000 individuals, since 622,275 people had already received antiretroviral treatment by May, 2005.

The Global Fund to Fight HIV/AIDS, Tuberculosis, and Malaria has allocated funds to Argentina, Chile, Ecuador, Paraguay, Bolivia, Colombia, Nicaragua, Peru, Costa Rica, Belize, the Dominican Republic, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica,

the Caribbean Community (CARICOM) and the Organization of Eastern Caribbean States (OECS). These countries have received technical support from PAHO for project development and implementation, as well as the procurement of drugs.

It cannot be overlooked that the greatest number of people currently receiving treatment are in the United States and Brazil. However, if these two countries are subtracted from the calculations of the treatment gap, Latin American and the Caribbean coverage levels are still inadequate, which means that the Heads of State and Government must continue to strengthen their commitment and political will to attain universal coverage.

Interagency Coordinating Committee on HIV/AIDS for Latin America and the Caribbean

In June 2003, PAHO co-sponsored a meeting of regional directors of the UNAIDS Theme Group to strengthen the regional response of co-sponsoring UNAIDS organizations and agencies to the problem of HIV/AIDS in Latin America and the Caribbean. The result of that meeting was the cooperation agreement, coordinated by PAHO, between UNAIDS, UNICEF, UNFPA, UNESCO, the UN Development Program (UNDP), the International Labour Organization (ILO), the UN Office on Drugs and Crime (UNODC), and the World Bank to strengthen the political dialogue on HIV/AIDS with governmental and other high-ranking leaders, and thus to combat the discrimination suffered by the infected population and strengthen prevention measures, especially for adolescents and vulnerable populations. This group has met twice more, in June 2004 and March 2005, and has resolved to promote a forum that meets periodically to harmonize international cooperation for the fight against the HIV/AIDS epidemic in the Americas.

Emerging and reemerging diseases

The Heads of State and Government expressed their commitment to strengthen prevention and control programs for emerging and reemerging diseases and to intensify cooperation with PAHO, the IDB and other key actors in implementing integrated control and eradication measures.

PAHO has been promoting the development of an early warning system for the surveillance of emerging and reemerging diseases in the Region through the establishment of a Subregional

Surveillance Network for Emerging Infectious Diseases. The aim is to improve and complement the surveillance capacity of national laboratories, establish standard procedures, share information, and prepare contingency plans within the framework of the International Sanitary Code. Furthermore, PAHO and members of the Global Partnership are supporting Haiti, the Dominican Republic, Costa Rica, Brazil, Trinidad and Tobago, Suriname, and Guyana in eliminating lymphatic filariasis through a massive treatment strategy for at-risk population groups.

Malaria

The 21 countries in Latin America and the Caribbean with endemic malaria have adopted the Global Strategy for Malaria Control and the "Roll Back Malaria" initiative. The goal is to cut the prevalence of malaria by half by 2010 and attain the Millennium Development Goal related to Malaria by 2015. PAHO continues to promote use of the results of clinical trials on the effectiveness of malaria drugs, and to strengthen surveillance systems and their inclusion in health services.

Tuberculosis

PAHO has addressed the tuberculosis control by helping countries make major advances in their control efforts, especially the 10 priority countries (Bolivia, Brazil, the Dominican Republic, Ecuador, Haiti, Honduras, Guyana, Mexico, Nicaragua, and Peru). All of these countries, with the exception of three that will require additional support, have committed to meeting the World Health Organization's objectives to detect 70% of new

infected cases and treat 85% of people testing positive for the Koch bacillus by 2005. The main objective of the 2004–2005 Regional Plan of Action is to support implementation and expansion of the directly observed treatment strategy (DOTS) in all of the countries. In 2003, 73% of people with tuberculosis living in the Americas had access to DOTS treatment (see Figure 2).

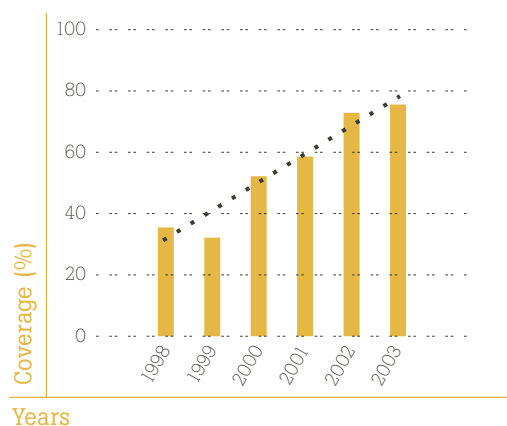
Dengue

PAHO has created the Dengue Working Group, made up of experts on the disease. The group will help the countries strengthen national programs and move them toward an integrated national management strategy. In addition, PAHO has begun national training efforts to prepare communications plans using a behavioral-impact approach known as COMBI to reach at-risk populations in 12 countries (eight in Central America and four in the Andean region).

Preparation of the Integrated Strategy for Dengue Prevention and Control in the Americas can be considered a step forward in the management and planning of current programs, many of which are based on the use of pesticides. The communications methodology to impact behavior significantly strengthens the sustainability of the strategies developed and implemented by the Central American countries and the Dominican Republic.

A strategic partnership also has been developed with the International Network of Ecoclubs, which has been working with PAHO for four years to develop campaigns to motivate communities to change behaviors that contribute to the spread of dengue. The young people in the Ecoclubs work in communi-

Figure 2 Expansion of coverage of the directly observed treatment strategy (DOTS/TAES) for Tuberculosis in Latin America and the Caribbean (%)



ties on environmental issues with the aim of promoting social mobilization, eliminating breeding sites, and improving solid waste management.

Funds have been raised to prepare the Strategy for Central America and the Dominican Republic and funding also was obtained from the Inter-American Development Bank and the Canadian International Development Agency (CIDA) to introduce the strategy in South America.

Chagas' disease

Research supported by PAHO/WHO on Chagas' in several countries has improved knowledge about the control of this disease and encouraged ministries of health to implement control activities that have interrupted both vector-borne and transfusional transmission.

International health regulations: epidemic alert and response

The new International Health Regulations were revised and approved in occasion of the World Health Assembly last May 2005. These regulations give high priority to identifying and strengthening Member States' capacity to detect, investigate, confirm and control public health emergencies, especially those of international importance. The regulations are the only legally binding international public health document whose objective is to prevent and protect against the international spread of diseases, control the spread of such diseases, and provide a public health response in a manner proportional to the hazards posed to public health, while at the same time avoiding unnecessary interference with international trade and commerce.

Environmental health

During the Special Summit of the Americas held in Monterrey, the Heads of State and Government expressed their satisfaction with the joint effort by the ministries of health and the environment and gave them the authority to develop a joint agenda to prevent and minimize negative environmental impacts on human health.

The Third Meeting of Ministers of Health and the Environment was held in Mar del Plata, June, 2005. Its purpose was to

review progress on this issue from the Pan American Charter to the Millennium Development Goals and to examine the commitments made as part of the Summits of the Americas Process. The meeting also facilitated progress in implementing the commitments contained in Agenda 21 and the initiatives of the World Summit on Sustainable Development, held in Johannesburg—especially those that refer to strengthening healthy environments for children and maintaining the partnership between the two sectors to ensure the attainment of the Millennium Development Goals. The Declaration approved in Mar del Plata will be reflected in the Declaration of the IV Summit of the Americas.

Workers' health

During the Third Summit of the Americas, the Heads of State and Government of the Hemisphere recognized that employment is the most direct way to link business activity with improving the quality of life of citizens, and that true prosperity can only be achieved by protecting and respecting the basic rights of workers, promoting equal opportunities for employment, and improving working conditions in terms of health and safety for all. During the Special Summit of the Americas, the Heads of State and Government reiterated their commitment to the principles of decent employment and respect for the basic rights of workers.

Participation of PAHO in the Inter-American Conference of Ministers of Labor (IACM)

PAHO has played an active part in this process—particularly at the XII IACM (Ottawa, 2001), and the XIII IACM (Salvador, Bahia, Brazil, 2003) —in terms of the topic "Workers' health and Safety within the Framework of the 2003–2007 PAHO's Strategic Plan." Within this context, in 2004, PAHO implemented the Regional Plan for Workers' Health as an instrument for the application of those policies at the country level.

Extension of social protection in health

The commitment of the Heads of State and Government to continue promoting the extension of social protection in health to all people, especially the most vulnerable groups, has remained steadfast at the various summits.

In 2001, as a result of a strategy developed by PAHO and the Swedish Agency for International Development (SIDA) a regional project started in order to develop and validate methodological instruments to characterize and measure exclusion in health in the countries of the Region. As a result of this first phase, methodological guidelines were prepared to better define health exclusion. The guidelines were initially validated through their application in some countries of the region. In 2003, PAHO published a book that systematizes the results of the process for measuring exclusion in health in Ecuador, Guatemala, Honduras, Paraguay, Peru, and the Dominican Republic.

As part of the same strategy, since 2003 PAHO has been promoting social dialogue in selected countries of Latin America and the Caribbean directed toward the formulation and legal and practical implementation of national action plans to extend social protection in health.

PAHO is currently preparing methodological guidelines for the design of national accounts for health and social protection that can be used by the countries. PAHO also is supporting the efforts of certain countries to identify and strengthen health protection strategies.

Health sector reform

The Health sector reform initiative's second phase, co-sponsored by PAHO and USAID, began in 2002 and focused on formulating the methodology to support country efforts to strengthen national capacity.

As a way of overseeing the progress of the reform processes, the 33 countries of the initiative completed the preliminary version of health system and services profiles, which contain an exercise to monitor and evaluate the sectoral reform processes under way. A second version was concluded in all countries except Canada, the United States, Haiti, and Suriname. A comparative regional analysis of progress in sectoral reform was also completed. Based on the data obtained with the methodology used in the profiles, the Pan American Health Organization recently conducted a second evaluation of the reforms.

The initiative also produced a methodology for sectoral. The methodology was successful in pilot studies conducted in Costa Rica, Cuba, Guyana, Nicaragua, and Paraguay. As a result

of these tests, and of contributions by experts in the field, the methodology is being reviewed and expanded. A specific chapter on HIV/AIDS has been included that emphasizes the urgent need to strengthen the ability of health systems and services to deal with this pandemic.

In 2002, the methodology for the formulation of master plans for health investment was published to help countries achieve consistency between investment plans and sectoral reform activities. Application of the master plan supports the mobilization of national and international resources for activities to achieve national goals. Bolivia, El Salvador, Guatemala, Honduras, Nicaragua, and Paraguay designed master plans and determined their effectiveness in mobilizing resources for sector reform.

Information about the initiative is disseminated through the information system on health sector reform and analysis. This system played an important role in integrating the first and second phases of the initiative and provides a dynamic mechanism to compile, organize, and disseminate information on experiences in the Hemisphere.

Connectivity

Since the Quebec Summit, PAHO has strengthened its connectivity system, providing health workers in the region with access to the Virtual Health Library, which was developed by the Latin American and Caribbean Center on Health Sciences Information (BIREME). PAHO has also developed the Public Health Virtual Campus, which allows permanent training in public health through different methodologies.

Challenges

Many of the health mandates that emerged from the Summits of the Americas are strongly linked to the health-related objectives in the Millennium Development Goals. Despite their enormous heterogeneity in terms of both development and health, the countries of the Americas share some common denominators in health as it relates to the MDGs. Some of the topics for discussion can be summarized as follows.

- ✦ First, the effort implies moving more rapidly toward reducing inequities in health and access to health services.

- ✦ Second, major progress with respect to social protection in health is necessary; without it, it will be impossible to extend coverage of the most critical interventions necessary to improve the health status of the population.
- ✦ Third, an increase beyond present levels of current account expenditure and investment in the sector is required, and substantial improvement is needed in the quality of sectoral resource allocation.
- ✦ Fourth, a reorientation of health services is necessary, based on a renewed strategy of primary health care.
- ✦ Fifth, there is need for sustained strengthening of the public health infrastructure.
- ✦ Finally, one cannot ignore the importance of formulating and implementing intersectoral policies and actions that have a real impact on the economic and social determinants of the health-related targets contained in the Millennium Development Goals.

All this is necessary in the Americas to build greater social solidarity in health and strengthen citizens' rights in health.

Consequently, the health policies, plans, and programs of countries must be devoted to these ends, in conjunction with specific actions in other sectors. This will make it possible to reverse some of the longstanding trends of many of the health indicators related to the Millennium Development Goals. Without this progress, we will be faced with a situation of noncompliance with the commitments established for 2015.

Transforming the commitments made by the governments when they signed the Millennium Declaration remains a challenge. Only a handful of countries have fully integrated these objectives into their policy-making process. Doing so requires an intensified effort on the part of the countries, with the support of international cooperation.

Finally it is worth emphasizing that supporting the right to health implies strengthening democratic governance in a context of social solidarity and human rights. True democracy can only be attained when no inhabitant is excluded from the benefits of development and no one is deprived of the right to health. Only when this is achieved will the universal aspirations related to health in the Millennium Development Goals become a reality in the Americas.

Inter-American Institute for Cooperation on Agriculture (IICA)



The Summits of the Americas Process and the mandates on agriculture and rural life have been a factor in the modernization of IICA, undertaken after the Third Summit, to support the countries in their efforts to comply with the mandates, through the ministerial process “Agriculture and Rural Life in the Americas.” The modernization process has led to a strategic definition introduced in the Institute’s latest Medium Term Plan; a new model for cooperation which goes beyond the mere provision of technical cooperation was adopted, including a restructuring of the Institute.

A political framework to reassess the agriculture and rural life

Mandates of the Quebec Summit

In the Third Summit of the Americas, the Heads of State and Government recognized the importance of agriculture and rural life in combating poverty and promoting sustainable development in their countries. This potential was recognized when defining the double role of agriculture as a way of life for millions of rural inhabitants; and as a strategic sector in the socioeconomic system sector for generating prosperity.

To realize this potential, the Plan of Action of the Third Summit contains two mandates for Ministers of Agriculture, one at the hemispheric level and another at the national level:

- (i) To promote hemispheric joint action among the stakeholders of the agricultural sector with a view to bring about sustainable improvements in agriculture and rural life that contribute to the implementation of the Plans of Action of the Summits of the Americas;
- (ii) To promote medium– and long-term national strategies for the sustainable improvement of agriculture and rural life based on a dialogue among government ministers, parliamentarians, and different sectors of civil society.

Also, the Heads of State and Government of the Americas designated IICA as an institutional partner of the Summits of the Americas Process. As such, IICA is responsible for:

- (i) Supporting the ministers of agriculture in carrying out these two mandates;

- (ii) Participating in the mechanism established for following up on the two mandates, which is coordinated by the Summit Implementation Review Group (SIRG)); and
- (iii) Forming part of the Joint Summit Working Group, coordinated by the Summits of the Americas Secretariat of the OAS.

Monterrey 2004: a renewed commitment

At their Special Summit Meeting (Monterrey 2004), the Heads of State and Government of the Americas endorsed the agreement reached by the Ministers of Agriculture at their meeting in 2003. They committed to supporting implementation of the AGRO 2015 Plan, conferring on it the nature of a presidential mandate, as set out in paragraph 43 of the Declaration of Nuevo Leon. In it, they renewed their pledge to maintain a sustained effort to improve the living conditions of rural populations and that sustainable improvements in agriculture should contribute to social development, rural prosperity and food security.

The ministerial process “Agriculture and Rural Life in the Americas”: dialogue, consensus and commitment

This political framework resulting from the Quebec 2001 and the Monterrey 2004 mandates spawned a new ministerial process in the context of the Summits of the Americas, a process that culminates in the Ministerial Meetings “Agriculture and Rural Life in the Americas”. The principles of openness and transparency were embodied in this process through broad national, regional and Hemisphere dialogue.

In response to the first mandate of Quebec 2001, there has been a hemispheric effort reflected in the Ministerial Meetings of Bavaro 2001, Panama 2003 and Guayaquil 2005. In 2001, immediately following the Third Summit, the first hemispheric ministerial response occurred. The Ministers of Agriculture, with the support of their ministerial delegates, reached consensus on the “Ministerial Declaration of Bavaro for the Improvement of Agriculture and Rural Life in the Americas” (MDB), which they approved at their first Ministerial Meeting (Bavaro 2001).

In the Declaration and pursuant to the decisions of the Heads of State and Government of the Americas, the ministers agreed

that it was of key importance that significant progress be made to achieve sustainable development in agriculture and the rural milieu, improve food security, and reduce rural poverty. They also stated that the sustainable development of agriculture and the rural milieu should be based on the objectives of greater competitiveness, equity, sustainable management of natural resources, and democratic governance.

To this end, they pledged to reach consensus on a shared hemispheric agenda that would be used by their countries to develop future national and regional plans of action.

Moreover, IICA, international financial institutions and cooperating governments, as well as other partner institutions of the Summits of the Americas Process were requested to coordinate their support strategies, taking the above into account.

In 2003, pursuant to their commitments under the MDB and in preparation for the Special Summit of the Americas, the Ministers of Agriculture reaffirmed their commitment by confirming appointment of their ministerial delegates and promoting a broad participatory process that led up to the Second Ministerial Meeting “Agriculture and Rural Life in the Americas” (Panama 2003). During that meeting they adopted the “AGRO 2003–2015 Plan for Agriculture and Rural Life of the Americas” (AGRO 2015 Plan), in keeping with their commitment to a shared hemispheric agenda.

