Case Number: 2009-1155-F

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Folder Title: IFI [International Financial Institution] Coordination/Bilateral - Summit of the Americas				
Staff Office-Individual: Special Envoy for the Americas-Lesmez, Daniel				
Original OA/ID Number: CF 1045				
Row: 26	Section: 6	Shelf: 7	Position: 3	Stack: V

MACK MCLARTY

Dan

Jan. 23, 1998

To: Nelson

Our staff needs to better interface with the hemispheric institutions (i.e., OAS, World Bank, IADB, PAHO). Let's discuss.

Mc

THE WHITE HOUSE

WASHINGTON

January 23, 1998

Ambassador Victor Marrero
U.S. Permanent Mission to the OAS
U.S. Department of State
ARA/USOAS
Washington, DC 20520

Dear Victor:

I have read your first OAS speech with interest and care. Your remarks were absolutely superb and clearly established a comprehensive and thoughtful framework for your important role in representing the United States at the OAS. Please know you have my full support as we work to try to achieve the vision you outlined in your commentary.

On another subject, I thought we had a very constructive and positive day with the Chileans regarding Summit preparations. We will stay in close touch with you and your staff as we travel the road from Miami to Santiago.

Personally,

Mack

You're off to a positive beginning — as expected. You have my full support.

bcc: Nelson
Eric
Ana Maria
Beth

Nelson
Eric
Steve
DN
Desc-JC

INTER-AMERICAN DEVELOPMENT BANK

MEMORANDUM

FILE CLASSIFICATION: lip.lab

DATE: January 22, 1998

TO : David Lipton, Under Secretary

Mack McLarty, Special Counselor to the President
Alexis Herman, Secretary, Department of Labor
Amb. Charlene Barshefsky, USTR
Ambassador Jeff Davidow, Assistant Secretary, State
Mark Schneider, Assistant Administrator, USAID

CC : William Schuerch, DAS
Amb. James Dobbins, Special Assistant to the President, NSC
Amb. Richard Brown, Coordinator, Summit
Amb. Victor Marrero, U.S. Representative, OAS

FROM : L. Ronald Scheman, US EXD

SUBJECT : Labor Program for the Inter-American System

Need copy

Following up on my memo of July 29, 1997, regarding a pro-active approach to labor issues in the Americas, President Iglesias invited Secretary of Labor, Alexis Herman, to meet at the Bank on January 8, 1998. The meeting addressed several matters relating to a more comprehensive effort to address labor issues including strengthening labor ministries, research on the economic impact of labor reforms and standards, assisting labor ministries to enforce labor codes, and, in general, promoting a more constructive dialogue regarding a forward-looking labor policy.

In particular, we discussed ways to:

1. Make greater use of the Multilateral Investment Fund (MIF) which, according to the basic agreement establishing the Fund, can apply its special window for human resources development to labor issues. The Bank can design a program that will assist the labor ministries to upgrade their management, enforce labor codes, and to engage labor unions and employers in improving negotiating capabilities.

2. Considering that the Latin American countries have already committed themselves to comply with many ILO standards and rules, it is appropriate to help them design a program to upgrade their domestic laws, administrative practices and enforcement procedures to comply more effectively with these labor codes. The MIF currently has several hundreds of millions of dollars available for programs under this rubric.

3. Organize a tripartite committee among the Bank, OAS and ILO to undertake research and analysis of labor issues, similar to the the tripartite committee formed by the IDB, OAS and CEPAL for trade issues. Since the labor ministries already have an existing mechanism under the OAS, the IDB would seek to collaborate with the OAS to upgrade this function.

President Iglesias also indicated his positive view that a ministers of labor meeting should be held immediately before or after the forthcoming Summit of the Americas in Santiago.

Nelson!
Eric
Steve
DRS
Desi
Fast Track

INTER-AMERICAN DEVELOPMENT BANK

MEMORANDUM

Eric
Looks positive
Let's discuss
cc: Nelson

FILE CLASSIFICATION: LIP.SUM

DATE: January 22, 1998

TO : David Lipton, Under Secretary
Mack McLarty, Special Counselor to the President
Amb. Charlene Barshefsky, USTR
Amb. Jeff Davidow, Assistant Secretary, State

CC : Amb. James Dobbins, Special Assistant to the President, NSC
William Schuerch, DAS
Mark Schneider, Assistant Administrator, USAID
Amb. Victor Marrero, U.S. Representative, OAS
Amb. Richard Brown, Coordinator, Summit

FROM : L. Ronald Scheman, US EXD

SUBJECT : Summit of the Americas in Santiago

Having reviewed the documents relating to the forthcoming Summit of the Americas in Santiago, I would like to suggest that several important initiatives in the trade area could be advanced at the Summit in spite of the uncertain status of U.S. Fast Track Authority.

