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Folder Title:

[Summit of the Americas] - Climate Change & Energy Cooperation

Staff Office-Individual:

Special Envoy for the Americas-Lesmez, Daniel

Original OA/ID Number:

CF 1045

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26	6	7	3	V

Withdrawal/Redaction Sheet

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001a. note	Note to Mark Hambley re Summit Implementation Review Group (1 page)	03/10/1998	P1/b(1)
001b. note	A/S Davidow - Min Arrieta Telcon (1 page)	03/10/1998	P1/b(1)
001c. talking points	Talkers (1 page)	03/10/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
Special Envoy for the Americas
Lesmez, Daniel
OA/Box Number: CF 1045

FOLDER TITLE:

[Summit of the Americas] - Climate Change & Energy Cooperation

2009-1155-F

ke2553

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
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PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

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**FAX COVER SHEET****United States Department of State****Bureau of Oceans and International, Environmental and Scientific Affairs
Office of Science and Environmental Initiatives**

Date: _____ Number of Pages (Including Cover Sheet): _____

☐**URGENT**☐

See Attached

☐

For Your Assistance

☐

Per Our Conversation

☐

For Your Information

☐**CLEARANCE**To: Don LegneyTelephone: 456-7580Office: White HouseFacsimile: 456-7586Subject: Memo to Wendy Sherman**Ann M. Wells****OES/SEI****2201 C Street, NW****Washington, DC 20520-7818****Telephone: (202) 647-2245 - Facsimile: (202) 647-2746****MESSAGE:**

Don - here is background I did for
W. Sherman on environmental issues at
Santiago - I will do an update (post-SIRA)
and send to you by tomorrow.

Ann

9802323

United States Department of State

Washington, D. C. 20520

FEB 10 1998



98 FEB 10 P5:13

INFORMATION MEMORANDUM

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S/S

TO: C - Ambassador Wendy R. Sherman

FROM: OES - Rafe Pomerance, Acting *RP*

SUBJECT: OES Issues at the Summit of the Americas, Santiago, Chile, April 18-19, 1998

The Santiago Summit of the Americas, which will take place April 18-19, 1998, builds on the commitments agreed to at the 1994 Miami Summit. Miami's four themes were preserving and strengthening democracies, promoting economic integration, eradicating poverty and sustainable development. When the hemisphere's Foreign Ministers met in June 1996 to determine the agenda for the next Summit of the Americas, sustainable development was not included because the issue would be receiving high-level attention at the December 1996 Summit Conference on Sustainable Development in Bolivia (seven heads of State and VP Gore attended). Except for sustainable development, no other event based on the Miami Summit has had presidential-level attendance.

The Environment and the Hemispheric Summit Process: Past, Present and Future

At the Miami Summit, three sustainable development "partnerships" were created: sustainable energy use, biodiversity, and pollution prevention. These partnerships have worked over the last three and a half years to forge concrete programs to advance the goals laid out in the Miami Action Plan. Most work has been conducted through ministerial-level meetings (energy) or frequent technical level discussions (biodiversity and pollution prevention). The Bolivia Summit process built on these three partnerships and added two more issues to the hemisphere's work plan: sustainable agriculture and forests, and sustainable cities. These five issues stand the best chance of being implemented in the foreseeable future, given countries' budget realities.

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Rather than add to Miami's 30 initiatives and Bolivia's 65 initiatives at Santiago, we attempted to ensure that environmental issues are used to advance the other agenda items of the Santiago Summit, as appropriate. Our efforts have met with only modest success in the SIRG process which is formulating the Declaration and Plan of Action. The next, and most crucial, SIRG meeting, at which parties will have to come to closure on the contents and scope of the Declaration and Plan of Action, is March 9-11 in Washington. Items not accepted by the parties at that time will stand little to no chance of being incorporated before the Summit.

We have worked closely with ARA/EPSC throughout the past year to ensure that our points have been negotiated as strongly as possible while staying within the original guidelines regarding the purpose of the Summit. With the failure to achieve fast-track, there is greater White House interest in boosting the environmental portion of the agenda so as to have a positive message to convey. We have worked with USTR and AID to draft a paragraph to be added to the declaration which reiterates the need to implement the sustainable development commitments made at Miami and Bolivia, and USTR has proposed language on trade and environment which will likely be placed in the economic integration section.

Santiago Political Declaration

No agreement was reached on any aspect of the political declaration at December's SIRG meeting. We still do not have a revised draft text from the Chileans to review. Two issues we will work to insert in the next round of negotiations on the declaration are a) a paragraph underscoring the need to continue implementing the sustainable development commitments undertaken at Miami and Santa Cruz, and b) a paragraph on climate change to be added to existing language on hemispheric energy cooperation. Suggested text for both paragraphs is located at Tab 2. We will table the more general environmental text at the next SIRG. We are working bilaterally with Venezuela (as co-chair of the energy partnership), Argentina (as the site of COP-4), Brazil (because of their importance in developing the Clean Development Mechanism) and Costa Rica (due to their support for joint implementation and market-based incentives for greenhouse gases emissions reductions) to secure support for climate language in both the declaration and plan of action.