The ministerial meeting was the culmination of a broad process of consultation, dialogue and consensus-building at the national and hemispheric levels among ministerial delegates. One of the key moments was the 2003 meeting of the forum of the ministerial delegates known as the Group for the Implementation and Coordination of the Agreements on Agriculture and Rural Life (GRICA).

In 2005, the Third Ministerial Meeting (Guayaquil 2005) provides a new opportunity to review the progress of the AGRO 2015 Plan, update its Hemispheric Agenda for the 2006–2007 period, and approve a proposal to the SIRG to consolidate an enabling environment for the sustainable improvement of agriculture and the rural milieu.

Promoting national strategies based on national dialogues and consensus

The second mandate is also based and responds to the MDB,

in which the Ministers of Agriculture indicated the regional and national scope for the implementation of the shared hemispheric agenda (AGRO 2015 Plan).

The countries are pursuing national strategies for the improvement of the agricultural sector. As one of the tasks of the 2005 ministerial process, and bearing in mind the timetable for the review of the mandates by the Summit Implementation Review Group (SIRG), the countries prepared reports on national actions to implement the AGRO 2015 Plan, based on their respective national strategies.

Some countries have clearly aligned their strategies with this second Quebec mandate 2001, in particular the dialogue and the involvement of government, parliament, and different stakeholders of civil society. In the meantime, initial steps have been made in some regions to comply with the second mandate from Quebec.

The “institutional architecture” being built

The process of implementing the mandates on agriculture and rural life from the Third Summit led to greater involvement on the part of the actors of the agricultural sector in the Americas and gave rise to a new “institutional structure,” which includes:

- (i) appointment of the ministerial delegates for agriculture and rural life who coordinate implementation of the mandates in their respective countries and the preparation of the progress reports,
- (ii) the forum of ministerial delegates (GRICA) which works to build hemispheric consensus on strategic actions and makes proposals to the ministerial meeting and to the National Summit Coordinators for creating and consolidating an enabling environment,
- (iii) the ministerial meeting, which is informed of the progress reports on compliance with the mandates and agreements, and will adopt the strategic actions for the coming biennia, and
- (iv) the Secretariat of the ministerial meetings, exercised by IICA, which supports the ministerial process, facilitates its continued development, and promotes the link with the Summits of the Americas Process.

IICA as an institutional partner in the Summit Process

At the Third Summit of the Americas, IICA was included by the Heads of State and Government of the Americas as a partner institution of the Summits of the Americas Process, together with the OAS, ECLAC, IDB, PAHO, and World Bank. Since then, it has served as Secretariat of the Ministerial Meetings “Agriculture and Rural Life in the Americas.”

In general IICA has had a dual role to play in support of the implementation of the presidential mandates. On the one hand, in the ministerial process, promoting broad national, regional and hemispheric dialogue to support ministerial meetings. Also, in the Summits of the Americas Process, participating in the OAS-led Summit review and monitoring mechanisms. By these means, IICA sought to ensure that the position attained by agriculture and rural life at the Third Summit was consolidated at the Special Summit.

To help maintain that position, IICA promotes the following efforts:

- (i) To facilitate the continuation of the ministerial process. IICA assumed the commitment to contribute decisively to implementing the Summit mandates and the agreements of the Ministerial Meetings “Agriculture and Rural Life in the Americas.” Since 2002, the Institute has been instituting a cooperation model with four complementary strategic components:
 - ✦ Support the Member States in implementing the mandates, with a renewed style of technical cooperation that begins with consultation with the key stakeholders of agriculture to define jointly the Institute’s Technical Cooperation Agendas at the national, regional and hemispheric levels in IICA’s area of competence (agribusiness, trade, agricultural health and food safety, innovation and technology, education and rural development). Those agendas are revised at least once a year for the purpose of bringing them in line with the needs expressed by the countries and in relation to their challenges for implementing the AGRO 2015 Plan.

- ✦ To promote the monitoring of agriculture and rural life and, on the basis of same, to promote reflection and dialogue among the stakeholders in agriculture and the rural milieu on the current situation of and outlook for agriculture and rural life at the national, regional and hemispheric levels.
 - ✦ To support the Ministers of Agriculture and the Ministerial Delegates in organizing and holding the ministerial meetings. In this regard, efforts are made by IICA to facilitate dialogue among the stakeholders of agriculture and rural life and the building of a consensus on hemispheric, regional and national strategies for sustainable improvement in agriculture and rural life. Also, support is provided for the continuation of the ministerial process, facilitating the monitoring of those strategies.
 - ✦ Coordinate actions with other international organizations that work to improve agriculture and rural life in the Americas. Consistent with the spirit of the Summit Process, IICA continues to strengthen its relations with the other institutional partners in the Summit Process and with other international and regional organizations operating in the Americas to coordinate and complement efforts. As regards to technical cooperation, and at the national, regional and hemispheric levels, IICA has fostered working relations with other international organizations in order to support the countries in implementing their strategies. As for the monitoring of strategies, the “working together” approach and joint action have been promoted, with a view to obtaining inputs from the institutional partners during the process of preparing the products of the ministerial meetings. Also, and specifically as regards to monitoring the AGRO 2015 Plan, ECLAC, IICA, PAHO, FAO and UNESCO are working together to identify indicators for agriculture and rural life for monitoring the AGRO 2015 Plan. In this regard, IICA and ECLAC held a workshop in 2004 on indicators that was attended by Ministerial Delegates of Agriculture and Rural Life and representatives of the aforementioned organizations. At the 2005 GRICA meeting, held on July 7–8, ECLAC, representing the group of organizations that followed up on the workshop, presented to the Ministerial Delegates information for the creation of a basic set of indicators. The purpose of the initiative is to move toward an information system on agriculture and rural life in the Americas, which will make it easier to set goals and assess progress in compliance with the respective mandates from the Summits of the Americas.
- (ii) To facilitate articulation of the ministerial process with the Summits of the Americas Process, which implies:
- ✦ Reporting to the Summit Implementation Review Group (ministers of foreign affairs of the Hemisphere and their National Summit Coordinators) on the countries’ progress to implement the presidential mandates, the ministerial process itself, and the Institute’s and other international organizations contributions to same.
 - ✦ Participating in the Joint Summit Working Group, coordinated by the OAS Summits of the Americas Secretariat.
 - ✦ Maintaining close communication with the OAS Summits of the Americas Secretariat.
- As for the 2001 and 2003 ministerial processes, IICA is supporting the Ministers of Agriculture, their ministerial delegates, alternate delegates and technical teams in their work to achieve the results expected for 2005. It will also continue to promote joint action with the partner institutions of the Summits of the Americas Process for supporting the countries in implementing and monitoring the AGRO 2015 Plan in the regions and countries.

03

Institutions of the United Nations System

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Economic Commission for Latin America and the Caribbean (ECLAC)

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The International Bank for Reconstruction and Development and the International Development Association (World Bank Group)

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International Labour Organization (ILO)

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International Organization for Migrations (OIM)

Economic Commission for Latin America and the Caribbean (ECLAC)



At the Summit of the Americas held in Quebec in 2001 and the Special Summit of the Americas held in Monterrey in 2004, the Heads of State and Government of the Americas requested the collaboration of the Economic Commission for Latin America and the Caribbean (ECLAC) in a number of areas. The Secretariat of the Commission is pleased to report on the activities carried out in support of the implementation of the Plans of Action of both Summits, focusing on those areas which have seen a greater level of activity. These areas are: transparency and good governance, strengthening mutual confidence, trade and investment, strengthening civil society's participation in hemispheric and national processes, corporate social responsibility, disaster management, rural development, labour, growth with equity, development financing, the information society, migration, education, gender equity and indigenous peoples.

Transparency and good governance

ECLAC has worked to encourage cooperation and an exchange of experiences among national legislators of the Hemisphere regarding parliamentary best practices in budget-related matters. On July 12, 2004, a workshop was held on the role of the legislative branch in the budgetary process in Latin America. At the workshop, representatives of Latin American legislatures, experts from the ECLAC organizing committee for the Regional Seminar on Fiscal Policy and specialists from other ECLAC units formulated a shared diagnosis concerning budget analysis, approval and oversight processes in the parliaments of the region. The aim of this diagnosis is to promote forms of institutional development that will contribute to better and clearer budgetary decisions.

The ECLAC Regional Seminar on Fiscal Policy is an annual meeting that provides a forum where international experts, senior fiscal authorities from finance ministries and central banks, and parliamentarians from countries of Latin America and the Caribbean can debate current issues in the field of public finance.

Two main subjects were discussed during the seventeenth Regional Seminar, which took place in January 2005: (1) the relationship between public investment in infrastructure and economic growth, and the available options for reversing the alarming drop in

public investment and the growth of the infrastructure deficit in Latin America and the Caribbean; and (2) the role of parliament in formulating fiscal policy. In the session focusing on the second of these topics, experts and members of congress shared experiences, examined the shortcomings of this process, analyzed proposals for improving coordination among the different branches of government and discussed ways of making budgetary decisions more transparent.

Strengthening mutual confidence

As a means of contributing to transparency and confidence-building within and among countries, ECLAC has developed a standardized methodology for measuring national defence spending. This methodology was designed on the basis of an examination of the national defence spending of Chile and Argentina from 1996 to 1998. As a follow-up to this initiative, ECLAC is presently assessing the applicability of this standardized methodology for comparisons among other Latin American countries and analyzing what adaptations may be needed in order to develop an expanded and more general methodology for the comparison of military expenditure. Progress towards the aforementioned objective will provide a technical and institutional basis for the development of standardized comparisons of military expenditure among the countries in the Latin American and Caribbean region.

At the request of the Governments of Argentina and Chile, ECLAC is carrying out a second exercise for the fiscal year 2004 using the same methodology.

Another confidence-building activity in which ECLAC has participated is the Project on Strengthening the Democratic Governance of the Security Sector in Latin America. This inter-agency project of the United Nations is being led by the Department of Political Affairs. Its executing agencies are ECLAC, the Department of Disarmament Affairs and the United Nations Development Programme (UNDP). The project seeks to strengthen the democratic governance of Latin America's security sector through the development of an integrated and comprehensive approach to security-sector reform. Specifically, the project will promote cooperative security policies and confidence-building measures, strengthen civilian leadership in managing and overseeing the armed forces and foster

civil society participation in the formulation of security-sector reform. The initiative will ultimately lead to the development of a regional strategy on security-sector reform.

Trade and investment

Within the framework of the IDB/ECLAC/OAS Tripartite Committee, ECLAC has continued to support the Free Trade Area of the Americas (FTAA) process, in particular by providing support to the negotiating groups on competition policy, investment and services. ECLAC is the lead institution for the Negotiating Group on Competition Policy, the Consultative Group on Smaller Economies and the Committee of Government Representatives on the Participation of Civil Society. ECLAC also works with the Trade Negotiations Committee and assists the Chair and the Administrative Secretariat of the FTAA.

Since November 2002, ECLAC has been providing technical assistance to the FTAA Hemispheric Cooperation Program, whose objectives are to strengthen the productive capacity of the countries participating in the FTAA negotiations, to implement its trade commitments, and to overcome the challenges of hemispheric integration and maximize its benefits.

In this context, ECLAC, together with the IDB and the OAS, has provided technical support to countries of the region requesting assistance with the preparation of national and/or regional strategies for identifying short-, medium- and long-term cooperation requirements. ECLAC has also been responding to technical assistance requirements in various areas through knowledge transfer, research and analytical reports, round-table meetings, workshops and seminars, and activities designed to strengthen countries' statistics capacity.

The support provided within the framework of the IDB/ECLAC/OAS Tripartite Committee to the Committee of Government Representatives on the Participation of Civil Society is a particularly important component of the work being done to fulfil the mandate for strengthening civil society's participation in hemispheric and national processes.

Corporate social responsibility

ECLAC has incorporated the issue of corporate social responsibility into its research activities. As part of this effort, it has

initiated contacts with major partners in government, civil society, business circles, the academic world and multilateral institutions with a view to the joint development of effective and sustainable corporate responsibility principles.

ECLAC efforts in this area are framed within the United Nations Global Compact Initiative and include support for workshops held for businesses affiliated with the Initiative in Argentina and Chile, as well as for other activities, particularly in the mining sector. ECLAC took part in the second Inter-American Conference on Corporate Social Responsibility, organized by the IDB, and will be providing support for the third conference, which is to take place in Santiago, Chile, on 25-27 September 2005.

Disaster management

ECLAC has continued to provide support and technical cooperation to countries of the region that have been hit by natural disasters. Descriptions of changes in the living conditions of the population, the alteration of the economic environment and the environmental damage occurring in countries affected by disasters have served as a tool for governments in their dealings with the international community as they seek to obtain the cooperation and financing needed to carry out their reconstruction plans.

During the last few years, countries in the region have been hit by particularly intense and frequent hurricanes and floods, as well as several earthquakes. In response to this situation, 13 different missions have been carried out in 2004 and 2005 to assess the socio-economic impact of these natural disasters.

Rural development

In collaboration with its partners in the Inter-Agency Working Group for Rural Development in Latin America and the Caribbean, ECLAC continues to support the fulfilment of the Monterrey Summit's commitment to maintain a sustained effort to improve living conditions for the inhabitants of rural areas by promoting investment and creating an enabling environment for the achievement of sustainable advances in agriculture. It is also working to further the implementation of the AGRO 2003-2015 Plan of Action for Agriculture and Rural Life of the Americas adopted at the Second Ministerial Meeting on Agriculture and

Rural Life in the Context of the Summit of the Americas Process (Panama City, 2003).

In this connection, on November 24, 25 of 2004, ECLAC hosted the Workshop on Indicators for the Follow-up to the AGRO 2003-2015 Plan of Action, which was organized jointly with the Inter-American Institute for Cooperation on Agriculture (IICA), and is planning to hold a similar activity for the Caribbean subregion during the second half of 2005.

Labour

ECLAC continues to conduct a variety of activities relating to the labour market with a view to the development of public policy proposals. As part of its work in this area, ECLAC carried out a project on labour market policies in Latin America in an effort to evaluate such policies' effectiveness, efficiency and impact on social equity. This research effort, which forms part of a wider project on social development and equity in the region, looked into regional experiences in labour market policies, as well as the evaluation tools available. To this end, in-depth reviews of experiences in Brazil, Chile and Mexico were carried out. These analyses were supplemented by desk reviews of selected experiences in Argentina, El Salvador, the Dominican Republic and Peru, as well as of best practices in this field outside the region. This led to the development of a set of proposals for improving evaluation practices in the region which were presented in the book: "In effectiveness search, efficiency and fairness. The policies of the work market and the instruments of its evaluation" (available in Spanish), published in 2004. A final phase of the project will offer technical cooperation to countries in the region seeking to improve their evaluation practices.

ECLAC has also conducted the Project on Young People's Participation in the Labour Force: Analysis, Challenges and Proposals. One of the characteristics of Latin American labour markets is the persistence of serious problems in respect of participation in the workforce, particularly high unemployment and underemployment rates, along with the extremely precarious nature of youth employment. This situation is a cause of concern among authorities and society in general for a number of economic and social reasons. Labour experts and representatives of the governments of countries where studies were conducted (Chile, Ecuador, El Salvador, Paraguay and Peru)

participated in a seminar on July 6, 2005 at which the project's results were presented.

Growth with equity

On June 10, 2005, ECLAC and the Latin American and Caribbean offices of 11 United Nations specialized agencies and bodies (International Labour Organization (ILO), Food and Agriculture Organization of the United Nations (FAO), United Nations Educational, Scientific and Cultural Organization (UNESCO), Pan American Health Organization (PAHO)/World Health Organization (WHO), United Nations Development Programme (UNDP), United Nations Environment Programme (UNEP), United Nations Children's Fund (UNICEF), United Nations Population Fund (UNFPA), World Food Programme (WFP), United Nations Human Settlements Programme (UN-HABITAT) and United Nations Development Fund for Women (UNIFEM)) issued an inter-agency report entitled *The Millennium Development Goals: a Latin American and Caribbean perspective*.

The report's main findings indicate that, over the past five years, Latin America and the Caribbean have continued to advance in the struggle against hunger, to improve gender equity in education, to expand access to drinking water and to reduce infant mortality. They also indicate, however, that the region continues to lag behind in meeting other targets associated with the Millennium Development Goals, notably those of halving extreme poverty, making primary education universal and reversing the loss of environmental resources.

Inequality is a theme that runs through the entire document, since this region is the least equitable in the world. Limited by slow growth during lengthy periods of time, the region has been unable to improve income distribution or access to productive assets. This situation has been aggravated by a lack of the types of jobs that would allow workers to escape from poverty and provide their children with proper health care, education and food.

In order for the region to meet the Millennium Development Goals, each country will have to make a determined effort. This will include the formation of a fiscal covenant to ensure the efficient use of public resources, transparency in their management, accountability, clearly defined rules and a greater supply of resources so that the governments can pursue development

priorities. Even so, official development assistance for the poorest countries must be increased, particularly in the cases of Bolivia, Guatemala, Guyana, Haiti, Honduras, Nicaragua, Paraguay and Suriname.