Specifically, I suggest we consider a broad program financed by the IDB to upgrade the capacity of the Latin American countries, especially the smaller ones, to meet and enforce the measures to which they are committed in the WTO agreements, as well as those that will be required in the forthcoming FTAA agreements. We have already suggested such a program to the IDB as a result of the meeting between Amb. Barshefsky and President Iglesias last year and its design is now well underway. It might be very helpful to refer to it at the Summit.

On the substance, the need is great for such a program. The capacity of the governments to make the necessary changes to their domestic laws, institutional and administrative practice, as well as to enforce the issues relating to rules of origin, competition, transparency, government procurement, market access, etc., is limited both by experience and depth of staffing. Similarly the capacity of the governments to address the large body of complex rules and requirements for the financial infrastructure that will be necessary for cross border investment is also weak. Although the Finance Ministers are addressing these issues in their periodic summits, implementation capacity is spotty. I believe that there is considerable benefit to have the Presidents endorse programs to provide technical support and training for the trade ministries, customs agencies, tax agencies and other trade and investment agencies throughout the hemisphere.

This type of program falls squarely within the mandate of the Multilateral Investment Fund (MIF) of the IDB, which has more than adequate resources to dedicate a program for this purpose. We also have both the capacity and the mandate to support a major proactive program to upgrade labor ministries and enforce labor codes which I have addressed in a separate memo. I suggest these programs be highlighted at the forthcoming Summit to demonstrate forward movement in these areas and gain impetus for the issues that will be required to build the infrastructure for hemispheric trade. These types of initiatives will be especially important if we decide to hold back on fast track this year.

THE WHITE HOUSE

WASHINGTON

January 23, 1998

Dan - Per Mack, pls. stay "tapped in" to World Bank initiatives in the hemisphere — (per discussion)
TFM

The Honorable James D. Wolfensohn
President
The World Bank
1818 H Street, NW
Washington, DC 20433

Dear Jim:

Your colleagues rolled out the red carpet and were very positive and responsive in our discussions. The Chileans were delighted, and I could not have been more pleased with our meeting. Clearly you set the table for us, and this is just one more example of your singular ability to give attention to detail while at the same having a true vision for the role the World Bank has in serving mankind.

Personally,

Enclosure

bcc: Jeff Davidow
Rick Brown
Eric Farnsworth
Nelson Cunningham

THE WHITE HOUSE

WASHINGTON

January 23, 1998

Mr. Sven Sandstrom
Managing Director
The World Bank
1818 H Street, NW
Washington, DC 20433

Dear Sven:

My thanks for your and your World Bank colleagues' personal and professional courtesies during our recent visit to the Bank to discuss the upcoming Summit of the Americas. We were graciously received, which of course is always appreciated. Moreover, you and your colleagues were well prepared for our discussions of the important and logical role the World Bank has in Latin America overall and particularly in the Santiago Summit. We look forward to working closely with you in the future as we travel the road from Miami to Santiago.

On a related matter, I think the proposed public-private sector educational initiative that we discussed has exciting potential. It is yet another example of your President Jim Wolfensohn's strong and visionary leadership. Jim is a friend whom I admire greatly. We, too, look forward to being appropriately supportive of this effort and to working closely with you.

Again, I enjoyed being with you, and I look forward to our next occasion to be together.

Personally,

cc: James D. Wolfensohn

World Bank requests POTUS presence

Investing in the Future:
Building a Business-Government Alliance for Education

June 4-5, 1998
Washington DC

Thursday June 4

Welcome Reception and Dinner for Invitees 6:30-9:30 PM

Reception: begins at 6:30 p.m. Hosted by Mr. and Mrs. James D. Wolfensohn in the World Bank Atrium.

Dinner: begins at 8 p.m.

Remarks and observations: **James D. Wolfensohn**, President, The World Bank

Invited Keynote speakers: **Fernando Henrique Cardoso**, President of Brazil
Bill Clinton, President of the United States of America

Zedillo

Friday June 5

AM Session 1 8:30 -10: 00 AM Why is your collaboration is important?

- Introduction and Welcome: **Shahid Javed Burki**, Vice President, Latin America, The World Bank
    - Opening Address: **James D. Wolfensohn** "Why the involvement of finance ministers and business leaders in education policy formation and governance is important."
    - Keynote Address: **Michael Porter**, Harvard Business School "Why strategic investment in education is essential for national competitiveness"

AM Session 2 10:15 - 12:15 Core themes of education reform in Latin America

A roundtable discussion on the following opportunities and challenges of reform:

- Managing Education Systems Effectively
- Financing Education: Choices and Alternatives
- Skills, Growth and Competitiveness
- The Political Economy of Education Reform

Invited presenters:

- **Jose Pablo Arellano**, Minister of Education, Chile
- **Cecilia Gallardo**, Minister of Education, El Salvador
- **Paolo Renato**, Minister of Education, Brazil

Friday June 5 (continued)

Lunch 12:30- 2PM Education Policy Reform and the Global Marketplace

Invited lunchtime speakers:

- **Jose Maria Figueres**, President of Costa Rica "Education and export oriented investment in Costa Rica"
- **George Soros** , Chairmen, The Soros Foundation "The role of education in a market economy"

PM Session 3: 2-3:30 PM Focus groups on education reform sub-themes

- Participants will be divided into one of four small focus groups* to share practical ideas regarding how private sector and government organizations might collaborate in education reform.