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Plan of Action

Thus far, there are six items in the current draft Plan of Action which have components related to OES issues. We are proposing additional items on peace parks, climate change and the link between trade and environment. Items in the current draft are quoted in their entirety at Tab 1. The issues within the four Summit chapters are as follows (USG proposals that have not yet been integrated into the document are in italics to show where we propose to insert them).

- Education - teaching environmental stewardship;
- Democracy-Building - civil society participation in designing and implementing policies, with references to successful experiences with sustainable development issues, *peace parks as a non-traditional confidence and security building mechanism (CSBM);*
- Economic Integration
 - a) *endorsement of sustainable development initiatives agreed to at Miami and Bolivia, and a need to address trade and environment in a mutual supportive fashion;*
 - b) under the science and technology subheading, four items related to cooperation on El Niño, exchange of S&T personnel, the 1996 Plan of Action of the Cartagena S&T ministerial, and public-private sector partnerships;
 - c) under the regional energy cooperation subheading, advancing the agenda of the hemispheric energy cooperation program established at the Miami Summit of the Americas and reiterated at Bolivia; *endorsement of efforts to mitigate climate change and to cooperate in reaching agreement in Buenos Aires in November;*
 - d) under the transportation subheading, reference to need for increased environmental protection in the development of transportation systems;
- Poverty - reducing illness through expanding immunization and improving the quality of drinking water, basic sanitation and solid waste management

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Attachments:

Tab 1 - Current draft language

Tab 2 - USG proposals for additional language

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Drafted: OES/SEI:AWel^{AW}, x7-2245

Cleared:

OES/SEI:LGerson

ARA/EPSP:Ckennedy

ARA/PPCP:CHoey

G:JDanies (Jf)

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1

EST References in Draft Santiago Text
(*italicized text highlights environmental elements*)

Political Declaration

We have no consensus as yet on any language for the political declaration. An earlier version contained a brief paragraph stating commitment to the principles of the Santa Cruz Summit, for which we had provided several suggested changes. We are awaiting a new version of the declaration from Chile before beginning the negotiation process to incorporate better language on sustainable development commitments and climate change.

Plan of Action

I. Education

Develop within and outside schools, with the assistance of different actors and social organizations, educational strategies that foster the development of values, with special attention to the inclusion of democratic principles, human rights, gender-related issues, peace, tolerance, and respect for the environment and natural resources.

II. Preserving and Strengthening Democracy and Human Rights

Support for the participation of civil society in "the preparation and implementation of policies, such as relevant and successful experiences from the Inter-American Strategy for Public Participation [an outgrowth of the Bolivia Sustainable Development Summit] and the National Councils for Sustainable Development, among others."

III. Economic Integration and Free Trade

Science and Technology

- Apply the tools of science and technology to mitigate the damage caused by El Niño and other natural phenomena and their impact on the economy, specifically on the basis of improved weather analysis, better prevention and response capabilities; improved research and training methods to deal with natural phenomena; and the application of science and technology to address the effects of climate change on health,

agriculture and water. In that context, they will emphasize cooperation and the exchange of information on El Niño and other natural phenomena.

- Develop and implement measures for hemispheric cooperation to ensure access to appropriate technology and, where necessary, to strengthen relevant national institutions through, inter alia, human resources development programs and the exchange of personnel.
- Continue implementing the Plan of Action agreed to at Cartagena in 1996, with emphasis on information and communications technologies, science and technology indicators, and the link between science, technology, and development.
- Encourage partnerships between their governments and their productive sectors in technology and innovations, and encourage university-industry relationships for training in the management of technology.

Regional Energy Cooperation

- Prepare, by 2000, national energy strategies defining actions and establishing deadlines for the implementation of market-based regulatory, fiscal, and legislative frameworks, including the creation of mechanisms for public participation and capacity-building, that ensure the efficient and socially beneficial development and use of cross-border energy trade, protect the environment and advance rural electrification. To support these efforts, they will establish an organizational mechanism to coordinate activities in this area with the purpose of implementing the Energy Initiative of the Americas; as well as to ensure participation of the private sector in the regional cooperation and integration process.

Hemispheric Infrastructure (in Transportation subsection)

- Develop a plan to improve compliance with international standards and recommended practices, such as those established by the International Aviation Organization and the International Maritime Organization, to ensure the highest level of safety in air, sea and transportation systems, to improve infrastructure and to increase environmental protection.