Development financing

As part of its follow-up to the International Conference on Financing for Development, ECLAC has continued to carry out a number of activities focusing primarily on analytical work, the promotion of a policy dialogue, capacity-building and sharing of best practices.

The Project on the Role of Regional Financial Arrangements is focused on analyzing the conceptual issues associated with the role of regional institutions in the international financial architecture and on comparing actual experiences in this area, both in Western Europe and the developing world. The project takes a comprehensive approach to the analysis of development and emergency financing, the design of instruments for managing macroeconomic linkages at the regional level, and potential cooperation in the prudential regulation and supervision of domestic financial systems.

The Project on Strengthening the Role of Regional and National Financial Institutions for Sustainable Social Development is designed to help augment cooperation and coordination among financial institutions and development banks at the regional level. ECLAC collaborates with the Latin America Reserve Fund (FLAR) and IDB in executing this project, as well as making use of the information network of the Latin American Association of Development Financing Institutions (ALIDE).

A book on governance and financial integration entitled "Governability and financial integration: Global and regional scope" (available in Spanish), has been published under the joint ECLAC/IDB Project on Regional Aspects of Financing for Development in Latin America and the Caribbean. This study looks at the developing economies' vulnerability in the face of the volatility of privately-sourced external financing, which is aggravated by the fact that neither the countries' fragile domestic financial systems nor multilateral financial institutions appear to be capable of preventing or managing international financial crises.

The information society

ECLAC has designed a programme of work on the information society to be pursued within the framework of the Political and Regulatory Dialogue of the Alliance for the Information Society (@LIS). Funding for this initiative is being provided by the European Union and the Institute for Connectivity in the Americas (ICA).

The objectives of the programme are: to promote the formulation of public policies for the advancement of development-oriented information societies in Latin America and the Caribbean; to foster cooperation within and among regions for integration into a global information society while creating the conditions for long-term partnership; to facilitate regional and subregional integration in Latin America and the Caribbean by aligning policies on the use of information and communication technologies (ICTs) for development and employing common mechanisms for coordination, cooperation, assessment and comparative analysis; to monitor and provide analytical assistance and technical cooperation for the preparation and implementation of strategies for developing the information society; and to promote transparent and participatory interaction by creating networks for dialogue and for sharing experiences among key agents with responsibilities in promoting the information society.

With the adoption of the Plan of Action for the Information Society in Latin America and the Caribbean - eLAC 2007, the governments of the region took a significant step towards arriving at a common regional policy agenda. This action plan was adopted at the Regional Preparatory Ministerial Conference of Latin America and the Caribbean for the Second Phase of the World Summit on the Information Society, which took place in Rio de Janeiro in June 2005. On that occasion the governments also approved the Rio Commitment, a political declaration which constitutes the position statement of the Latin American and Caribbean countries for the second phase of the World Summit, to take place in Tunis in November 2005. eLAC 2007 is a regional plan of action that builds and expands upon on-going intraregional initiatives and seeks to promote convergence among national policies and projects. Through eLAC 2007, the countries of the region have placed priority on 30 realistic and practical goals in the short term. This plan embeds the region's information society development strategy into the long-term vision for the year 2015 outlined in the Plan of

Action of the World Summit on the Information Society and the Millennium Development Goals. The ECLAC information society programme is strongly committed to supporting countries in their efforts to attain goals outlined in eLAC 2007.

Migration

During the last few years, the Commission's efforts to integrate the sociodemographic dimension into development policies, programmes and projects have included work focusing on the sociodemographic vulnerability associated with such factors as international migration. One of the activities carried out in this regard was the Hemispheric Conference on International Migration: Human Rights and Trafficking in Persons in the Americas, which took place in Santiago, Chile, from 20 to 22 November 2002. The event was convened by ECLAC and the International Organization for Migration (IOM) in collaboration with the OAS Inter-American Commission on Human Rights (IACHR) and the Office of the United Nations High Commissioner for Human Rights (OHCHR) and with the sponsorship of UNFPA, UNICEF, ILO, IDB and the Latin American Economic System (SELA).

This conference served to strengthen cooperation among governments with regard to international migration. It also contributed to the identification of mechanisms which, within the framework of existing international mandates and agreements, will help to protect and promote the human rights of migrants and to combat and prevent trafficking in persons.

To continue delving into these issues, ECLAC organized the International Workshop on International Migration and Regional Integration Processes, which took place on 6 and 7 December 2004. There has also been progress in the enlargement of the Database on Internal Migration in Latin America and the Caribbean (MIALC). Just a few months after the release of the Beta version of the MIALC database, ECLAC brought out a new version which, in addition to certain technical adjustments, includes a significant number of new tables and indicators on internal migration that were developed using national census data from the countries of the region.

Education

ECLAC and UNESCO jointly prepared a report entitled, "Invertir mejor para invertir más. Financiamiento y gestión de la educación en América Latina y el Caribe" (Investing better to invest

more. Financing and managing education in Latin America and the Caribbean), which was published in January 2005. This document analyzes the main challenges to be met in financing and managing education in countries of the region. It also evaluates the financial requirements of the region's countries in the area of education and provides estimates of the total and additional costs from now until 2015 which governments will need to cover in order to meet four major goals: providing universal preschool education, ensuring universal access to primary education, raising the net coverage of secondary education to 75% and eliminating adult illiteracy.

The report estimates the total amount of resources needed to meet the educational targets set under various international agreements by 2015 at US\$ 150 billion. This sum represents almost 7.5 percentage points of the total GDP registered by the region's 22 countries in 2000. If the countries covered in this report are to meet these four targets, they will have to spend almost US\$ 13.56 billion more per year over the next 11 years (from 2005 to 2015). It also examines the main problems and challenges involved in improving educational management in order to ensure that these resources are efficiently used and have the greatest possible impact on learning.

Gender equality

In its capacity as secretariat of the Regional Conference on Women in Latin America and the Caribbean, ECLAC has continued to conduct activities in follow-up to the Regional Programme of Action for the Women of Latin America and the Caribbean and to the Beijing Platform for Action. These activities are, to a large extent, aligned with the initiatives for attaining greater gender equity included in the Plans of Action formulated at the Summit of the Americas held in Quebec in 2001 and the Special Summit of the Americas held in Monterrey in 2004.

During this period ECLAC has made a significant contribution, in both political and technical terms, to efforts to achieve greater gender equity in the region. In the political arena, its work has focused on capacity-building within the framework of national machineries for the advancement of women, with emphasis on access to high-level policymaking functions. In technical fields, its efforts have centred on the production of useful governmental management tools, such as gender indica-

tors and public policy proposals in areas such as employment. Much of this work has involved different projects, various technical cooperation activities in the countries of the region and the development of networks and strategic alliances. The common thread that runs through all these initiatives is the aim of strengthening national machineries for the advancement of women.

The Commission's contribution to the examination of the status of women in the region has revolved around the task of analyzing the effects of globalization in terms of gender equity, the economic and labour-related aspects of gender equity in the context of economic and social rights, and the importance of the gender perspective for social development, particularly in relation to poverty, social security, labour markets, political participation and violence against women.

Indigenous peoples

ECLAC has been working on the systematization of information and the development of social and political indicators and knowledge concerning issues of particular importance to indigenous groups and specific forms of citizenship. The results of its work in this area are intended to serve as inputs for the effort to promote a greater awareness of the position within society of indigenous peoples in Latin America and the Caribbean and to enrich public policy and the political debate.

Over the last two years, ECLAC has conducted country studies in Chile, Bolivia and Guatemala. These studies have pointed out the existence of equity gaps between indigenous peoples and the rest of the population in terms of social indicators such as poverty, income, labour markets, education, housing, health and child mortality.

In November 2004, ECLAC published: "Ethnicity and citizenship in Latin America. The collective action of the indigenous towns" (available only in Spanish). This study updates information on indigenous movements and claims in Mexico, Chile, Bolivia and Ecuador and explores the challenges they pose in terms of the definition of citizenship and the formulation of policies aimed at its promotion.

The International Seminar on Indigenous Peoples and Afro-descendants in Latin America and the Caribbean:

Relevance of Sociodemographic Information to Policies and Programmes was held at ECLAC headquarters in Santiago, Chile, from 27 to 29 April 2005 with the support and/or participation of the Fund for the Development of the Indigenous Peoples of Latin America and the Caribbean, the Government of France, UNFPA and the French Centre for Population and Development (CEPED).

This seminar gave indigenous, and non-indigenous leaders and experts an opportunity to discuss issues of concern and to exchange experiences and information with a view to furthering knowledge about the sociodemographic characteristics and

status of indigenous peoples in Latin America and the Caribbean. One of the main outcomes of the seminar was a set of recommendations aimed at improving instruments for producing, processing, sharing and using relevant information in this field. Another objective identified at the seminar was the provision of continued support for the coordination of efforts and resources among the various actors involved in the indigenous development process (indigenous organizations, governments, international organizations, specialized agencies) as a means of strengthening common approaches, agreements and commitments related to the production and use of high-quality, relevant information.

The International Bank for Reconstruction and Development and the International Development Association (World Bank Group)



With their support for the strategy and development objectives of our Latin American and Caribbean country clients, the International Bank for Reconstruction and Development (the Bank) and the International Development Association (the Association) have contributed to progress in achieving the main objectives agreed upon at the Third Summit of the Americas (Quebec, Canada, 2001) and at the Special Summit of the Americas (Monterrey, Mexico, 2004). The Bank and the Association have done this through a program of lending and analytical work with each of their country clients. Below are some examples of this work carried out in the last years in the areas highlighted in the two abovementioned Summits.

Argentina

As of June 30, 2005, the Bank's financial support to Argentina consists of 34 operations for a total amount of US\$5.5 billion. In the past two years, the Bank has provided US\$900 million of financing in support of infrastructure development in Argentina, including: (i) Road and highway construction and management across the country to support the Government's promotion of infrastructure investments to remove potential bottlenecks to sustained economic recovery, enhance productivity and competitiveness, and strengthened regional growth convergence and reduced inequality; (ii) Flood Protection, with one operation supporting the Capital City of Buenos Aires' efforts to overcome shortcomings in flood risk management and thus improve the living conditions of vulnerable and poor people, and (iii) Basic Infrastructure in Buenos Aires, which will support roads and water, sewerage and drainage works and help strengthen the productive potential of the economy and affect the living conditions of vulnerable and poor people.

During the critical period following the events of December 2001, the Bank provided, in May 2003, a US\$500 million Economic and Social Transition Structural Adjustment Loan to support Argentina's efforts to move beyond the crisis toward sustainable growth, while protecting social programs that mitigated the adverse effects of the crisis on the country's poor. This support was part of a concerted effort by multilateral institutions, which helped lay the ground work for the rebound that followed.

The Loan was instrumental in helping the Government retire federal and provincial quasi-monies, worth the equivalent of about 7.8 billion Argentine pesos. This helped to reestablish a normal payment system based on the peso and thereby strengthen the Central Bank's ability to conduct monetary policy. It also normalized federal-provincial fiscal relations, improved trade among the provinces and helped low-income families and retirees who had to accept payments in quasi-monies.

Importantly, the Bank also supported the Government's priority social assistance programs such as Jefes de Hogar, school scholarships, conditional cash transfers and feeding programs, and the adoption of measures to improve their efficiency and coordination across the country. Finally, the Bank supported Argentina's efforts to ensure basic health services to the most vulnerable including immunizations, infant and maternal health, HIV-AIDS, and control and prevention of infectious diseases, as well as medicines for the poor.

The Bank's analytical piece Sources of Economic Growth and Equity was presented to the Government in June 2005. In addition, in recent years, the Bank has worked to deepen dialogue on key structural issues, through work on a financial sector study, and on the investment climate.

In May, 2005 the Bank sponsored the Southern Cone Development Marketplace designed both to increase understanding of the problems young people face and to tap into their unique energy and promise. The event was organized by 118 public and private donors and partners and brought together more than 700 youth from Latin America. One hundred proposals (selected from 2,000 submissions) received grants of \$10,000 each to implement projects in the areas of the environment, health promotion, inclusion of discriminated groups, culture, education and training, gender equity, and recreation and sports.

Bolivia

Bolivia has faced challenging times since the year 2000. Throughout this period, the support of the Bank and the Association has comprised a mix of lending and analytical work, aimed at addressing the problems of exclusion, inequality, poverty, and fiscal imbalance.

The assistance provided by the Bank and the Association has consisted of a blend of (i) development policy loan programs: Institutional Reform, Social Sector Programmatic, Emergency Recovery Loan, Public Sector Adjustment, and Social Safety Net; (ii) investment lending projects in the areas of: Land Administration, Rural Development, Road Rehabilitation, Financial Sector Reform, Social and Sustainable Development; and (iii) analytical work: Poverty Diagnostic, Indigenous Plan, Country Procurement Assessments, Macroeconomic Opportunities, Policy Notes, Health, Financial Accountability Assessment, and Public Expenditure review.

Action to revitalize donor coordination has been a priority for the Government and the entire donor community, including the Bank and the Association, in particular in view of the potentially important role to play of the donor community in helping Bolivia meet its medium-term development goals. As of June 30, 2005, the Bank and the Association are financing 12 projects in Bolivia for a total amount of US\$483.2 million.

Brazil

The Bank's Country Assistance Strategy for Brazil is based on the Government's vision for a more equitable, sustainable, and competitive Brazil. As of June 30, 2005, the Bank is financing 53 projects in Brazil for a total amount of US\$4.7 billion, in addition to resources from other members of the World Bank Group (the International Finance Corporation and the Multilateral Investment Guarantee Agency). Many loans have been provided directly to States with the guarantee of the federal Government.

In Brazil, the Bank is a partner in programs ranging from education to rainforest protection, along with financial and technical support for administrative reforms and infrastructure lending. Support for systemic reforms during fiscal years 2004-2005 includes the areas of human development, growth and competitiveness, sustainable development, and social security/fiscal reforms. Investment projects have been, and are being supported in the areas of social assistance, youth employment, and housing.

Examples of Brazilian projects supported by the Bank in Brazil are: (i) the Family Health Program launched in 1994 to ensure medical attention to vulnerable groups, which has significantly reduced infant mortality and improved vaccination coverage and child nutrition; (ii) the HIV/AIDS aggressive and far-reach-

ing strategy to slow the rate of HIV/AIDS infection and to care for those already stricken by the virus (this program reduced by nearly 50% the HIV/AIDS casualties from 1995 to 2001), and (iii) the Bolsa Familia cash transfer program, which seeks to reduce poverty, hunger and inequality by providing cash transfers to extreme poor families conditional on beneficiary compliance with key human capital requirements (school attendance, vaccines, pre-natal visits).

Caribbean

In the fiscal year that ended June 30, 2005, the Bank and the Association approved new projects to benefit Caribbean countries for a total amount of US\$258.8 million, which brought the total financial support of the Bank and the Association to the Caribbean to US\$781.5 million distributed in 46 projects.

In terms of governance and poverty reduction, the Public Sector Technical Assistance Credit to Guyana supported the Government's efforts to meet the objectives set out in the Poverty Reduction Strategy Paper. The Association's support was complemented by large investment support from other donors, particularly the IDB.

Regarding the Summits' mandate of Growing with Equity, the Bank and the Association have supported financial sector technical assistance projects, social crisis response adjustment loans and the Global Distance Learning Network in the Dominican Republic, the economic governance reform in Haiti, and a social safety net and national community development projects in Jamaica.

In the area of Hemispheric Security, the Bank and the Association have funded projects in the OECS (Organization of Eastern Caribbean States) countries to strengthen their air and sea ports security.

On Trade and Finance, the Bank has undertaken a number of analytical studies with a view to generate in-country dialogue and impact policies, including, most recently, a Growth and Competitiveness report (including an analysis of the labor markets) on the Caribbean and another one focused on the OECS. These follow earlier studies on trade and competitiveness in the Dominican Republic, public expenditure reviews in the OECS and Jamaica, and fiduciary reports in the Dominican Republic

and Jamaica. The two fiduciary reports were produced in collaboration with the IDB.

On Infrastructure, the Bank has supported roads and municipal drainage in Belize, a water project in St. Lucia, telecom reforms in the OECS and in the Dominican Republic, and reforms in the energy sector in the Dominican Republic. Follow-on water projects in Guyana, St. Lucia and telecom project in the OECS have been prepared or approved recently. On Disaster Management, the Bank and the Association have supported a number of projects in the OECS as well as a Hurricane Ivan Emergency Recovery Project in Grenada, the Haiti Emergency Recovery and Disaster Management Project and waste water disposal in tourism centers in the Dominican Republic. The Emergency recovery effort following the recent flooding in Guyana is being addressed in a separate component of the recent water project.

On Agriculture, the Bank has prepared an analytical report on the Dominican Republic and Haiti. On Sustainable Development, the Bank and the Association are supporting an OECS Protected Areas and Associated Alternative Livelihoods and a Caribbean wide GEF Mainstreaming Adaptation to Climate Change.