- Each focus session will begin with an introductory presentation by an international business or government leader who has been involved in a successful public-private alliance for education, either at a national or local level. The practitioner will serve as a resource as participants discuss how and where future collaboration might be increased in their home countries.

* Participants will assigned to a group of approx. 25-30 people based on their responses to the pre-conference survey sent to participants in mid-February.

PM Session 4: 3:30-4:30 Plenary Discussion: What next?

- Participant will reconvene in plenary to share the key outcomes of their small group discussion. These may range from a revised set of reform objectives or priorities, new ideas for transnational collaboration, or an action plan for when they return home.

PM Session 5: 4:30 - 5:45 PM Concluding Session

- Moderation and opening remarks: **James D. Wolfensohn**, The World Bank

  Invited Panel Discussants:

  - **Louis V. Gerstner Jr**. Chairman, International Business Machines
  - **Joseph Stiglitz**, Chief Economist, The World Bank

- Concluding Remarks: **Guillermo Perry**, Chief Economist for Latin America, The World Bank

FAX TRANSMITTAL # of pages ▸ 3
To Dan Leaney From Richard C. Brown
Dept./Agency NSC Phone # 647-2079
Fax # 456-7586 Fax # 736-9618
NSN 7540-01-317-7368 5099-101 GENERAL SERVICES ADMINISTRATION

USAID
U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT

Assistant Administrator for Latin America and the Caribbean

March 13, 1998

MEMORANDUM

TO: White House - Thomas F. McLarty
NSC - James Steinberg
NSC - James Dobbins
ARA - Jeffrey Davidow

FROM: AA/LAC - Mark L. Schneider M

SUBJECT: New Deliverable: Association of Bilateral AID Donors for Summit Implementation

Following the SIRG meetings this week, I attended a meeting called by the Chileans to discuss donor cooperation in the hemisphere. Eight countries were present at the meeting including: Argentina, Brazil, Canada, Chile, Colombia, Mexico, Venezuela and the U.S. Genaro Arriagada chaired the meeting. Others attending included the Executive Director of the Chilean technical cooperation agency (Jacqueline Weinstein), the Director General of Technical Cooperation in the Mexican Ministry of Foreign Relations (Amb Perez Bravo), and the Deputy Head of the Canadian aid program. The remaining countries were represented by the heads of their SIRG delegations.

The purpose of the meeting was to discuss Chile's proposal for the development cooperation agencies of the eight countries attending the meeting to work together on implementation of the Santiago Plan of Action. The proposal calls for each of the eight countries to agree to exchange information and coordinate its Summit implementation activities. In addition, countries would ideally set aside funding for this purpose. Chile stated that it plans to provide from $7 million to $10 million annually for the next three years for this purpose. The $20 million Presidential Initiative included in LAC's FY 99 budget request would provide USG program resources for this cooperative effort.

Note that the Chileans are not proposing a common fund but rather the cooperative use of each agency's individual resources to maximize everyone's returns on these investments.

To guide these efforts, the proposal recommends that a coordinating body, consisting of the heads of the technical cooperation agencies for the LAC region in each country, be established. This body would meet once a year and be chaired in the first year by the Chileans.

Genaro has discussed the proposal with the Presidents of Brazil, Argentina, Colombia and Venezuela, and all have expressed their support for the idea. In addition, Jose Miguel-Insulza has discussed the idea with President Zedillo who is also interested in the proposal. (FYI: President Zedillo has recently signed a proposal to establish an Agency for International Cooperation within the Mexican government.)

All of those present endorsed the idea of coordinating technical cooperation programs in support of Summit objectives. Brazil was particularly emphatic about its support. Mexico's representative, however, emphasized that while Mexico has the capacity to assist less well off nations in the hemisphere, it continues to require donor support to address specific development constraints.

Making this happen requires:

A paragraph in the political declaration urging donors to support implementation of the Summit's Plan of Action;

A side agreement signed by the eight Presidents committing their respective technical cooperation agencies to this specific effort.

The creation of an executive steering committee to guide the efforts.

Based on the positive responses the Chileans have received to date, Genaro will be sending out a letter in the coming week requesting a meeting in conjunction with the early April plenipotentiary in Santiago to reach agreement on their proposal.

The Chilean proposal has many attractive features and could become an important deliverable associated with the Summit. It dispels the notion that once a recipient of donor assistance always a recipient. In addition, the Chilean proposal adds new resources from a new set of donors to address sustainable development issues in the hemisphere.

At the meeting chaired by Genaro, I indicated USAID's full support for this proposal.