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IV. Eradication of Poverty and Discrimination

Health Technologies Linking the Americas

- Develop initiatives directed to reduce deficits in access to and quality of drinking water, basic sanitation and solid waste management, with special emphasis on rural and poor urban areas, by applying existing or development new, appropriate and effective low-cost technologies.

Pending USG Proposals

Declaration of Principles:

Suggested wording for sustainable development paragraph

We recognize that despite our efforts, degradation of the environment and natural resource base presents an increasing threat to our future and to the quality of life for our citizens. We therefore reconfirm our dedication to the protection of health, safety and the environment, in support of sustainable development. To this end, we must increase and strengthen our national and international efforts in this area. We will work to enhance compliance with, and enforcement of, environmental laws and regulations and to strengthen cooperation on the development and improvement of environmental laws, regulations and policies. We will also pursue vigorously the implementation of the Plan of Action adopted at the Santa Cruz Summit on Sustainable Development, held in Bolivia in December 1996, as well as the Miami Summit Action Plan. The annual sustainable development ministerials, called for in the first Summit of the Americas, will review progress toward these ends and develop recommendations for further action. Mindful that the FTAA negotiations will conclude no later than 2005, we will ensure that processes for addressing environmental issues and achieving hemispheric integration are integrated and made mutually supportive.

Climate Change Sentence (within existing energy paragraph)

The leaders of the hemisphere underscore the importance of working together in the same spirit of cooperation and common purpose seen in Kyoto as Parties to the United Nations Framework Convention on Climate Change work toward their next session in Buenos Aires in November of this year.

Plan of Action:

II. Preserving and Strengthening Democracy and Human Rights

In appropriate circumstances, promote non-traditional confidence and security building mechanisms such as border parks and other mechanisms.

III. Economic Integration and Free Trade

Governments will:

Work to enhance compliance with, and enforcement of, environmental laws and regulations that strengthen cooperation on the development and improvement of environmental laws, regulations and policies.

Direct our ministers to vigorously implement the Plan of Action adopted at the Santa Cruz Summit on Sustainable Development in December 1996, as well as the Miami Summit Action Plan.

In order to ensure that hemispheric integration and environmental protection are mutually supportive, instruct our respective ministers responsible for trade and environmental matters to meet and review developments in this area not later than December 31, 1998.

Convene a follow-up Summit on Sustainable Development before December 31, 2001 in order to review progress on implementing the Santa Cruz Plan of Action, as well as to develop recommendations for further action.

Climate Change (under Economic Integration)

Governments will:

- Structure a Clean Development Mechanism, in keeping with the Kyoto accords, that will create incentives for private sector engagement and thereby enable developing countries to obtain new financial resources and technologies.
- Act quickly and decisively to adopt reasonable rules and guidance for project activities under the Clean Development Mechanism and to agree on an administrative structure that is most efficient and responsive.
- Encourage domestic policies and tools which promote clean and efficient energy use, reduce barriers to energy efficiency, renewable energy and other cleaner energy technologies, and create effective partnerships with the private sector in projects which will mitigate greenhouse gas emissions.
- Participate in the design and implementation of workable rules for emissions trading.

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Foreign Language Marker

Collection: Clinton Presidential Records

Subgroup: Special Envoy for the Americas

Series: Lesmez, Daniel

Subseries:

Document Title Proposed Language on Climate Change for Summit of the Americas

Language: Spanish

Folder Title [Summit of the Americas] - Climate Change & Energy Cooperation

OA/ID: CF 1045

**Proposed Language on Climate Change
for
Summit of the Americas**

For the Declaration of Principles

Bearing in mind the global character of climate change and the need for an adequate and meaningful response to this challenge by all countries, the leaders of the hemisphere underscore the importance of working together in the same spirit of cooperation and common purpose seen in Kyoto as Parties to the United Nations Framework Convention on Climate Change work toward their next session in Buenos Aires in November of this year.

For the Plan of Action

Governments will:

Engage in a dialogue to exchange information, experiences and mutual guidance concerning climate change in preparation for the Fourth Conference of Parties of the United Nations Framework Convention on Climate Change to be held in Buenos Aires in November 1998.

Exchange views concerning the structure, rules and procedures for the clean development mechanism in keeping with the Kyoto Protocol.

Encourage domestic policies and tools which promote clean and efficient energy use, reduce barriers to energy efficiency, renewable energy and other cleaner energy technologies, and create effective partnerships with the private sector in projects which will manage greenhouse gas emissions.

Encourage all Parties to continue to work toward achieving the ultimate objective of the Climate Convention, in particular, taking actions that will minimize contributions of each Party to increases in global greenhouse gas concentrations as a solution to the global problem of climate change.