On Education, the Bank and the Association have supported operations in Grenada, St. Kitts and Nevis, St. Lucia, St. Vincent and The Grenadines, the Dominican Republic (early childhood) and Jamaica (secondary education reform). In the area of Health, the efforts of the Bank and the Association have been mostly on HIV/AIDS on a Caribbean wide basis as well as separately in the OECS, Barbados, Guyana, Jamaica, and Trinidad and Tobago. In addition, a health reform program has been approved for the Dominican Republic.

Central America

In the area of trade, the Bank has prepared and discussed with its Central American clients and with other donors a thorough study on the Central America Free Trade Agreement (CAFTA), including the opportunities and challenges that it implies for Central America and the Dominican Republic.

In Honduras, the Association has supported Community Driven Development models to generate results at the local level in several sectors. For example, in education, the Association has

supported a project which allows Parent's Associations to manage primary schools in rural areas; in health, the municipalities have joined forces to administered basic health care to their citizens, by directly managing their facilities, hiring of physician, nurses, and buying their own medicines; and in infrastructure, the Association has supported communities to chose from their own prioritized regional development plan, the infrastructure they will have, own, and maintain, including roads, electrification and water and sanitation projects.

In addition, the Association has supported (i) a system of small grants for poor inhabitants in tourist areas so small businesses can grown products in an environmentally and economically feasible manner, and (ii) approaches for indigenous peoples to grown crops and harvest forests in a sustainable way.

The activities in Honduras in the area of Transparency and Rule of Law have included support for the transformation of the Government's auditing body to ensure the appropriate use of public funds, the creation of the Institute of Property, the titling of thousands of urban and rural lands, and a program to timely reach out to the poor and to abused women, which includes mobile courts.

In Nicaragua, the Association and other multilateral and bilateral institutions and donors (including many members of the Summit of the Americas working group) collaborated in preparing, supporting and monitoring the Enhanced Heavily Indebted Poor Countries initiative (E-HIPC) process up to Nicaragua's successful achievement of the E-HIPC completion point including the satisfactory implementation of the country's strategy based in its Poverty Reduction Strategy Paper (PRSP). In addition, these institutions supported the Government of Nicaragua to elaborate a matrix of policy actions and goals published in the Government's National Development Plan 2005-2009.

Furthermore, the Association and other donors support the implementation of Nicaragua's action plan for building transparent and accountable public institutions and for good governance, including establishing a civil service system, improving the public investment program and establishing a medium term expenditure framework, enhancing public sector financial management, improving public sector procurement, facilitating civic engagement and transparency, supporting and enhancing the

country's poverty analysis, and supporting the Government's decentralization efforts.

Overall, in Central America, the Bank and the Association approved 6 new projects in fiscal year 2005 for a total amount of US\$156 million, which brings the total amount of projects in Central America to 62 (including loans, credits and grants) for a total amount of US\$2.03 billion, as of June 30, 2005.

Chile

In the past two years, the Bank provided US\$50 million in support of infrastructure development in Chile through the Infrastructure for Territorial Development project which aims to improve the livelihood of rural communities in five regions of the country by improving the provision of infrastructure services, including water supply, sanitation, roads, Information Communications Technology (ITC), and electricity.

Overall, as of June 30, 2005, the Bank's financial support to Chile consists of 8 operations for a total amount of US\$354 million.

Colombia

In order to provide analytical support to the Government's efforts on competitiveness, the Bank prepared a Foundations for Competitiveness memorandum which evaluates the likely impact of the proposed free trade agreement with the United States and presents a roadmap for domestic reforms to allow the country to take full advantage of greater market openness.

To support the Government's efforts in infrastructure, the Bank provided a US\$250 million loan to develop a Bus Rapid Transit System in selected medium and large cities, and a US\$260 million loan to reduce vulnerability to natural disasters.

A US\$32 million loan was provided to support agriculture activities to generate income, create employment, and promote social cohesion of poor rural communities.

Regarding sustainable development, it is worth to mention (i) the US\$40 million loan which supports water sector reform, and the expansion of coverage of water and sewerage services focusing on low income areas, and (ii) the US\$15 million grant for the Conservation & Sustainable Use of Biodiversity in the High Andes Region.

In the area of labor, the Bank provided a US\$100 million loan to support the Community Works and Employment Project which financed small, labor-intensive public works to provide temporary employment to poor workers.

Regarding children, youth and education, (i) the US\$15 million Cundinamarca Education Quality Improvement loan supported the department of Cundinamarca to improve the productivity, competitiveness and overall social skills of its basic and secondary education students, (ii) the US\$15 million higher education loan helped improve the quality and equity of Colombia's system of tertiary education, and (iii) the US\$20 million Rural Education loan promoted coverage and quality in grades 0-9 in rural areas, and strengthened Colombia's capacity to implement a reform of technical education in these areas.

Finally, in the area of justice and rule of law, the Bank provided a US\$5 million loan to support the improvement of the judiciary's timeliness, quality and productivity in discharging its conflict resolution function in selected civil courts.

Ecuador

The Bank Group's support for Ecuador in recent years has focused on helping (a) consolidate the macroeconomic framework and lay the foundations for diversified and sustainable economic growth and poverty reduction; (b) increase opportunities and broaden access to economic resources, and make the needed structural reforms socially sustainable by mitigating the impacts on the poor and vulnerable; and (c) strengthen governance by helping the Ecuadorian officials build an accountable and efficient Government, the services of which are accessible to all Ecuadorians.

Bank financial support has included: (i) the Programmatic Human Development Loan, geared toward improving efficiency and outcomes in the social sectors and reduce inequality; (ii) the Fiscal Consolidation Structural Adjustment Loan; and (iii) investment lending in rural development and agriculture, rural roads, inclusive and quality education, health and social security, power and communication sectors, public sector finance, and competitiveness. Analytical work has been focused on both broad themes—such as the Public Expenditure Review, Poverty Assessment, and Country Financial Accountability Assessment – and on several key areas linked to Bank lending, including

decentralization, fiscal stability, Investment Climate and constraints to growth, and labor market study.

Donor coordination in Ecuador is strong. The Bank leads the Mesa de Pobreza (the donor community group dealing with poverty issues which includes Government ministries). The Bank is also preparing program based operations in conjunction with the Inter-American Development Bank and the Andean Development Corporation. The Bank is currently preparing a Country Procurement Assessment Report in conjunction with the IDB and recently finished a joint Public Expenditures Report and a Country Financial Accountability Assessment with them.

As of June 30, 2005, the Bank's financial support to Ecuador consists of 10 projects for a total amount of US\$307.3 million.

Mexico

Two projects can be highlighted in the area of infrastructure: (i) the Federal Highway Maintenance loan (US\$218 million loan), designed to assist the Mexican Government in providing the country with a road transport system that can support the needs of an expanding economy and the NAFTA competitive challenges, and (ii) the Decentralized Infrastructure Reform and Development loan (US\$108 million), which aims to improve the provision and performance of the transport, water and sanitation, and housing sectors in the State of Guanajuato.

With regards to education, the US\$300 million Basic Education loan supports the Government's compensatory education program, which mainly benefits indigenous communities. In higher education financing, a US\$180 million loan assisted the Government in promoting greater equity and quality in the preparation of university graduates.

In the area of innovation, the US\$250 million Innovation for Competitiveness Loan seeks to improve the competitiveness of the Mexican economy by strengthening the innovative capacity of the private sector, accelerating advanced human capital formation, and increasing the international integration of the innovation system. An additional US\$300 million Knowledge & Innovation Loan supports improvements in science and technological research, by increasing the availability of scientific and technological human capital and instituting an integrated strategy for development of science fields of strategic importance to Mexico's economic and social development.

In the trade and finance sector, the US\$75.5 million Savings & Rural Finance loan strengthens Savings and Credit Institutions and provides an enhanced level of outreach and access to financial services to the underserved Mexican populations, while the US\$64.6 million Savings & Credit Sector Strengthening & Rural Microfinance Capacity Building loan contributes to the integration of low-income people into the national economy by improving their access to financial services.

Finally, in order to support a sustainable use of the environment, the Bank has provided US\$86.5 million in financing for a Water Resources Management project and a US\$8.9 million grant for Renewable Energy for Agriculture.

Paraguay

As of June 30, 2005, the Bank's financial support to Paraguay consists of 7 operations for a total amount of US\$151.2 million, including projects in rural water supply and sanitation, natural resource management, community development and education reform and a US\$15 million Financial Sector Adjustment Loan which seeks to strengthen the financial condition of the private, and public banking sector, in order to reduce vulnerability to future shocks, and negative impacts on economic growth.

Peru

The World Bank's assistance to Peru focuses on promoting sustainable poverty reduction, by supporting Peru's program to improve competitiveness, increasing equity and access to services, and strengthening institutions and governance. Bank assistance has centered around two development policy loan programs: (i) the Programmatic Social Reform Loan series, geared toward improving efficiency and outcomes in the social sectors, particularly related to programs designed to reduce inequality, and (ii) the Decentralization and Competitiveness Structural Adjustment Loan, aimed at promoting a more responsive and efficient decentralized governance structure and enhancing the country's competitiveness to promote job creation.

Along with and complementing the support for reforms, the Bank's program in Peru includes: (i) investment lending in education, water and transportation infrastructure, trade facilitation and judicial reform, (ii) analytical work on both broad

themes—such as the 2002 Public Expenditure Review – and on several key areas linked to Bank lending, including decentralization, constraints to growth, and private participation in infrastructure, (iii) an infrastructure guarantee facility that will help leverage private sector resources for public infrastructure and (iv) support to the Government in the use of Bank products to help manage the country's debt profile.

Within the World Bank Group, the International Finance Corporation (IFC) focused on the four core objectives supporting sectors providing broad-based benefits to the Peruvian private sector: (i) the financial sector, including facilities with banks or specialized financial institutions to aid in the restructuring of the corporate sector; (ii) infrastructure, to enhance competitiveness; (iii) direct investment in the real and service sectors (such as manufacturing, tourism, agribusiness, and the social sectors) to assist in corporate restructuring and investment; and (iv) the natural resource sector, especially in the area of sustainable development. In FY02, the Multilateral Investment Guarantee Agency (MIGA) issued guarantees in Peru for two projects, one involving the concession of Lima's international airport and the other one in the financial sector.

Looking forward, the Bank support to Peru will focus on consolidating reforms in public administration and decentralization, competitiveness and growth, and equity and social services to build on the progress already made. As of June 30, 2005, the Bank's financial support to Peru consisted of 15 projects for a total amount of US\$451.1 million.

Uruguay

In the past two years, the Bank provided US\$70 million in support of infrastructure development in Uruguay through the Road Maintenance and Rural Access project, which seeks to upgrade the country's transport infrastructure to facilitate cost-efficient and safe transport of freight and passengers. The project focuses on rehabilitating key transport links, removing existing bottlenecks, arresting any further deterioration of infrastructure due to budgetary constraints, and improving infrastructure management and safety.

Overall, as of June 30, 2005, the Bank's financial support to Uruguay consisted of 9 projects for a total amount of US\$542 million.

International Labour Organization (ILO)



Although the ILO has only recently been included in the group of international bodies supporting the Summit Implementation Review Group (SIRG), an analysis of actions implemented by the institution in the Hemisphere in the past few years shows significant correlations between its mandate and the priorities established by the Quebec Declaration and Action Plan, as well as the Declaration of Nuevo León. Given the synergy that exists among international labor norms, economic development and the social progress of nations, the ILO's natural contribution has mainly focused on mandates related to job creation and the promotion of growth with equity.

Promotion of the Declaration of Fundamental Principles and Rights at Work

Since the adoption of the ILO Declaration (1998), through the In Focus Program for Promotion of the Declaration, a series of efforts have been undertaken – in the Hemisphere – for the effective application of the principle of non-discrimination, along with campaigns for the elimination of child labor, which have included seminars, conferences, publications and in-country cooperation.

As part of the ICML-OAS Project, activities have been implemented to contribute to the comprehensive enforcement of the ILO's Fundamental Principles and Rights at Work and their follow-up, as well as improvement of employment and social conditions, through support for the implementation of the Salvador Declaration and Action Plan that resulted from the 13th Inter-American Conference of Ministers of Labor in 2003.

The ILO recently released its report, "A Global Alliance against Forced Labor," which states that 1.3 million people are subjected to this practice in Latin America and the Caribbean, and has worked in several countries on that issue.

Promotion of decent work

The ILO is supporting – within the framework of the region's integration processes – a series of initiatives aimed at promoting, with the participation of governments, workers and employers, integrated economic policies to encourage the development of decent work. Noteworthy efforts include sub-regional conferences on employment (MERCOSUR and ACN in 2004, SICA and CARICOM in 2005). With technical cooperation funds; projects have been launched to reduce the deficit of decent work in the region.

A program has been implemented to follow up the Santo Domingo Accord for adoption of a Sub-Regional Tripartite Labor Agenda to benefit Honduras, Costa Rica, Belize, the Dominican Republic, El Salvador, Guatemala, Nicaragua and Panama, strengthening national and sub-regional dialogue processes.

In August 2003, a Latin American Tripartite Seminar on Decent Work and Development Policy brought together representatives from Ministries of Labor and employers' and workers' organizations from all countries in Latin America. In 2004, Sub-Regional Tripartite Seminars on decent work were held in Central America and the Caribbean to raise awareness among ILO constituents about progress on the objectives of the world agenda on decent work and to discuss the main challenges and policy priorities for achieving productive employment for the majority of people in the region. These workshops have been replicated in other countries.

Inter-American Conference of Ministers of Labor

Since the nineties, the ILO has supported the Inter-American Conference of Ministers of Labor of the Organization of American States. Since the year 2000, that support has been carried out through the project of multilateral technical cooperation: "Fundamental Principles and Rights at Work in the context of the Inter-American Conference of Ministers of Labor of the OAS", financed by the Department of Labor of the United States of America (USDOL). The project studies the modernization of labor administration and the labor dimension of economic integration, and proposes strategies and actions in those fields.

Job creation

Studies and programs have been implemented, and opportunities for building consensus on the creation of employment and reduction of poverty have been strengthened. Particular attention has been paid to the development of small businesses and local economies and the implementation of intensive labor programs.

The ILO contributes to employment policies in the region through a better evaluation of the employment situation and alternatives for improving it. A series of documents have been published on the quality of employment (Argentina), social exclusion in the labor market (MERCOSUR and Chile), women's employment (MERCOSUR countries), employment and social protection (Ecuador), the opening up of the economy and employment (Andean countries), etc. In all countries in the region, the ILO has stimulated or supported improvement in labor statistics. The Information System and Labor Analysis,

(SIAL/Panama) serves as a clearinghouse for updated information from all countries.

In the area of business development, the ILO has served as a catalyst for various initiatives in the region's countries, one of the most important initiatives is the Center for Promotion of Small Businesses and Microenterprises in Central America (CENPROMYPE).

An example is, the Regional Sustainable Employment Program (PRES), which is being implemented in Bolivia, Peru, Honduras and Nicaragua. Its goal is to generate and consolidate decent work in microenterprises and small businesses (mainly among the most vulnerable groups: women, youth and indigenous populations). The project has enhanced capacity for the design and implementation of participatory policies that maximize the creation of decent work and gender equality and consolidate the sharing of experiences in the sub-region, increasing mutual learning with regard to the development of small businesses and labor-intensive, pro-poor investment strategies.

Another similar initiative is the program of Education for Work, Employment and Rights of Indigenous Peoples that was launched in Honduras, Costa Rica, El Salvador, Guatemala, Nicaragua and Panama in which assistance is being provided to build the capacities of indigenous organizations and communities for establishing and managing small businesses that maximize income generation and quality employment, as well as increasing the education and employability of their members. Initial progress includes the inclusion of the project in national plans and public policies and the establishment of inter-agency advisory commissions on basic education and vocational education in indigenous communities.

Capacity of the Ministers of Labor

In several countries of the region, National Labor Councils have been strengthened in order to facilitate dialogue among government officials, workers and employers. As part of the OAS-ICML project, a series of national labor administration assessments were carried out in the region as basic tools for designing the support currently being promoted by the ILO Regional Office.

The Inter-American Research and Documentation Center for Vocational Training (CINTERFOR) is strengthening a pro-

cess of regional dialogue on vocational training through its Technical Commission (made up of vocational training agencies from the region and representatives of organizations of workers and employers).

Additional activities included the Forum of Labor Coordinators which is being consolidated in Central America to promote horizontal cooperation programs and to develop activities and projects to enhance labor administration services in the region. The results have allowed a modernization of labor administrations in several countries of the region, ensuring a more professional level of labor inspection, increasing compliance with labor regulations, and expanding the benefits of social protection to a greater number of citizens. A series of initiatives have been promoted in various countries in the region to help organizations of employers and workers strengthen their technical capacity for participating in dialogue and social negotiation processes.

This included the PROMALCO program (Program for the Promotion of Cooperation between Employers and Workers), which helped workers and employers to take action in order to enable Caribbean businesses to address the new challenges of the globalization and internationalization of trade.