Facilitate the integration of natural gas and electricity markets via fixed grids, for which we will promote the development of domestic regulations aimed at:

1. Assuring open access of third parties to the remaining capacity in these grids;
2. Assuring non-discriminatory treatment for local and foreign companies;
3. Providing broad access to information;
4. Preserving the environment; and
5. Maintaining reliability and security of the respective energy systems.

Investment Promotion

In accordance with the international commitments that the States may assume within the framework of the negotiations in the Free Trade Area of the Americas and other international agreements, we the Energy Ministers recognize that it is necessary to establish predictable, transparent and non-discriminatory legal, fiscal and regulatory systems in order to promote local and foreign private investment in the energy sector in the permitted areas in the respective Constitutions.

Rural Electrification

In accordance with the constitutional and legal rules of each country, we commit to find sustainable financial solutions in order to achieve the goals regarding rural electrification coverage, as stated in the Action Plan of the Summit on Sustainable Development, seeking to involve the private sector and multilateral financing organizations.

Considering Strategies for Climate Change

We the Ministers recognize the key role technologies play in managing the environmental aspects related to energy and we exhort hemispheric cooperation in order to achieve successful results in this field.

instrument over

Based on the above, we the Ministers agree to activate the working group on climate change for purposes of exchanging information and analyzing activities and mechanisms for cooperation between the countries of the Hemisphere, in the light of the United Nations Framework Convention on Climate Change and the decisions made at the III Conference of the Parties held in Kyoto, Japan, as well as of the results of the discussion to be held at the meeting in Buenos Aires, Argentina, in November 1998.

*Caracas Energy
Min. Lang -*

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REUNION EXTRAORDINARIA DEL COMITÉ GUIA DE LA INICIATIVA HEMISFERICA DE ENERGIA

México, D.F. 26 de febrero de 1998

Párrafo para ser incluido en la Declaración Política de la II Cumbre de las Américas (APROBADO)

Reconocemos que el desarrollo de vínculos energéticos entre nuestros países y la intensificación del comercio en el sector energía, fortalecen e impulsan la integración de las Américas. La integración energética, basada en actividades competitivas y transparentes, y de acuerdo con las condiciones y objetivos nacionales, contribuye al desarrollo sostenible de nuestras naciones y al mejoramiento de la calidad de vida de nuestras poblaciones procurando un mínimo impacto en el ambiente.

English Version

We acknowledge that the development of energy links between our countries and the intensification of trade in the energy sector strengthen and foster the integration of the Americas. Energy integration, based on competitive and transparent activities, and in compliance with National conditions and objectives, contributes to the sustainable development of our nations and to the improvement of the quality of life of our people with minimum impact on the environment.

Párrafos para ser incluidos en el Plan de Acción de la II Cumbre de las Américas (APROBADOS)

De conformidad con las normas jurídicas y constitucionales de cada Estado, así como con los compromisos que nuestros Gobiernos asuman en el contexto de las negociaciones del Area de Libre Comercio de las Américas (ALCA), a fin de asegurar un desarrollo energético sostenible y de avanzar en la integración energética del hemisferio, convenimos en:

- Promover políticas y procesos que faciliten el comercio de los productos, bienes y servicios relacionados con el sector energético;
- Impulsar, en el menor tiempo posible, políticas y procesos que faciliten el desarrollo de infraestructura, inclusive a través de fronteras internacionales, para integrar aún más los mercados energéticos;

- Fomentar la creación y el fortalecimiento de sistemas regulatorios transparentes y predecibles, que tomen en consideración las necesidades de las partes;
- Promover marcos legales, fiscales y regulatorios para incentivar la inversión privada nacional y extranjera en el sector energético en aquellas áreas permitidas en las respectivas constituciones; e,
- Incrementar el acceso de la población rural a los servicios energéticos.

Para respaldar estas actividades , continuaremos nuestros esfuerzos de cooperación a través de la Iniciativa Energética Hemisférica.

English Version

In accordance with the legal and constitutional rules of every State, as well as with the commitments that our Governments assume in the context of the negotiations of the Free Trade Area of the Americas (FTAA), in order to ensure sustainable energy development and further the energy integration of the Hemisphere, we agree to:

- Promote policies and processes that facilitate the trade of products, goods and services related to the energy sector;
- Promote, in the shortest possible time, policies and processes that facilitate the development of infrastructure, including across international boundaries, to further the integration of energy markets;
- Promote the creation and strengthening of transparent and predictable regulatory systems, which take into account the needs of the different parties involved;
- Promote legal, fiscal and regulatory systems in order to stimulate local and foreign private investment in the energy sector in those areas permitted by respective constitutions; and,
- Increase access of rural inhabitants to energy services.

To support these actions, we will continue our efforts of cooperation through the Hemispheric Energy Initiative.

U.S. DEPARTMENT OF ENERGY

INTERNATIONAL POLICY OFFICE

OFFICE OF POLICY ANALYSIS, TRADE

AND INVESTMENT

C O V E R

S H E E T

FAX

To: *Dan Lesmeth*

Fax #: *456-7586*

Subject: *Santiago Summit*

Date: *3/2/98*

Pages: *3* pages (including cover sheet)

COMMENTS:

From the desks of...

Office of International Energy Policy
for the Americas, Asia, Africa
1000 Independence Ave., SW
Washington, DC 20585

(202) 586-8140
586-0013 (fax)

Muching -
16th - Albright
- Barschewsky.

Daley - case still case
U.S. judge ruled in Brazil

**Department of Energy**

Washington, DC 20585

JANUARY 22, 1998

7 PAGES TOTAL**FAX MEMORANDUM FOR**

AMBASSADOR BROWN, STATE, 736-7618
DAN LESMEZ, OFC. OF THE SPECIAL ENVOY, 456-7586
DAVID SANDALOW, NSC/CEQ, 456-2710
PAT DE SOUZA, NSC, 456-9130

CC: ROBERT W. GEE
ASSISTANT SECRETARY FOR POLICY AND
INTERNATIONAL AFFAIRS

FROM: AIMÉE CHRISTENSEN

RE: PROPOSED LANGUAGE FOR SANTIAGO AND
CARACAS ENERGY MINISTERS DECLARATION

Per our conversations, I have enclosed the English version of the "Caracas Declaration" as agreed to by the Hemisphere's energy ministers in Venezuela. In addition, I have enclosed the draft U.S. proposed energy language for the Summit of the Americas Declaration and Action Plan. This has been distributed to the region's energy ministries for their consideration and comments, with a "consensus draft" to go to the SIRG for final negotiation prior to Santiago. If another process is agreed to, we can update our information to the energy ministers and the Hemispheric Energy Steering Committee.

Recognizing the difficulties we had in Caracas, I would recommend the following if we want climate change language for inclusion in Santiago: for Kyoto protocol and/or Buenos Aires negotiation - related language we use another forum for negotiation to ensure the presence of the climate negotiators, instead of the Foreign Ministries SIRG process or the energy ministers/Hemispheric Energy Steering Committee. If we want language on technology cooperation, adoption of policies, incentives focusing on technology applications, renewable energy, energy efficiency promotion, then the Steering Committee could be useful with their recommendations to go to the SIRG for final approval.

Perhaps we should meet at the end of the week or early next? Thanks. Please call me, 586-4576, or David Pumphrey, 586-6832, with questions.

**THIRD HEMISPHERIC MEETING OF ENERGY MINISTERS
CARACAS, VENEZUELA
JANUARY 15-16,1998**

**CARACAS DECLARATION
(CORRECTED ENGLISH TEXT)**

INTRODUCTION

The Energy Ministers of the Hemisphere, considering the mandates of the Summit of the Americas of December 1994 held in Miami, U.S.A., as well as the agreements from the First Hemispheric Meeting of Energy Ministers/Hemispheric Energy Symposium celebrated in Washington, D.C., in October 1995, and the Second Hemispheric Meeting of Energy Ministers held in July 1996 in Santa Cruz de la Sierra, Bolivia, now celebrate the Third Hemispheric Meeting of Energy Ministers with the following objectives:

- Evaluate the fulfillment of the commitments adopted.
- Review the state of progress of the activities that the different working groups of the Hemispheric Energy Initiative are carrying out under the coordination of the Steering Committee.
- Further strengthen the hemispheric cooperation process in the area of energy.
- Consider the institutionalization of the Hemispheric Energy Initiative and especially the options for establishing a Coordinating Secretariat for this Initiative.
- Become informed regarding the meeting held by the private sector entitled "First Energy Business Forum of the Americas."
- Consider the paragraphs on energy to be proposed to the Heads of State and Government at the Second Summit of the Americas, for consideration for inclusion in the Declaration of Principles and in the Action Plan that the Heads of State and Government will sign.

CONSIDERING

- That in the Declaration of Principles and the Action Plan adopted at the Summit of the Americas, the Heads of State and Government of the Hemisphere committed to guaranteeing sustainable development and conservation of the environment for present and future generations and stated that sustainable economic development requires hemispheric cooperation in the area of Energy; commitments that were countersigned at the Hemispheric Summit held in Santa Cruz de la Sierra, Bolivia, in December 1996.
- That during the First Hemispheric Meeting of Energy Ministers held in Washington, D.C., U.S.A., it was agreed to increase regional cooperation among governments, multilateral financing institutions, non-governmental organizations, and the private sector as a mechanism to achieve economic and energy development in our hemisphere.