Child labor

Since 2000, the prevention and elimination of child labor has been included in the priorities, policies and programs of governments, organizations of employers and workers, and other civil society institutions in the region. Since 2001, the ILO's Regional Programme on the Elimination of Child Labour: (IPEC) has expanded the number of countries in the region in which projects are under way, including Belize, Haiti and Jamaica; it now has a presence in 24 countries in the region. Canada, Belgium, Holland and Italy joined Norway, Spain and the United States as donor countries. Special programs were implemented in Chile, Ecuador and Colombia, and the contributions of donor countries were expanded to Central America, especially Honduras. Projects implemented with technical cooperation funds in sectors such as small-scale traditional mining, commercial agriculture, dumps, brickyards, child domestic labor, commercial sexual exploitation, fireworks manufacturing, fishing and urban labor have benefited more than 300,000 children in the region. Direct intervention in selected sectors has com-

bined strategies that include providing health and education services, awareness-raising, alternative income generation for parents, and strengthening of community organizations.

Emphasis has been placed on SIMPOC (the statistical information program for monitoring child labor), making it possible to maintain current statistics about the scope of the exploitation of children in 12 countries in the region; increase knowledge of the problem, its causes and consequences; and design programs and projects to prevent and combat the problem effectively.

In July 2002, the MERCOSUR presidents signed a Declaration against Child Labor, in which they made specific commitments to legislative reform, updating of statistics, assistance for children who have been victims of exploitation, and the design of policies and social programs aimed at the preparation of a sub-regional plan for preventing and combating child labor in the sub-region. Progress has been made on the definition of a series of common indicators for measuring progress in combating the economic exploitation of children and the practical application of the commitments set out in the declaration.

Particularly noteworthy is the work by workers' organizations, which have formed the Continental Group against child labor, with the participation of delegates from 19 countries. The Group has defined areas of action such as strengthening of trade unions, enforcement of regulations, political advocacy, communication and community mobilization, with special emphasis on the worst forms of child labor. IPEC's work in coordination with governments, organizations of workers and employers, and non-governmental organizations has had a significant impact on the reduction of child labor, especially the worst forms. In Brazil, the percentage of working children has decreased by 40 percent in the past 10 years, according to official figures from the Brazilian government.

Gender equality and equity

In October 2001, the ILO approved a gender action plan that was incorporated into all institutional plans and activities. Efforts are being made to help the region's countries produce statistical information and engage in research on the general trends of women's involvement in the labor market, gender gaps, labor cost breakdowns by sex, the income gap between men and women, collective bargaining and gender equity, quality

of employment for women and social protection, pensions and gender in Southern Cone countries.

The central focus of the ILO's gender-related actions in Latin America is technical cooperation with the goal of enhancing the institutional capacities of its constituents (governments, trade unions and employer organizations) for designing and implementing policies for employment promotion and decent work as a key element in eliminating poverty. With this goal in mind, the Institution-Building Program for Gender Equality, the Elimination of Poverty and the Generation of Employment (GPE), that is being developing in 10 countries, and other important projects like the "Vocational Training for Low-Income Women" (FORMUJER) program, and the program for the improvement of women's work and life condition in Central America are underway.

Social security

In the field of social security and health at work, national studies were done of coverage, funding and administration of non-contributive national pension programs, and working agreements with PAHO were reinforced to provide health services to excluded persons.

A project for "Strengthening of Regional Trade Unions for the Promotion, Defense and Development of Comprehensive

Social Security and Solidarity" is under way, with the goal of establishing trade union policy on social security in six Latin American countries.

Migrants

Several studies have evaluated the trends in emigration from the countries of the region to the developed countries, and the resulting flow of remittances from emigrants to relatives in their home countries, and to present, based on actual experience in this area, proposals to help increase the flow of remittances and use it more effectively.

The ILO has prepared a working paper analyzing the situation and the effects of and prospects for international migration in Latin America and the Caribbean, as a contribution to the design of proposals for maximizing the phenomenon's benefits and minimizing its negative effects. Key aspects of the document include factors in migration and its relationship with the labor market in Latin America and the Caribbean, the profile of migrant workers, factors in and amounts of remittances sent by migrants to Latin America and the Caribbean, the impact of migration on the labor market and on families receiving remittances in countries of origin, and working and living conditions of migrant workers in the destination countries.

International Organization for Migrations (IOM)



The Quebec and Monterrey mandates

The Plan of Action of Quebec included the topic of migration in the sections “Human Rights and Fundamental Freedoms” and “Growth with Equity”. In it, a series of actions geared towards the protection of human rights of migrants were envisioned, including an inter-American program that would also target migrant workers and their families. Emphasis was given to strengthened cooperation among states to address manifestations, origins and effects of migration in the region, especially in relation to trafficking networks. Furthermore, the Plan of Action provided for the establishment of linkages with subregional processes, such as the Regional Conference on Migration and the South American Conference on Migration, which are dialogues to exchange information on migration.

Moreover, the Plan of Action recognized the positive aspects and benefits of orderly migration in countries of origin, transit and destination as a factor of contributing to economic development. The role of the diaspora and the need to simplify and speed up the transfer of remittances was also stressed, as well as the importance of supporting hometown associations’ funds in productive projects back home.

One interesting aspect that the Plan of Action fostered is the inclusion of the topic of migration in discussions on trade and economic integration. Additionally, the labor and social dimensions were addressed in terms of support to cross-border labor markets, and access to basic social services. Modernization of migration management, including the creation and harmonization of statistical information systems and sharing of information and best practices through the use of new information and communication technologies.

Finally, all countries in the Hemisphere were encouraged to “consider signing and ratifying, ratifying, or acceding to several UN conventions and protocols with the purpose of implementing collective strategies to jointly combat emerging forms of transnational criminal activities, including trafficking in persons.

Furthermore, Governments emphasized the “importance of cooperation between countries of origin, transit, and destination, to ensure the full protection of human rights of all migrants, including migratory workers and their families, and the observance of labor laws applicable to them, in accordance with the commitments agreed to in the Santiago and Quebec City Summits”.

In relation to remittances, Governments committed to achieve the goal of reducing by at least half the regional average cost of these transfers no later than 2008 and report on progress achieved at the next Summit of the Americas in Argentina in 2005.

Stopping the proliferation of the HIV/AIDS pandemic was also cited as an important crosscutting issue of concern for Governments.

Activities related to the implementation of mandates

The IOM co-organized with ECLAC the Hemispheric Conference on International Migration: Human Rights and Trafficking in Persons (Santiago de Chile, 2002), with the collaboration of the OAS/ICHR, the Office of the United Nations High Commissioner for Human Rights (OHCHR), The United Nations Population Fund (UNPF), UNICEF, ILO, IDB and the Latin American Economic System (SELA). The US Department of State, Bureau of Population, Refugees and Migration, provided financial support for this event as part of its efforts to assist in the follow-up of mandates relating to the Third Summit of the Americas.

Specifically, the Conference was instrumental in contributing to a fuller understanding of the multiple determinants and consequences of international migration in accordance with the conclusions, recommendations and resolutions of various international forums and organizations that have deliberated upon the issue. Additionally, it helped to disseminate information about international mandates, activities and agreements concerning the human rights of migrants, and to identify international migration issues for consideration at the next Summit of the Americas. Finally, it fostered the consideration of the guiding principles and components of a joint plan of work aimed at systematically combating and preventing trafficking in persons in the Americas.

As part of the conclusions of the Conference regarding trafficking in persons, participants reaffirmed the provisions set forth in the Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, and, in particular, the principle that victims of the crime of trafficking in persons cannot be regarded as culpable. Furthermore, participants agreed that trafficking in persons constitutes an egregious violation of human rights, and a sustained, global and coordinated effort on the part of the public and private sectors is required to eradicate such activities. Data collection and research concerning the origins, causes and patterns of trafficking in the Americas was particularly highlighted, as a tool for policy makers.

For several years, IOM has been supporting the Governments of Latin American and Caribbean with a multi-pronged approach to help prevent trafficking; to enhance the capacity of law enforcement, prosecutors and the judiciary; and to assist and protect victims.

In relation to human rights, the Conference conclusions called for balancing between the fight against terrorism and the protection of the human rights of migrants, more systematized data and gender analysis, facilitating the access to basic health services, providing information to prevent diseases (including HIV/AIDS) and effective consular protection. It was also stressed that civil society, the private sector, and particularly the communities and organizations of migrants themselves, should be part of any solution. Lastly, it was underlined that greater convergence of multilateral forums and regional processes was needed in order to avoid duplication and ensure economy of effort and resources.

These conclusions were presented to the institutional structure of the Summits of the Americas, United Nations agencies and the public at large for the purpose of documenting actions in fulfillment of mandates and stimulating interest in possible future initiatives to promote and protect the human rights of male and female migrants and to combat trafficking in persons in the Americas.

The Inter-American Program for the Promotion and Protection of Human Rights of Migrants was submitted to the most recent OAS General Assembly in Fort Lauderdale (June 2005). IOM is one of the multilateral organizations that have been identified for future cooperation in the implementation of the Program, especially in relation to IOM suggested activities.

Statistical Information Systems on Migration

Another concrete initiative that crystallizes some of the Summit mandates is the Statistical Information System for Migration in Central America (SIEMCA), a joint IOM/ECLAC implemented project. It monitors the magnitude and characteristics of migratory movements in, to and from Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua and Panama. SIEMCA has now become SIEMMES, since it includes Mexico as well.

IOM priorities for the LAC región

Political and economic upheavals, along with debilitating poverty in some countries, ensure that the pressures and incentives to migrate will be perennial. Likewise, migration is likely to continue to be characterized by individual and family survival strategies, and reflect the absence of necessary changes in governance, and of socioeconomic and political equality in some Latin American and Caribbean countries. However, governments are becoming aware of the importance of these issues and the need to better manage migration policies in coordination with neighboring states. Most are undergoing a process to strengthen and modernize policies and laws, in relation to migration matters.

The Southern Cone countries are faced with changes in migration dynamics. As a result of the Free Residence Agreement signed in the framework of MERCOSUR and its Associate Members, new intra-regional flows have been fostered. Trafficking in persons for the purpose of sexual exploitation has increased at the national and regional levels and to Mexico and European Union countries. Intra-regional child labour exploitation has also been on the rise.

The countries of the Andean Region have been unable to overcome the poverty and unequal distribution of wealth that have led to a lack of opportunity for their citizens and a subsequent increase in the number of people who wish to travel abroad in search of a better life. These factors have accelerated emigration dynamics in the region. The Labor Agreement between Ecuador and Spain is a good example. Additionally, this migratory development has been accompanied by a rise in clandestine activity, involving the trafficking of women and children, and increased irregular migration.

Throughout their history as independent republics, the countries of Central America have made efforts to promote integration which to date have not resulted in the capacity to develop a common structure towards regional development. Recently, in an extraordinary summit of Heads of State and Government of the Central American Integration System (SICA), four of these countries decided to advance in the consolidation of an area promoting the free movement of people. This is undoubtedly a historic milestone in the integration process and represents a major challenge as well, since it requires governments to provide effective answers to common issues in migration mat-

ters. These will include the development of joint actions to obtain and process migratory information, modernize migration management, standardize entrance requirements for foreigners, promote the dignified, safe and orderly return of regional and extra-regional migrants, and combat migrant smuggling and trafficking in persons.

Mexico, with its 3,141 km border with United States, is a key crossing point used by undocumented migrants seeking a better life in United States and Canada. Mexican migration to the United States has also been increasing; in 1980, the number of Mexicans registered in the United States was 2.1 million and this figure increased to 7.8 million in 2000, nearly 27 percent of total regular immigrants. Also in recent years, the number of extra-regional migrants in Mexico has greatly increased, mainly from Africa, Asia, Eastern Europe and South America, as these individuals try to reach the United States. Trafficking networks use the Mexican territory for their unscrupulous activities. Mexico plays a leading role in most regional initiatives on migration, particularly the Regional Conference on Migration (RCM) and the Plan Puebla Panama, and is interested to become an Observer Member in the Central American Commission of Directors in Migration (OCAM). With Central American countries, bi-national commissions for which migration issues are of paramount significance have been established with Guatemala, Honduras and El Salvador. The government has focused its efforts on strengthening its migration management structures both enforcement and services, and on leveraging remittances sent from nationals working abroad.

The Caribbean region is more deeply and continuously affected by human mobility and migration than most other regions of the world. Large migrant communities live abroad; numerous migrants return home after years spent in other countries; inter-regional migration is intensive and ongoing; and irregular migration from, within and to the Caribbean region poses new and intricate challenges to governments and concerned institutions. Improvement of migration management systems with an emphasis on migration policy, data and law, HIV/AIDS and mobile populations, smuggling and trafficking in persons, contingency planning for mass outflows, remittances and economic development, and the so-called brain drain of Caribbean health workers are only some of the most compelling topics for governments as well as IOM.

Based on that reality, in consultation with Member Governments, IOM has developed several programs areas to assist the most pressing needs of Latin American and Caribbean countries. IOM's objectives for the region are to:

- ✦ Contribute to the formulation and analysis of regional and national migration policies.
- ✦ Start up migration related activities proposed in regional migration, such as the Regional Conference on Migration (or Puebla Process), and the South American Conference on Migration.
- ✦ Help prevent irregular migration by building capacities and raising awareness.
- ✦ Support international efforts towards fighting against smuggling and trafficking in persons.
- ✦ Support relationship with the Latin American and Caribbean diasporas, and improve the channeling of remittances.
- ✦ Promote labor migration and socioeconomic integration of migrants through labor agreements.
- ✦ Foster collaboration with civil society, international organizations, and governmental agencies.
- ✦ Improve security and border management for orderly population movements.
- ✦ Advocate for the value and respect of migrants in terms of their positive contribution to the socioeconomic development.
- ✦ Support migrants to return to their countries, if they wish so.
- ✦ Give assistance to those vulnerable population groups affected by armed conflict, natural disasters or social/political instability.

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Regional Institutions

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Institute for Connectivity in the Americas (ICA)

Andean Development Corporation (CAF)



In its capacity as institutional partner of the Joint Working Group of Summits of the Americas, CAF has developed important regional initiatives to support its 17 member countries in the implementation of the mandates of the Quebec Declaration and Action Plan of Quebec and the Declaration of Nuevo Leon. Taking the promotion of sustainable development and regional integration as the pillars of its mission, CAF continues to promote a renewed development model for the region, which sets a standard of sustained, good quality growth that is efficient, a generator of employment, and inclusive for the benefit of the majority of citizens. The Corporation also promotes the strengthening of regional integration processes as instruments that increase the participation of the regional economies and their competitive access to external markets, directing its efforts toward the creation of human, natural and social capital, revaluing cultural heritage and strengthening democratic governance in the Hemisphere.

Complying with the initiatives of the Summits, most of CAF's activities are directed, through its strategic programs for the region, into the following fields of action:

Sustainable physical integration and logistics

During the I Meeting of South American Presidents, held in 2000 in Brazil, the Heads of State of state launched the South American Regional Infrastructure Integration Initiative, IIRSA, with the objective of building, modernizing and rehabilitating the physical infrastructure of the South American space and forming a network of physical connections between the countries of the region.

IIRSA is a multilateral and multidimensional effort aimed at achieving an integrated and prosperous South American region. Activity takes place on two fronts: support for the development of physical infrastructure and for legal convergence to allow the efficient use of this infrastructure.

Integration is conceived not only as a commercial process but also as an integrated vision which, in the case of South America, faces the challenge of convergence between the two subregional blocks: the Andean Community and Mercosur. To give consistency to this integrated geo-economic vision of the region, the South American space has been organized into ten integration and development hubs

(EIDs), conceived as the major regions of South America which generate opportunities for intraregional and global business or which have most potential for generating important investment and trade flows.

The hubs represent the territorial reference for the aggregated sustainable development of South America. They will facilitate access to areas with high productive potential which are now relatively isolated and underutilized due to deficient provision of basic infrastructure services, and will provide mechanisms for the rational and fair distribution of the benefits of development among the territories of the region. The business visions have already been prepared and the projects identified and planned for eight of the ten hubs.

Specifically, the supplementary institutional, legal, engineering, environmental and economic study for development of the works of the Paraguay-Paraná Waterway has been delivered to the five countries that share the basins of the Paraguay and Paraná rivers. Financed by a technical cooperation loan granted by CAF, the study will be an important input for the creation of the new Paraguay-Paraná Waterway Hub.

"The methodology of indicative territorial planning," shared by the 12 countries of South America, was applied to coordinate the portfolio of projects that the participating countries have themselves included in the Initiative in the eight Integration and Development Hubs now under development. As a result, the IIRSA portfolio now has 345 integration infrastructure projects, proposed from a regional perspective, grouped into 41 project groups, each responding to a strategic function of regional and spatial development.

From this project portfolio, the South American countries selected a set of 31 projects grouped into what is known as the Implementation Agenda by Consensus. These projects are given priority treatment, management and follow-up by the respective governments and the multilateral organizations in an effort to promote and guarantee their correct and timely execution.

The IIRSA initiative is also taking action in relation to Border Passes under the concept of a pilot program covering five major passes selected by the participating countries. The Program identifies and resolves the problems associated with lack of adequate infrastructure, lack of facilities or basically absence

of adequate processes, which cause unnecessary delays that result in higher transport costs for merchandise and passengers crossing the borders.