- That at the Second Hemispheric Meeting of Energy Ministers held in Santa Cruz de la Sierra, Bolivia, in July 1996, the key role of the energy sector in the achievement of sustainable development was confirmed, and the need to promote private investment in the sector was recognized.
- That at the Second Hemispheric Meeting of Energy Ministers, energy supply to rural areas was qualified as being imperative due to its importance in sustainable human development. That the Heads of State and Government of the Hemisphere at the Summit on Sustainable Development resolved to collaborate on strategies and training to increase access to energy services in rural areas in order to assure a hemispheric coverage for 80% of the total population in the year 2010.
- That this Third Hemispheric Meeting furthered the understanding of those aspects essential to the advancement of the Hemispheric Integration Process and identified the following complementary elements:
 1. To acknowledge that the development of regional links in the energy sector and the intensification of the trade of energy related products, goods and services, have acquired high levels of dynamism, which may strengthen and foster the integration of the Americas. Likewise, integration contributes to the achievement of the goals of sustainable development in the energy sector as stated in the Summit of the Americas.
 2. To reiterate that the energy sector can be a catalyst for integration. Aware of the challenge this implies, it is necessary to recognize that consensus does exist in identifying the core principles that take into account different national conditions and objectives, in order that the integration be the result of transparent and competitive activities. These activities should be oriented toward improving the quality of life of the inhabitants of the hemisphere by satisfying their demands with quality and minimal impact to the environment.
 3. To recognize that the consolidation of these principles will require a considerable effort to design and implement policies and programs to be applied by the respective governments. To accomplish this, it is necessary to intensify the exchange, of experiences and cooperation based on the advances achieved through this Initiative.

WE HEREBY DECLARE

Organization

We the Ministers recognize the need to assure the continuity of efforts of our countries within this framework of cooperation.

In this sense, we have decided to create a Coordinating Secretariat for one year as a trial stage. This Secretariat will be composed of:

- An official from the Ministry of Energy and Mines of the Republic of Venezuela with appropriate support, with headquarters in Caracas.
- An official from the U.S. Department of Energy with headquarters in Washington, D.C.
- An official appointed by the Latin American Energy Organization (OLADE) with headquarters in Quito, Republic of Ecuador.

The official based in Venezuela will be the focal point for handling queries, providing administrative assistance and dealing with the flow of information, etc.

We charge the Steering Committee with the definition of the mechanisms of rapport with the Coordinating Secretariat so that the latter may efficiently support the working groups.

Integration of Energy Markets

Recognizing the commitment of our Governments to conclude negotiations in the Free Trade Area of the Americas (FTAA) at the latest by the year 2005, we the Ministers commit to promoting policies and processes that facilitate the trade of products, goods and services related to the energy sector, for the integration of the energy markets in accordance with the commitments that our Governments take on within the context of the negotiations in the Free Trade Area of the Americas.

In order to achieve an increased integration of energy markets, we the Ministers commit to promoting policies and processes, in the shortest possible time, that facilitate the development of infrastructure, including across international borders.

In this sense and with the purpose of promoting the removal of existing barriers in the trade of energy products, and in order to facilitate the formulating of specific proposals to advance the free trade of energy, the Steering Committee is charged with the study of coordination mechanisms with the FTAA working groups, for the purpose of obtaining information regarding the progress achieved in the different work areas that conform the current commercial integration process related to the energy sector. The result of this research should be presented for consideration by the Energy Ministers at the Fourth Hemispheric Ministers' Meeting.

Regulatory Framework

In accordance with the legal and constitutional rules of every State, we agree to:

Take steps so that national regulations allow market forces to operate with the greatest freedom and transparency.

Promote the creation and strengthening of transparent and predictable regulatory systems which consider the needs of the different parties involved, including producers, suppliers and consumers.

Facilitate the integration of natural gas and electricity markets via fixed grids, for which we will promote the development of domestic regulations aimed at:

1. Assuring open access of third parties to the remaining capacity in these grids;
2. Assuring non-discriminatory treatment for local and foreign companies;
3. Providing broad access to information;
4. Preserving the environment; and
5. Maintaining reliability and security of the respective energy systems.

Investment Promotion

In accordance with the international commitments that the States may assume within the framework of the negotiations in the Free Trade Area of the Americas and other international agreements, we the Energy Ministers recognize that it is necessary to establish predictable, transparent and non-discriminatory legal, fiscal and regulatory systems in order to promote local and foreign private investment in the energy sector in the permitted areas in the respective Constitutions.

Rural Electrification

In accordance with the constitutional and legal rules of each country, we commit to find sustainable financial solutions in order to achieve the goals regarding rural electrification coverage, as stated in the Action Plan of the Summit on Sustainable Development, seeking to involve the private sector and multilateral financing organizations.

Considering Strategies for Climate Change

We the Ministers recognize the key role technologies play in managing the environmental aspects related to energy and we exhort hemispheric cooperation in order to achieve successful results in this field.