At the level the Andean Community and Mercosur, CAF has been supporting countries' efforts to improve and deepen the integration of energy networks in the region. CAF played an outstanding role in the acceptance of Andean Community Decision 536 by the five countries of the Andean subregion. Another important CAF activity is its participation in the preparation and dissemination of a preliminary version of the future Energy Integration Agreement, currently under analysis and discussion.

As an essential part of its support for regional efforts to improve levels of competitiveness, CAF has been promoting the Port Services Quality Improvement Program. This program, which is supported by the Valencia Polytechnic University of Spain, covers - in a first phase - the ports of Puerto Cabello, Cartagena, Buenaventura, Guayaquil and El Callao. Based on the concept of teamwork, the port community, organized around Impulse Groups and Quality Councils, has identified the critical points of the port logistics chain which prevent the efficient operation of port services. Using process reengineering mechanisms, the program optimizes the logistics and quality of port services, achieving levels of operation that offer a guarantee of quality - the Guarantee Mark - for the services provided.

Even before the launch of the IIRSA initiative in September 2000, CAF was playing a prominent role as the region's leading institution in financing integration infrastructure. The following projects merit special mention: support operations for the building of the first Bolivia-Brazil gas pipeline, and the BR-174 Highway connecting Manaus, Brazil with Venezuela (both completed in 1998). These two projects were precursors of growing trade and social relations between the Andean countries and Mercosur, a process which CAF has accompanied since its origins, and which has recently been strengthened by the signing of the Andean Community-Mercosur Free Trade Agreement. So far, CAF has approved financing for 38 integration projects which have been identified by the South American authorities as priority for region. This represents a little over 10% of the project portfolio established under the IIRSA framework.

Competitiveness, productivity and international participation

The Competitiveness Support Program (PAC) is a CAF initiative created in 1999 to support the countries of the region in strengthening a competitiveness agenda designed to spur economic growth and improve the living conditions of the majority of the population.

In its six years of existence, PAC has forged strong strategic alliances with a network of vital actors in the building of regional competitiveness with a view to carrying out pilot projects in the areas of promotion and cluster development, entrepreneurial capacity, and development of knowledge assets. Over 15 projects have been financed for business associations and competitiveness promotion organizations to a value of US\$2 million. Although the Program began in the Andean countries, it now covers other countries of the region.

The Latin American Trade Diversification Program was created in 2005 to help the region's countries increase the participation of local economies in global markets, based on their productive transformation. Work has begun on research and events to discuss and analyze the implications of the different routes of international participation.

The Kemmerer Program for Development and Integration of Financial Markets, which has been operating since 1998, promotes the development of the region's financial markets. Its activities focus on financing initiatives to promote good practices in corporate governance, development of new financial instruments and a stock market culture, access by SMEs to innovative forms of financing, development of proposals for legislative harmonization in the Andean region, and strengthening the capacity of the regulatory and supervisory agencies. The beneficiaries are companies, business associations, government bodies and stock exchanges. The Program receives around US\$1 million for periods of three years.

The Program to Strengthen the Trade Capacity of the Region for the signing of Free Trade Agreements started in 2004. Under the Program, CAF accompanies the Andean countries negotiating free trade agreements with third countries, mainly in areas related to intellectual property, biodiversity, activities to increase awareness among SMEs of the opportunities offered

by the agreements, and support studies for phytosanitary improvement, among others. The negotiating rounds have also been the setting for events on competitiveness, business alliances and logistics. CAF has contributed over US\$900,000 to a variety of projects.

In March 2004, CAF set up its SME and Microfinance Department in the Vice Presidency of Social and Environmental Development, with the mission of serving sectors with limited access to capital, such as micro-, small- and medium-sized enterprises.

Through alliances and associations with local organizations, CAF finances the less favored sectors of our economies. It provides services to microenterprises through a network of 32 microfinance institutions in nine countries. To strengthen the capital of the SMEs, CAF invests in investment funds which in turn invest in the capital of innovative SMEs. Alliances have been developed with public and private institutions for co-financing and co-guarantee programs for SMEs. The Corporation is also supporting internationalization programs to help SMEs compete on globalized markets.

Governance, development and equity

CAF's first action in the area of governance was the Governance and Political Management Program, which began in Bolivia in 2001 and expanded later to the other countries of the Andean region. Its objective is to form a critical mass of leaders at institutional level in public management and political affairs, as well as strengthening the institutional development of countries and promoting attitudes in the other social actors which facilitate the governance of the system through participation processes.

CAF and George Washington University have associated with prestigious universities in the Andean countries to design and develop three modules: political management, technical and financial management, and social management. By the end of 2004, 1,600 students had graduated in the five countries of the subregion; also in that year, CAF destined over US\$550,000 to the program.

The Efficient and Transparent Municipalities Program was created in 2004 with the objective of providing technical assistance and training to local governments in an effort to improve their technical and administrative capacities in the

provision of services through knowledge that has been successfully used in similar socio-political contexts, leading to the application of best practices in the areas of land registry and electronic government.

The initiative, which is undertaken jointly with the Executive Secretariat for Integrated Development of the Organization of American States (OAS), is an innovative way of bringing similar experiences to the Andean countries which will be used as catalyzing guides. This Program accelerates the learning process of the receiver country, and uses knowledge that has been successful in similar sociopolitical contexts. In the second phase, the Canadian International Development Agency (CIDA) joined as institutional partner and the Central America countries were included as beneficiaries. The total investment for the execution of the second phase is approximately US\$5.4 million.

The Leadership for Transformation Program was conceived on the fundamental principle that there should be equilibrium between the various sectors that form a nation: public, private and civil society. The Program is intended to overcome existing limitations, open the way for new generations, and strengthen democratic governments by reclaiming democratic values that have been vanishing over time.

The objectives of the Program are to train democratic natural leaders - men and women - in vision of country and civic values so they can exercise their leadership with responsibility and knowledge of the national situation; as well as promoting leadership that understands the importance of the participation of civil society organizations, social responsibility and recovery of confidence in public management as a way of invigorating relations between State and society through specific actions. Executed at Andean level in association with national specialized institutions, the Program began in Colombia in 2002, resulting at the end of 2004 in a total of 1,600 trained leaders in the three countries. CAF contributed over US\$660,000 to the first stage of the program in the three countries.

The most recent program executed by CAF as part of its actions to strengthen governance is the "Basic Tools for Governance and Consensus Building," which is designed to strengthen the capacities of the main actors in the national activities of the public sector and civil society.

The Program is executed by the consulting firm Cambridge International Consulting (CIC) in instructor-led workshops for participants selected under democratic and representational criteria. The workshops teach modern negotiating techniques, strategic communication, leadership and persuasion, and management of strategic relations. In 2004, training was given to 160 actors from central and decentralized levels of the executive and legislative branches, private enterprise, campesino and indigenous associations, workers, media, and political parties in Bolivia and Peru. In 2005, a start was made on a new phase in Bolivia, which is to be extended to Colombia and Venezuela. CAF has invested US\$480,000 in this regional program for the 2004-2006 period.

Since 2000, CAF has followed a strategy of closer relations with regional media through active participation in seminars, meetings, workshops and symposiums for journalists, editors and directors. These activities contribute to the training of journalists, offer knowledge updating for reporters in the areas in which CAF is involved, and generate a space for debate and analysis of the issues on the regional agenda. These activities strengthen governance through better quality journalism.

The Program for Knowledge Training and Updating for the Media, and the Program for Reflection on Major Issues in Journalism in the Region have organized 14 meetings with 1,246 professional journalists in 14 cities in ten countries of the continent.

CAF offers technical and financial support to its member countries by financing investment projects to improve all levels of education. Currently in design stage, projects are being studied for the expansion of primary education in Venezuela, transformation of technical and technological education in Colombia, improvement of the material conditions of the education service in Bogotá and Medellín.

Since 2002, CAF has developed, in collaboration with other institutions, in the form of non-reimbursable technical cooperation, the Andean Education Agenda to restore, defend and strengthen the education space on the political agenda and in public opinion.

In this respect, CAF is formalizing the administration and management of the Mercosur Education Fund (FEM), whose objective

is to finance programs and projects that integrate the member countries of the subregional block through education.

With the Social Action Program for Music and the Culture for Sport Program, both targeted at children and young people in the countries of the Andean region, CAF is exploiting the enormous potential of sport as an integrated preventative and educational tool and as an instrument of social organization and community development.

In the area of music, since its start in early 2000 the Andean Music Movement (MAM), whose objective is social rescue and strengthening civic culture, has contributed music to the integrated education of human beings, exalting the noblest values of the individual and strengthening family and community ties in an expanded and enhanced linkage of the social fabric, participation and solidarity. The movement takes the form of a music chain which promotes the training of teachers, juveniles and children in the areas of instrumental interpretation, orchestral direction, choral groups and the lute.

Cultural diversity is explicitly present in most of the projects of community management, productive management and public services, which CAF supports in alliance with organized communities, NGOs and other relevant factors in local and regional action. These projects promote the organization of the campesino and indigenous communities, the participative building of agendas and project portfolios on a local scale, improvement of productive culture, and the generation of capacities in aspects such as health, education, savings and a culture of community investment.

The CAF strategic line of action on recognition of local heritage and culture gives integrated support to activation of heritage as a tool for combating poverty, identifying opportunities to transform heritage into instruments that strengthen values of cultural identity and self-esteem, as well as generating options of alternative economic development. In this way, communities improve their quality of life based on generation of employment and wealth through training in basic skills.

Sustainable environment agenda

The CAF Latin American Carbon Program (PLAC) was created in 1999 with two fundamental objectives: to facilitate the entry of Latin American and Caribbean countries in the market

for greenhouse gas emission reductions through the Clean Development Mechanism (CDM), and promote specific projects to mitigate the factors that contribute to climate change in the countries. The CDM stems from the adoption of the Kyoto Protocol, which links developing countries with this type of market and incorporates aspects of sustainable development as the basic selection criterion of the selected projects.

As part of its commitment to sustainable development, CAF has opened the possibility of working with renewable energy and energy efficient projects, with or without a CDM component. Currently modalities of financial support supplementary to CDM are being evaluated for qualifying projects. These modalities include traditional and non-traditional financial products.

PLAC is currently developing quality projects in Central America, the Andean region, the Caribbean, Brazil and the Southern Cone, which emphasize the energy, industry and transport sectors. PLAC is playing a pioneering role in this emerging market and is one of the most active actors in Latin America and the Caribbean.

Conceived since 2001 as a large-scale project, the Sustainable Development Program in the Financial Industry and Institutions promotes sustainable development in the financial sector, taking into account the risks for the banking system and other organizations of ignorance of this issue, as well as the opportunities offered by the new markets and the emerging environmental services. In 2004, CAF took over responsibility for supporting the formation of the Latin American Working Group for the Financial Initiative of the UN Environment Program and headed its Technical Secretariat.

The main objective of the CAF Biodiversity Program (BioCAF), initiated in 2002, is to support and promote the sustainable use of biodiversity and genetic resources through economically sustainable and socially viable environmental practices. The Program has three main working areas: support for international negotiations, development of biodiversity markets and genetic resources, and promotion of ecosystem conservation initiatives in CAF operations.

At the start, BioCAF identified the direct relationship between trade, environmental and biodiversity issues at world level. To take advantage of the investment opportunities offered by the

biotrade sector, it was necessary to establish common positions in the region in international forums where the benefits of investing in the biotrade sector could be improved. As a result, BioCAF, with the help of the Andean Community General Secretariat, promotes and organizes negotiation workshops for representatives of the Andean countries on issues such as intellectual property, access to genetic resources, protection of traditional knowledge and folklore, and fair and equitable distribution of benefits.

Given the serious threat to biodiversity, CAF considers it fundamental to use its BioCAF program to assign value added to the sustainable use of biodiversity and genetic resources. In the area of biotrade and biotechnology, BioCAF participates in the organization of Latin American investor forums with strategic partners such as the World Resources Institute and the UN Conference on Trade and Development (UNCTAD).

BioCAF is currently promoting the Project "Facilitation of Financing for Biodiversity-based Businesses and Support for Activities to Develop the Market in the Andean Region" in conjunction with the World Environmental Fund (WEF) and the UN Environment Program (UNEP). This project identifies the regulatory barriers and disincentives faced by biotrade in the Andean region as well as investment niches. It also contributes to the design of financing mechanisms for bio-businesses and addresses their training needs. BioCAF also participates in the diffusion and understanding of the area through publications (e.g. "Biotrade in the Andean Subregion: Opportunities for Development" and "Biotechnology for the Sustainable Use of Biodiversity; Local Capacities and Potential Markets").

The Regional Support Program for the Indigenous Peoples of the Amazon Basin (PRAIA) was created in the early 1990s with financing from CAF and the International Agricultural Development Fund (FIDA). Its objectives are: support recognition of indigenous territories and cooperate with indigenous peoples to strengthen their knowledge of natural resources and their protection; facilitate the execution of cultural strengthening projects, economic and trade initiatives, and address training and advice needs; stimulate cross

program actions of exchange of experiences and knowledge, especially successful undertakings that can be replicated or stimulated in indigenous and other communities to improve their possibilities of entry or participation in the market; and attract co-financing from donors for identified projects.

In its first two phases, PRAIA has invested a total of US\$3.6 million in financial resources in a direct and indirect relationship with over 95 indigenous peoples. Phase III, which has received a donation of US\$800,000 from FIDA, and technical cooperation of US\$200,000 from CAF, will facilitate greater appreciation of the knowledge, culture and contributions made by these peoples in social, environmental and economic terms.

The Andean Regional Program for Prevention and Mitigation of Disaster Risk (PREANDINO), instrumented since 2000, is CAF's response to the mandate received from the XI Andean Presidential Council to organize the cooperation needed to strengthen and develop rules and institutions for prevention of disaster risks in Andean countries, and to execute regional projects identified as priority.

With the help of PREANDINO, the Andean countries are working on the processes required under the social management model for disaster risk prevention and reduction. This strategy is based on achieving appropriate institutional frameworks that favor risk management, generation and application of knowledge, and creation of a broad national culture in these areas leading to the internalization of prevention in an effort to effectively reduce present or predictable vulnerability in development processes, and thus reduce disasters in societies exposed to different types of dangers.

PREANDINO, which took part in the Organizing Committee of the Third Summit in Quebec, works in direct coordination with the International Strategy for Disaster Risk Reduction (ISDR) and maintains synergies with regional and international organizations to support the processes that the countries are promoting in this field, including OAS, PAHO, WHO, IDB, FAO, UNDP and the International Red Cross.

Central American Bank for Economic Integration (CABEI)



The Central American Bank for Economic Integration (CABEI) is the financial multilateral Institution of the Central American countries and one of the multilateral and sub regional organizations supporting the Summit Implementation Review Group (SIRG). Among CABEI's recent activities, the redefinition of a new institutional strategic plan and direction can be highlighted, as well as the realignment of its organizational structure to endow the institution with greater relevance, soundness, efficiency, and presence in the Central American region.

CABEI has become the region's primary source of multilateral financing. 2004 was a year of outstanding operation results with loan approvals reaching \$763.3 million and disbursements of \$1.119 million. The entry of Spain as the fifth non-regional and first triple-A member allowed the Bank to diversify and consolidate its capital base.

In 2004, CABEI also took actions to expand its market and diversify its portfolio. As part of these actions, at the year's end, the Assembly of Governors approved the requests submitted by the Dominican Republic, Argentina and Colombia to become beneficiary non-founding member of the Institution. Additionally, talks are well advanced for the incorporation of Panama and Belize as members of the Bank.

To strengthen the Institution's leadership and capacity to foster development in Central America, CABEI defined a Global Strategy 2004-2009. A highly participative process was undertaken involving the Board of Directors and the management body.

As a result, three priority action areas were defined: Poverty Reduction, Regional Integration and the competitive insertion of the Central American Countries in the World Economy or what could also be defined as Globalization. These three core areas contemplate 13 long-term objectives, and a set of strategic initiatives and focal points, as well as priority actions for each year. Objectives were also established for the Bank's operational perspectives, such as finance and portfolio, processes and structure, technology and human resources. In addition, strategic management indicators were established for 2004-2009. During this period CABEI is planning to channel an additional \$7.5 billion to its member countries.

The vision behind this strategy is that by 2009, CABEI will have become a consolidated and well focused institution, recognized for its high impact and leadership in the three aforementioned core areas, as well as an innovative and expeditious Bank based upon relation-

ships, client service quality and a permanent dialogue with its stakeholders.

Financing development

In its effort to support, consolidate, and strengthen cooperation among bilateral donors, CABEI has actively participated as a member of the Honduras and Nicaragua groups of countries and international donors known as the G-17, and Consultative Groups respectively, whose main objective is to monitor the Stockholm Consultative Group agreements.

In another line of action, the Bank strengthens relations with other multilateral institutions as the IDB, to join efforts and search for common solutions for financing in Central America.

Furthermore, in the quest of more favorable financing terms and conditions for the region, CABEI multiplied efforts in procuring concessional resources for the two Central American beneficiary countries of the HIPC initiative, Honduras and Nicaragua, and increased its contributions to strengthen the Central American Special Fund for Social Transformation (FETS).

In the last four years, CABEI has disbursed \$4,000 million to priority programs and projects across the region; from which 60% was invested in the public sector and 40% in the private sector directed to developing projects in the following areas: land transportation, infrastructure, energy, telecommunications, housing and urban development, agribusiness, manufacturing, tourism, education, sewage and sanitation systems, health, integrated rural and urban development and ports.

In association with the Central American and Caribbean Stock Market (BOLCEN) and the Security Exchange Commissions, CABEI is working actively to promote integration of capital markets. In this field, and in line with a well-defined strategy, the Bank has focused its work in the following areas: Regulatory Framework, Business Training, Settlement, Clearing and Regional Custody.

To achieve standard, harmonized and integrated supervision processes in the region and strengthened regulatory and accounting systems, CABEI is working on the Program to build up the Central American Banking Supervision. One of the outcomes of this program in 2004 was a proposal submitted to the five regulatory bodies in the region to develop a standard chart

called Single Accounts Manual. CABEI has also committed to continue supporting the consolidation of the Basel I standards and the introduction of those related to Basel II.

CABEI and the Central American Monetary Council Secretariat are executing a Regional Payment System Project to design efficient and safe mechanisms for liquidity circulation and systematic risk management at the regional level. This project is fundamental to the development of a regional financial market as a whole and more specifically to build up the regional stock exchange.

Finally, to insure a more proficient asset laundering prevention and control of the different public and private agents in the region, CABEI has joined efforts with the Latin American Bank Federation (FELABAN) by signing a technical cooperation agreement for this purpose.

Debt reduction in Highly Indebted Poor Countries

As a multilateral development Institution CABEI participated in the Enhanced HIPC Initiative aimed at reducing the foreign debt burden of eligible countries -among which Honduras and Nicaragua are two founding member countries- to sustainable levels, as the base to reduce poverty and reach a healthy economic development.

CABEI's debt relief quota within the Enhanced HIPC Initiative was \$512.0 million in Net Present Value (NPV), with \$73.0 million allocated to Honduras and \$439.0 million to Nicaragua. The relief granted by CABEI, with its own resources, reached \$228.5 million (NPV) equivalent to 45% of the total quota, and with the important support of the international cooperation community was able to obtain the remaining \$283.5 million (NPV), from the United States of America, Spain, the European Union, Canada, Norway, the Netherlands, Sweden, Germany, Finland, Korea and Switzerland.

It is important to highlight that CABEI was the first multilateral Bank to grant interim debt relief to the Republics of Honduras and Nicaragua within the framework of the HIPC Initiative.

The international cooperation community's assistance was vital to CABEI in order to successfully complete the Honduran and Nicaraguan debt relief quota and at the same time preserve the institution's financial integrity and capacity to continue collaborating with the Central American Region.

In October 2003, in support of the poverty reduction strategies CABEI committed, during the Consultative Group meeting, to provide financing for the Republic of Nicaragua by \$781.3 million for the 2003–2005 period, distributed as follows: 63.2% to reduce poverty (including \$435.3 million in debt relief); 20% for integration and 16.8% for the country's insertion in the world economy.

Likewise, in June, 2004, within the framework of the Consultative Group, the Bank defined strategic and financing guidelines for the Republic of Honduras during the 2004–2006 period for a total of \$730.8 million distributed as follows 31.8% to fight poverty (including \$111.9 million of debt relief); 41% for integration and 27.2% for the country's integration in the global economy.

In addition, CABEI supported Honduras and Nicaragua negotiations to access the Millennium Challenge Account resources. For this purpose, it approved a \$250,000 technical cooperation to assist both countries during their proposal elaboration process, and insure the countries' eligibility to the assistance that will be provided by the Millennium Challenge Account Initiative of the United States of America. The Bank's support contributed to the approval of \$215 million allocated to the Honduran proposal in June, 2005 for poverty reduction, and the \$175 million approved in July, 2005 to the Nicaraguan proposal.

Overcoming poverty, hunger and imbalanced social conditions

In 1999 CABEI established the Central American Special Fund for Social Transformation (FETS), as a special window to finance concessional credits for programs and projects framed within the poverty reduction efforts. Through FETS, CABEI has made a point in supporting the priorities established by countries in the region and focuses on providing funding from different sources to programs targeting vulnerable population that according to official statistics lives in poverty or extreme poverty conditions.

FETS objectives are: i) to contribute to the enhancement of living conditions of target populations; ii) providing support to increase competitiveness; iii) contribute to reverting environmental and natural resources degradation; and iv) promote civil society and beneficiary participation.

Health, education, housing, urban improvement, sustainable development as well as municipal and productive sector development are the priorities established for FETS assistance.

A total of US \$ 96.0 million FETS funds have been awarded to Honduras and Nicaragua for different programs and projects included in their poverty reduction strategy. The execution of projects and programs for a total amount of approximately US \$ 400.0 millions has been made possible through these loans.

In 2004, within the framework of its support to poverty reduction in the region, CABEI also approved credits for education, social services, municipal infrastructure and micro enterprises in Guatemala, El Salvador and Costa Rica.

On the other hand, with European Union resources, CABEI is carrying out the Central American Border Zones Development Program, with \$50.0 million, intended to relieve poverty in the border zone municipalities and management of shared water basins.

Once again it is important to underscore CABEI's participation in the G-17 Group and Consultative Group of international organizations and governments engaged in contributing to the consolidation of democracy by monitoring the election process and following-up the implementation of national plans and the Poverty Reduction Strategy (PRS) in Honduras and Nicaragua.

Finally and also very important are the Bank's operations, in the poverty area that have been strengthened by the initiatives developed in the other two core areas, globalization and integration, since CABEI's chief policy to reduce poverty consists essentially of employment generation through productive and infrastructure sectors projects.

Private sector participation

Aware of the private sector's role as the central engine of economic growth and generation of formal employment, CABEI is financing this sector through a network of banking and non banking institutions and under the co-financing modality. Currently this sector represents 40% of its loan portfolio.

Since 1985, the Central American micro, small and medium enterprise (MSME) has been part of CABEI's Strategy. Since that time, the Bank has increased efforts to build up the sector by facilitating access to credit lines through intermediary finan-

cial institutions (IFI). Throughout the years, CABEI's support to this sector has come through several projects, financed with its own resources and international cooperation from institutions such as the International Cooperation and Development Fund of the Republic of Taiwan (Taiwan-ICDF), the Spanish International Cooperation Agency (AECI) and the Kreditanstalt für Wiederaufbau (KfW) (Reconstruction Loan Corporation). These resources are transferred to different types of enterprises through non-banking financial institutions (NBFI) and intermediary banking institutions (IFIS).

In the last five years, ending June 30, 2005, \$ 371.6 million have been channeled to this sector through these NBFI and IFIs working with BCIE. The network comprises 143 institutions, divided into banks (51 private and 8 public), financing institutions (18) and non-banking institutions (NBFI, 66)

CABEI's 2004-2009 Global Strategy is set on promoting micro, small and medium enterprises. CABEI intends to act as the

channeling vehicle to deliver resources to the poorest populations in Central America, as an instrument to respond to the fundamental areas set forth in this Global Strategy

As a result, CABEI has adopted a Micro, Small and Medium Enterprise Support Strategy, aimed at supporting their sustainable development as well as the financial system servicing this sector, and in this way contributes to employment generation and poverty reduction.

This Support Strategy has three specific objectives:

1. Foster MSME's access to financial services.
2. Strengthen the development of the financial sector servicing MSMEs.
3. Contribute to entrepreneurial development, growth and productivity of MSMEs.

Caribbean Development Bank (CDB)



The Declarations and Plans of Action arising out of the Quebec and Nuevo Leon Summits of the Americas set out ambitious programmes of economic, social and political development for the Americas and its Caribbean sub-region. The main focus of the programmes is clearly stated in the Declaration of Nuevo Leon: "...the achievement of three closely linked and interdependent objectives: economic growth with equity to reduce poverty, social development, and democratic governance." While these objectives have been disaggregated into a set of detailed sub-objectives, with substantial attention being paid to the processes by which these sub-objectives should be achieved, given the critical issue of democratic governance, the overall focus on the overarching, interrelated objectives has not been lost.

For the Caribbean Development Bank, there has been a close match between these overarching objectives and those in the Agreement which established the Bank in 1970; and this shared focus has been sharpened over the past decade both by the operational changes and nuancing within the Bank which have been taking place in response to the changes in the international development environment and the particular needs of CDB's borrowing member countries, and by the increased responsiveness of Summit objectives to the development needs of the region. To a significant extent the sub-objectives and processes on the Summit agenda have been mirrored in the operations and practices of CDB, reflecting, on the one hand, the increasing economic, social and political integration in the Americas, and, on the other, the common objectives and shared goals and aspirations of the peoples of the Caribbean and the Americas, and their increasing ability and willingness to articulate those goals and aspirations.

The primary focus of the Bank has been, and continues to be, on the promotion of sustained economic growth and development in its borrowing member countries, paying attention to cooperation and coordination of inter-country activities given its additional mandate of promoting regional integration among its members. At the same time, the Bank has been concerned not only about what it does, but also about the effects of how it has been approaching the discharge of its mandates. In particular, CDB has been paying increasing attention to the human development requirements and consequences of economic growth and social development. This has been in recognition of the fact that development is essentially and exclusively about sustained improvement in the lives of people, and about devising arrangements to enable individuals to realize their fullest potential, not only by removing barriers to freedom, but by putting in place arrangements which facilitate the full involvement of individuals in the structuring and processes of their own development. As a result, there has been increasing focus on job growth; on growth in individual incomes; on medium- and small-enterprise development; on improvement and

expansion in education and training facilities and opportunities; on improvement in arrangements for the provision of health care; on environmental conservation and natural hazard risk management, particularly given the fragility of small islands heavily dependent on tourism; on addressing vulnerable groups in the society, particularly women, and youth at risk; and, as an overriding objective, on the reduction and elimination of poverty both through the provision of infrastructure and facilities for improving the quality of social services and welfare, and through the selection and design of investment projects in order to maximize their poverty reduction effects.

In recent times, beginning with the period following the Second Summit of the Americas in Santiago, CDB has embarked on a programme of internal reorganization in order to improve its efficiency and effectiveness in the delivery of its services to its borrowing member countries. This programme has intensified over time, and has included the adoption of an on-going process of results-based management in all aspects of internal operations. This has enabled the Bank to adjust its focus to include the special emphases of the Quebec and Monterrey Summits, and to take on board the development and poverty reduction targets as contained in the Millennium Development Goals, as well as paying attention to the special and varied needs of its borrowing members in the sub-region. This approach by CDB is in line with the general focus of the other multilateral development banks on managing for development results that is relevant not only for the operations of each institution, but also for the increasing need for joint action and for a coordinated approach to the achievement of increasingly converging objectives.

The current operations of CDB are focused on five strategic objectives:

- (i) promoting sustainable economic growth;
- (ii) promoting good governance;
- (iii) fostering inclusive social development;
- (iv) fostering regional cooperation and integration for development; and
- (v) improving organizational efficiency, effectiveness and responsiveness.

These strategic objectives have been developed out of the need for major economic and social transformation in Caribbean economies and societies consequent on political independence, and consequent on the current global economic liberalization that has been accompanied by the dismantling of administered preferential trading relationships that had been an important feature of the colonial period, and that have been contributing substantially to sub-regional incomes. This dismantling has caused, and is causing, significant economic dislocation, and is a contributor to uncertainty about the future.

Generally the very small size and the production orientation of Caribbean economies have required specific actions on the part of country authorities in order to restructure and transform the pattern of economic operations, and to develop a meaningful potential for sustainable growth and development. Openness and integration of the economies into the global environment have never been issues: trade/GDP ratios in excess of 100% have been common features of Caribbean economic existence, and these ratios are likely to grow rather than contract over time as the economies become even more fully integrated into the global system. The real issues have involved the nature of that integration; the flexibility and competitiveness of economic operations, and the capacity of the existing patterns of operations to provide for sustained increases in national per capital incomes over time; and the responsiveness of economic and social structures and operations to the increasing pace of change in the international environment. CDB has been attempting to provide matching specific interventions in order to support the national and sub-regional transformation efforts.

Given the context, the transformation has been approached from a number of directions, with CDB playing a role in all of them.

Critically, given the commitments made at the Summits of the Americas, Governments in the Caribbean have been making substantial effort to address the economic growth and development objectives as a first priority. Given the average level of incomes in the region, the income-growth objectives have been seen by some leaders as a pre-requirement for sustained progress in achieving the other objectives. The efforts here have included trade and economic liberalization, in keeping with the global trend, and an intensification of the regional integration effort. The trade liberalization effort has been sup-

ported by the establishment and maintenance of a Caribbean Regional Negotiating Machinery (CRNM – which also includes the Dominican Republic and Haiti), with substantial financial contributions from CDB, which has continued to articulate a Caribbean position and to participate, on behalf of Caribbean countries, in the trade negotiations at the WTO, FTAA, Canada-Caribbean, and Caribbean-European Union levels.

There has been significant effort in the attempt to focus the attention of the sub-regions traditional development partners on the critical development issues which need to be addressed if the required structural transformation is to take place. An important aspect of this effort has been the relocation of the consultative group on Caribbean development (Caribbean Group for Cooperation in Economic Development – CGCED) from its World Bank headquarters in Washington to the CDB in Barbados, under a new name and focus: the Caribbean Forum for Development. This Forum, which held its inaugural meeting in May 2005, brought together a broad cross-section of international development partners and Caribbean political leaders, technocrats, and civil society representatives in a dialogue on the pressing development challenges facing the sub-region, and on approaches to address them. The challenges identified mirrored the objectives set out in the Nuevo Leon Declaration.

A major objective of the dialogue is the coordination of development partner intervention, so that the available supply of resources are utilized in ways that make a discernible and sustained difference to the development needs of the sub-region and the lives of its people.

An important issue that was highlighted in the Forum was the importance of partnerships and coordination of activities in addressing development challenges, and this has been an important aspect of CDB's own approach to promoting development in the Caribbean. Given its small size, the Bank has sought to leverage its knowledge of the sub-region and its capacity to undertake relatively small projects to facilitate interventions by larger institutions and development partners; and this approach has met with support from both financing agencies and assistance-receiving countries over the years. By way of example, a special enhancement of the current phase of CDB's Basic Needs Trust Fund grant operation has been provided by the Government of Canada, in recognition of the effectiveness

of past operations; and a strong relationship has evolved with the Inter-American Development Bank, which has moved substantially beyond CDB's serving as an intermediary in the IDB's financing of development needs in the OECS countries.

Following the establishment of the Bank, country interventions had focused quite heavily on the expansion and development of physical infrastructure to support the expansion of production; and this aspect of CDB's operations has continued, although its importance has declined in relative terms. Given the differences in size, population distribution and physical requirements across the borrowing member countries, however, physical infrastructure development and expansion remain important aspects of the effort in some countries to expand output, increase employment and incomes, and reduce poverty.

The important shift has involved increasing attention to the development of individual and institutional capacity. At the institutional level, project management and project implementation responsibility has been increasingly devolved onto the country project-sponsors, with the Bank providing considerable training over the years in project appraisal and management, in public sector investment programming, and in general public finances management. Public investment programming is now an exclusive in-country activity. In addition, countries have been taking increasing advantage of CDB's grant-financed technical assistance support in planning broad-based interventions or in addressing particular performance issues, in those cases where the required technical expertise has not been available from in-house staff. These operations have brought Bank staff and country executives into close working relationships, and these have facilitated a two-way information flow which have benefited the Bank's members at the same time that Bank staff have gained new insights into country objectives, and into economic and social processes which have improved individual capacity and sharpened the focus of the institution on the critical development issues as seen by country populations.

CDB's growth promotion and poverty reduction efforts have paid particular attention to the development of individual capacity to identify and take advantage of economic opportunities. Partly, this has been in recognition of the substantial business flexibility requirements of production operations into the future, particularly in the areas of higher levels of value-added; as

well as the expectation that Caribbean production, apart from mineral-based output, is likely to be increasingly services-oriented and niche-market focused. The main mechanisms have included financing for physical school infrastructure, and the strengthening of the institutional capabilities of the ministries of education, particularly in relation to curriculum development capacity; facilities and arrangements for technical and vocational training; wholesale financing to country administrations for individual student loans at the tertiary level, both for in-country and external training; the development and maintenance of a business technical consultancy service, which has continued to put short-term technical business expertise at the disposal of small enterprises encountering business process or production difficulties, at minimal cost to the recipients; and CDB's own training programmes for individuals from its borrowing member countries in various aspects of project and public sector management.