Based on the above, we the Ministers agree to activate the working group on climate change for purposes of exchanging information and analyzing activities and mechanisms for cooperation between the countries of the Hemisphere, in the light of the United Nations Framework Convention on Climate Change and the decisions made at the III Conference of the Parties held in Kyoto, Japan, as well as of the results of the discussion to be held at the meeting in Buenos Aires, Argentina, in November 1998.

We agree to instruct the Steering Committee to develop, with the support of the Coordinating Secretariat, the report for approval by the Energy Ministers. This report will be presented at the II Summit of the Americas to be held in Santiago de Chile in April 1998.

We agree to instruct the Steering Committee to follow up on the measures and actions set forth in this Declaration, and to convoke the IV Hemispheric Meeting of Energy Ministers in 1999, to be held in Mexico on a date to be defined.

We would like to express our gratitude to the Government and the people of the Republic of Venezuela for their warm welcome and excellent organization of this meeting.

We hereby express our consent in regard to the text of this Declaration in witness whereof we sign hereon in the city of Caracas, Republic of Venezuela, on this 16th day of January, 1998.

ENERGY MINISTERS PROPOSED LANGUAGE
POLITICAL DECLARATION

WE AGREE THAT THE EXPANSION OF REGIONAL ENERGY TRADE AND THE DEVELOPMENT OF THE MOST ECONOMICALLY EFFICIENT ENERGY INFRASTRUCTURE CONNECTING OUR COUNTRIES PLAY A PIVOTAL ROLE IN THE STRENGTHENING AND ADVANCEMENT THE INTEGRATION OF THE ECONOMIES OF OUR HEMISPHERE. AT THE SAME TIME THE INTEGRATION OF OUR ENERGY MARKETS PLAYS A CRITICAL ROLE IN MOVING TO THE MOST EFFICIENT AND ENVIRONMENTALLY ACCEPTABLE DEVELOPMENT AND USE OF ENERGY.

ACTION PLAN

INTEGRATION:

TO ENSURE THE SOCIALLY BENEFICIAL DEVELOPMENT AND SUSTAINABLE USE OF ENERGY, ENHANCE THE PROTECTION OF THE ENVIRONMENT AND FURTHER INTEGRATE OUR ECONOMIES, GOVERNMENTS WILL IMPLEMENT, BY THE YEAR 2000, THE POLICY LEGAL AND REGULATORY FRAMEWORKS THAT WILL FACILITATE THE CONSTRUCTION OF INFRASTRUCTURE THAT WILL MOST EFFICIENTLY INTERCONNECT OUR INDIVIDUAL ENERGY MARKETS. TO SUPPORT THESE EFFORTS, WE WILL INSTITUTIONALIZE OUR COOPERATIVE EFFORTS ON ENERGY.

CLIMATE CHANGE:

CONSISTENT WITH THE UN FRAMEWORK CONVENTION ON CLIMATE CHANGE, AND RECOGNIZING THE HISTORIC DECISIONS MADE IN KYOTO AT THE THIRD CONFERENCE OF THE PARTIES, WE AGREE TO:

PARTICIPATE IN THE DESIGN AND IMPLEMENTATION OF THE CLEAN DEVELOPMENT MECHANISM RESULTING IN INTERNATIONAL ENERGY AND LAND USE PROJECTS THAT REDUCE OR SEQUESTER EMISSIONS; PARTICIPATE IN THE DESIGN AND IMPLEMENTATION OF WORKABLE RULES FOR EMISSIONS TRADING; AND MANAGE GREENHOUSE GAS EMISSIONS BY DEVELOPING APPROPRIATE DOMESTIC POLICIES AND TOOLS WHICH WILL PROMOTE CLEAN AND EFFICIENT ENERGY USE, REDUCED BARRIERS TO ENERGY EFFICIENCY, RENEWABLE ENERGY AND OTHER CLEANER ENERGY TECHNOLOGIES.

WE TASK OUR ENERGY AND OTHER RELEVANT MINISTERS TO WORK COLLABORATIVELY TOWARD THE IMPLEMENTATION OF THIS ACTION ITEM, AS CONSISTENT WITH THE HEMISPHERIC ENERGY INITIATIVE BEGUN IN MIAMI IN 1994. PROGRESS SHALL BE MONITORED BY THE HEMISPHERIC ENERGY STEERING COMMITTEE AND REPORTS SHALL BE MADE TO THE CONFERENCE OF THE PARTIES OF THE FRAMEWORK CONVENTION ON CLIMATE CHANGE.