An important aspect of the development effort has been the recognition among CDB's borrowing member countries that their individual small size, together with the increasing management and international participation requirements imposed on modern states, would make it impossible for them to sustain full and effective involvement in the global polity as individual entities. This has led to a substantial ongoing effort to integrate the Anglophone Caribbean economies, an effort that has now been broadened to include Suriname and Haiti, with both countries in addition having been offered membership in CDB. CDB has been supporting the integration effort through the encouragement of coordination, through its policy dialogue with countries; through the identification and championing of regional projects and regional approaches to addressing development needs (e.g. tax systems development and administration); through proposals for the establishment of regional institutions for fiscal stabilization and economic transformation; and through the funding of consultancies for tracing "next steps" in the integration process. The effort at integration, with its traditional multinational challenges for the re-conceptualization of sovereignty and for the financing of an additional level of political administration, has introduced new national challenges for the coordination of economic and social management and governance processes across country administrations, for the harmonization of legal and administrative

requirements and processes, and for facilitating the melding and merging of cultures.

The critical importance of these challenges, together with inadequacies in public sector economic and fiscal management in many countries in the sub-region, resulting in lower economic growth rates and in the existence of a higher incidence of poverty than could otherwise be the case, encouraged the development within CDB of a strategy for promoting good governance in the sub-region, with "governance" in this context also including the capacity to manage effectively. Important elements of the strategy include disclosure, transparency, public accountability, training, rules-based behavior, inclusion, participation, and results-based management. One expectation from the debate that good governance practices should encourage is a public questioning of distributions of economic and social assets which are not clearly reflective of economic and social contributions to the society. Where significant inequities are perceived, the expectation would be that public policy action would be taken to promote, through growth and the provision of training and business opportunities, an expansion in broad-based stakeholding. This is particularly important where historical legacies include, and promote, visible undesirable distribution patterns of income, wealth and power. One salutary aspect of the good governance approach is that the same kinds of efforts which promote good governance and management are precisely those which encourage the development of the kind of broad-based ownership structures which also promote social cohesion. The strategy is currently being implemented in CDB's country operations.

The preparation of the governance strategy had followed the development of a poverty reduction strategy, given the perception in the sub-region that the reduction and eventual elimination of poverty is the overriding development objective. The result of the development of these strategic approaches to Caribbean development has been a general approach within CDB of three main issues for consideration in formulating country strategies and in approaching country interventions:

- (i) impact in reducing poverty;
- (ii) contribution to improvement in governance; and
- (iii) contribution to capability enhancement.

Two additional areas have been and are treated as cross-cutting issues in CDB's operations:

- (i) environmental conservation; and
- (ii) disaster risk reduction and management.

These two areas are closely related, given the important contribution of the physical environment to Caribbean livelihoods, and given the fragility and vulnerability of Caribbean countries to natural hazard events. Bank efforts, in conjunction with those of country authorities and the sub-region's development partners, have in very recent times been increasingly focused on disaster-preparedness activities, and on the range of interventions which might prevent natural hazard events from turning into natural disasters.

A critically important aspect of the development process that is now receiving increasing attention both in the countries in the sub-region and in CDB is, on the one hand, effort to improve the capacity of civil society (defined broadly to include the private business sector, organized labour, and community-based organizations of a variety of types) to participate in broad national and sub-regional issues, and, on the other, to develop the dialogue with civil society, and to incorporate civil society formally into structures which feed into the rules-making and management processes of the societies. Within CDB, part of the work has involved training individuals in the public and private sectors in participatory social research techniques, in the creation and management of focus groups, and in utilizing the results of social research in public policy formulation. At another level, community organizations play a leading role in the selection and management of projects financed under the Basic Needs Trust Fund Programme. At still another level, civil society representatives are now consulted as a matter of course beginning with the pre-design and pre-feasibility stages of investment projects, with that consultation being a formal requirement for

the social impact analysis component of the overall environment impact analysis required as a part of project appraisal. Still further, ongoing consultations with civil society representatives formed an important part of the lead-up to the inaugural meeting of the Caribbean Forum for Development; and formal arrangements for ongoing consultation and guidance with civil society, particularly with organized labour and the private business sector, have been put in place.

At the country level, a number of national economic councils, whose members comprise, labour, business, community groups, and government, now meet regularly to share ideas on national development issues; and although the level of influence of these councils vary from country to country, the fact of their existence, and the capacity of their members to influence electoral behavior, have contributed to a broadening of the public dialogue on matters of public interest. CDB has participated in meetings of a number of these councils, and is increasingly being invited to address meetings of various civil society groups.

As the preparatory processes of the Summits of the Americas become more inclusive and participatory, with greater involvement of stakeholders in Latin America and the Caribbean, and as the declarations and plans of action following the Summits become more focused and specific, with more detailed and clearly defined performance requirements, small institutions like CDB will find it increasingly difficult both to deliver on expectations, in terms of output and content, and to deliver on process, that is to listen and participate in the conceptualization of the action programmes; although it is clear that the process by which the programmes are developed is at least as important as the programmes themselves. Given continued resource scarcity, one important challenge will be to balance the need to deliver critically important services to poor people with the need to cover the costs of their representatives while they define and negotiate those services.

Institute for Connectivity in the Americas (ICA)



At the Quebec City Summit of the Americas, regional leaders recognized the importance of promoting information and communication technology (ICT) to improve social and economic development, and committed themselves to narrowing the digital divide. The Institute for Connectivity in the Americas (ICA) was announced as Canada's contribution to the Quebec City Summit. The Canadian government provided twenty million CAD for the Institute, which is housed at the International Development Research Centre (IDRC) both in Ottawa and Montevideo, because of the Centre's extensive experience in ICT and international development. ICA became operational in 2002.

ICA plays a unique and important role in Latin America and the Caribbean (LAC) by bringing together stakeholders from different sectors, to implement strategic networks and scaled-up innovative technology initiatives. ICA has received approximately 400 proposals since its creation, and has responded to the region by supporting over 60 initiatives. ICA fulfills a critical role in the region by facilitating the coordination, collaboration and sharing of efforts across countries with a number of key projects.

As we move toward the IV Summit of the Americas, a number of ICA's projects are revealing tangible results and benefits, rewarding the efforts made by the countries in the region and ICA to demonstrate the potential that ICTs can have in the development in Latin America and the Caribbean. A selection of these projects is described below.

Democracy

Support for the development of e-governance in Latin America and the Caribbean. In partnership with the OAS, ICA has engaged in a number of e-governance activities, such as: developing a highly regarded online course on e-government taught across the region, holding three regional online forums with Brazil, Chile and Canada as lead countries, holding two face-to-face e-government meetings, and launching a regional fund to exchange e-government practitioners among countries.

The Network of E-Government Leaders in Latin America and the Caribbean (Red GEALC) gathers more than 40 government leaders from 18 countries of the region. Since July 2005, this network includes the Caribbean e-government leaders. The Network's objective is to exchange knowledge, experts and solutions in all themes surrounding e-governance, with the end of facilitating the collaboration and sharing the effort of governments in the region. In support of the Network, ICA and the OAS have jointly developed an interactive portal and have funded a coordinator to keep the Network dynamic and productive. The initiative has received the support of the IDB for the second phase.

@Campus Mexico is an e-learning platform designed for the Mexican public service by the Secretaría de la Función Pública, with expertise from the Canada School of the Public Service, and support from ICA. The initiative is in process of being adopted by other countries of the region.

The Virtual Parliament of the Americas helps augment the Inter-Parliamentary Forum of the Americas' (FIPA) work through the use of ICTs. ICA was a major supporter of FIPA's connectivity efforts, having partnered with Bellanet International and the Canadian Parliamentary Centre to create FIPA's Virtual Parliament. The goals of this project are to connect geographically dispersed participants, who speak different languages, to collaborate on hemispheric issues, promote parliamentary participation in the inter-American system and contribute to developing inter-parliamentary dialogue in dealing with issues concerning the hemispheric agenda.

The Latin-American Digital Cities Awards are designed to assist municipalities make the transition to the knowledge society. ICA established and organized these awards with the *Asociación Hispanoamericana de Centros de Investigación y Empresas de Telecomunicaciones*. The award is now in its second year, with Cisco Systems Inc. and Microsoft Corporation as additional partners.

Civil society

The TELELAC (Telecentre Network in Latin America and the Caribbean) project is a digital inclusion initiative that promotes the use of ICTs for local development throughout Latin America and the Caribbean through the Somos@Telecentros Network.

The Caribbean ICT Virtual Community (CIVIC) has become the permanent virtual forum of Caribbean ICT stakeholders to share information, hold discussions, and link together ideas and initiatives. ICA has also sponsored a series of Web Forums/ Online Workshops and Virtual Collaboration Groups that use ICTs to promote dialogue and collaboration on specific issues facing the Hemisphere, or its sub-regions.

Gender equality

The Regional Model for Training of Rural Women in participatory citizenship program seeks to use ICTs to promote rural women's empowerment by a) offering the conceptual and methodological tools to include a gender perspective in policies, programs and projects in the different areas linked to rural activities; and b) by developing the technical management and follow-up tools need-

ed to improve the status of women within their communities.

Indigenous peoples

ICTs and Native Peoples aims to strengthen the links among the Mapuche people of Argentina living in rural and remote areas with those that have migrated to urban centers in the country. Through the use of ICTs, the initiative aims to promote social cohesion and the exchange of knowledge, information, and culture among these geographically separate communities. It is also expected that the project will lead to tangible e-commerce initiatives that will promote local socio-economic development through the use of ICTs.

Enlace Quiché is an initiative that supports the creation of educational materials for ICT training for the Quiché community in Guatemala.

Indigenous Connectivity is a summary of the communication activities/strategy developed by ICA to share the successes and lessons learned in connecting indigenous peoples. In fact, ICA facilitates and distributes studies, coordinates discussions, and helps indigenous leaders participate in important international events.

Education

The goal of the Latin American Network of Education Portals is to promote the use of new information and communication technologies to improve the quality and equity of education and allowing for the free and immediate circulation of digital resources to be found in each of the member portals. With the support of ICA the initiative was launched in August 2004 and praised by eleven education ministers in the region. With an estimated audience of over 150 million students and teachers, the Latin American Network of Education Portals is a new initiative that heralds a significant economic and social impact on the region. The free circulation of contents will help enhance the quality and equity of education through access to local and regional contents relative to quality, relevant educational experiences and effective use of ICTs in the schoolrooms. The Network will allow member countries to reduce local portal start-up and implementation costs and to access a broader range of contents in less time. ICA, IDB, Fundación Chile, and 15 countries of the region are preparing the launching of a new phase to expand—at a regional level—the scope of this initiative.

Computers for Schools (CFS) is a regional computer refurbishing project whose goal is to donate computers to schools and telecentres located in low-income communities. ICA, in partnership with the OAS and Industry Canada, successfully completed a series of regional knowledge transfer workshops, where more than 200 participants, representing 32 LAC countries, participated. The program is currently in different stages of planning or implementation in Colombia, Argentina, Chile, Brazil, Bolivia, Ecuador, and Guatemala. To facilitate and promote the exchange of experiences among countries in the region, an interactive portal is being developed and a regional coordinator has been appointed.

FRIDA (Fondo Regional de Innovación Digital en las Américas) is a regional fund for the development of ICT research and technical skills to promote development in Latin America and the Caribbean. This program funds research projects that fulfill one of the following objectives: development or adaptation of new technologies and standards; innovative social use of ICT for development; and modernization of public policies and regulations. This initiative was realized with the cooperation of the Latin American and Caribbean Internet Address Registry (LACNIC) and PAN Americas of IDRC.

The Open Access Cooperative Virtual Libraries Network, based in Argentina, is a regional project that involves hundreds of universities and research centres sharing free content in the field of social sciences online. The initiative will have more than 4,000 complete texts, in both Spanish and Portuguese, including classic, modern and contemporary literature, periodical articles, and academic studies.

Health

ICA's Rural Health Centres in Latin America and the Caribbean project seeks to develop a connectivity proposal for rural health centres in the region that will address the availability of equipment, applications, services, and training.

Telemedicine projects currently being implemented in Argentina and Brazil explore the development of a National Telemedicine Network model. This initiative seeks to set up a national telemedicine network model by a local inter-hospital Wi-Fi network in cities within both of these countries. These local networks will be linked through optical fiber or broadband satellite links. ICA is working on this initiative with the Faculty of Medicine at the

Universidad Nacional de Córdoba (Argentina) and Universidade Federal do Ceará in Fortaleza (Brazil).

Punto "J" is a health promotion program, which enrolls youth leaders in the fight against HIV/AIDS by giving them the necessary knowledge and training to use new technologies innovatively to reach their peers and adults alike, by offering tangible solutions and preventive measures in the fight against this scourge.

Growth with equity and employment

The Knowledge Economy Call for Proposals aims to promote research, exchange knowledge, and share information among government and civil society on the challenges and opportunities of the knowledge society. This project promotes concrete and exhaustive studies that allow key actors in the region to take decisions that promote growth with equity. Studies, based on reliable empirical data and on an analysis based on local perspectives, are oriented towards developing strategies to disseminate the benefits of a knowledge economy to low-income communities in the region. The initiative is being implemented together with the "Globalization, Growth, and Poverty; A Knowledge Systems Research" program and the Pan Americas program of the IDRC.

The New Forms of Work and Employment Opportunities project aims to support, through applied research, the development of public policies that increase the benefits and reduce the difficulties associated with these new forms of work. The project hopes to reach important conclusions and recommendations on ways to effectively generate employment and contribute to the alleviation of high unemployment levels in the region. This initiative is being developed jointly with the Pan Americas program of the IDRC.

MSMEs and trade

The adoption of ICT by MSMEs (Micro, Small and Medium-Sized Enterprises) project in Central America, represents a replicable model to stimulate and/or enhance the use of digital technologies by MSMEs, allowing for the development of commercial capacity. It also represents a clear example of how a successful approach includes multi-stakeholders, which results in an improved business practice of the private sector. The outcomes of the project are being broadly disseminated as an important contribution to the integrated development agenda of this region. The initiative is supported by ICA, in association

with the Inter-American Development Bank's Korean Trust Fund and the Central American Bank for Economic Integration.

Supporting the rise of e-business in Latin America and the Caribbean aims to help improve the competitiveness, productivity, and efficiency of micro, small and medium sized enterprises (MSMEs) in the Latin America and Caribbean Region through improved business processes and the implementation of innovative services and solutions in ICT, e-commerce in particular. This project is developed within the rubric of the Information and Communication Technologies for Business (ICT-4-BUS) program, sponsored by the Inter-American Development Bank (IDB) and the Multilateral Investment Fund (MIF), along with the funding and direct participation of ICA.

Connectivity and digital inclusion

Since the Institute focuses on promoting ICTs and connectivity for development, most of its projects could theoretically be placed in this category. The following are specific access and connectivity-related projects that are a small sample of the full portfolio of ICA projects in this field.

E-Link Americas is a project that will provide low-cost, high-speed Internet connectivity to remote and underserved areas of Latin America and the Caribbean. E-Link Americas, which was originally conceived at ICA, is now a non-for-profit Canadian corporation, supported by CIDA, the World Bank, IDRC, and the OAS. By the end of 2005, E-Link will connect the Caribbean Knowledge and Learning Network, and it is projected that in five years 10,000 sites will be deployed in different Central and South American countries.

WiFi (Wireless Fidelity) for Development initiative consists of a series of interrelated projects that provide internet connection to remote communities who do not have adequate access to communication services. Wifi is a new low-cost, easy to install, and low-maintenance, wireless technology. These projects use either fixed or roam Wifi installations. Wifi increases the reach and benefit of the internet in the community by distributing an internet signal connecting multiple installations (i.e. municipality, telecentres, schools, and health centres) to a telephone company call centre or a telecenter. Diverse fixed Wifi pilots are being implemented in Argentina, Brazil, Colombia, Ecuador, Mexico and Panama. These projects are associated with a regional portal, an

on-line course, and five comprehensive studies on the impact of these technologies in the communities that have benefited from this project.

ICA is designing an itinerant Wi-Fi program to establish a communication network connecting small towns that lack communication infrastructure and who are distant from those urban centres with Internet access. The project will bring the Internet by using mobile sites which with a WiFi installation, will travel to and from different villages letting them download information, send e-mails and surf the Web. ICA is working on developing pilot projects in Bolivia, Paraguay, and Brazil.

Regulatory framework

The main objective of The Observatory for the Information Society in Latin America and the Caribbean (OSILAC) is to create a collection of centralized and harmonized data to determine the state of the information society in the region. It aims to support national statistical institutions in the compilation of indicators on ICTs and their methodologies. OSILAC encourages the creation of an international platform on statistics based on such technologies.

The Regional Dialog on the Information Society (REDIS) is a regional network of experts from Latin America and the Caribbean on ICT policy and regulation. REDIS aims to produce knowledge to encourage policy-formulation processes to focus on promoting an equitable and effective connectivity that is representative of the different sectors of the Latin American and Caribbean society. The network is currently composed of academic experts from 12 countries of Latin America and the Caribbean, who are in the process of producing their first piece of work.

A regulation and market structure map, connectivity map, regional inventory of ICT projects, and ICT experts database have also been created by initiative of ICA.

Connectivity is a crosscutting instrument applicable to all sectors of the socio-economic and political development of a country. It's potential and benefits range from education, training and health care, to democratic reform, government transparency and small business promotion. As demonstrated by the work of the Institute for Connectivity in the Americas in the past two years, new information and communication technologies can assist in the effective implementation and acceleration of social and economic development projects in the Americas.



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