March 26, 1998

MEMORANDUM FOR MACK MCLARTY

From: Dan Lesmez 
cc: Staff Office of the Special Envoy
Subject: Proposed Changes to Global Climate Language for the
Santiago Plenipotentiary Meeting

At Jim Steinberg's behest, Stu Eizenstat hastily called a meeting at State this morning involving the acting U/S for Oceans, Environment and Science (OES) Melissa Kimble and Ambassadors Davidow and Brown to work to strengthen the text on Climate Change that was agreed to at the SIRG. Steinberg tried to pose a question about the adequacy of the Climate Change language to David Sandalow at the last Summit coordination meeting held in the Roosevelt Room on Monday, but Sandalow had left the room.

Attached is the revised text drafted by Eizenstat and the team he assembled at State. The additions to the existing text appear in italics. While the changes do not appear to be significant, the explanation that accompanies the text indicates the importance of the proposed additions.

Secretary Peña was being contacted this afternoon by State to request that he, as co-chair of the Energy Cooperation initiative, initiate contact with his counterparts in Venezuela and Mexico to inform them of our intention to offer up the revised language on Climate Change at the Plenipotentiary meeting. Also, ARA and OES have send demarches to key posts to begin circulating the revised language in those capitals.

- USG ONLY -

Changes:

Adding all parties emphasizes the key role for developed and developing countries.

commensurate with their level of development softens the context of all parties, by recognizing that countries in different levels of development may be afforded different commitments or options

the most cost-effective means captures the concept of emissions trading

their goals and objectives captures the possibility that different parties may take on different commitments

Governments will:

In light of their commitments in the United Nations Framework Convention on Climate Change and the decisions made at the Third Conference of Parties in Kyoto, Japan, and in view of the Fourth Conference of Parties to be held in Buenos Aires, Argentina in November, 1998:

Encourage *all Parties, commensurate with their level of development*, to work toward *the most cost-effective means* of achieving *their goals and the objectives* of the United Nations Framework Convention on Climate Change.

Recognize the key role that technologies play in managing the environmental aspects related to energy, and encourage the exchange of technology, information and experiences, as well as share views on the Clean Development Mechanism.



United States Department of State

Washington, D.C. 20520

As you know, the Department of Energy coordinated "Hemispheric Energy Cooperation" initiative is one of the strongest examples of Summit implementation by the U.S. Government.

Your work at the ministerial in Caracas, particularly with Venezuelan Minister Arrieta, was crucial in building acceptance to the notion that our hemisphere must deepen its dialogue on climate change.

As you are aware, the Department of Energy negotiated Action Plan text on "Regional Energy Cooperation" for the Santiago Summit was adopted by all Summit Governments at a Washington Summit Implementation Review meeting on March 10. At that time, an inter-agency (NSC, DOE, State) delegation was also successful in adding climate change language to the body of the Energy initiative.

NSC Director Steinberg and Under Secretary of State Eizenstat have asked our teams to seek to strengthen this language as much as we can in advance of the Santiago Summit, April 18. (proposed changes in bold Tab 1).

Our only opportunity to do this will be April 1 at the final meeting of all Summit Governments to be held in Santiago, where the U.S. delegation will be lead by Mack McLarty.

Since the climate change language falls under the U.S. - Venezuela co-chaired "Regional Energy Cooperation" initiative, it is critical to get Minister Arrieta on board to the changes we will propose at the April 1 meeting. Mexican Minister Tellez, who also had raised some reservations over climate change in the Summit context, will also need to be addressed.

Following are the modifications the U.S. delegation will propose. Your agreement to call Ministers Arrieta and Tellez to urge their governments to support our proposed changes would greatly assist. Under Secretary Eizenstat will be pursuing similar consultations with Foreign Ministers.

Call on Ministers Arrieta and Tellez

- o Based on our successful Caracas Ministerial, Energy Ministries met again in Mexico City in February to finalize the Santiago Summit "Regional Energy Cooperation" Action Plan.
- o I am pleased that our text was adopted by all Summit Governments at the March 10 Summit Implementation Meeting in Washington.
- o As you are aware, we also won agreement to add some language on Climate Change at that meeting, and I appreciate your willingness to open a dialogue on this important issue. I know our positions are sometimes different, which is why dialogue is helpful.
- o I want to reiterate that the Summit process only opens a dialogue, not a parallel negotiation to the UN Conference of the Parties process.
- o The White House has asked me to call you to inform that the United States will seek a few modifications to the climate change text. These will be formally presented April 1 at the final Summit Implementation Review meeting in Santiago.
- o I want to fax these to you today and to encourage you to join the United States in supporting them.
- o Under Secretary Eizenstat, our chief climate negotiator, and his team will be in touch with your staffs over the next few days.

Dan Lesmev

F: Mott

Bombes away. This
w Peña.

M

(I'll let you know if
you might want to
reinforce msg w
Bob (Re.))

Governments will:

In light of their commitments in the United Nations Framework Convention on Climate Change and the decisions made at the Third Conference of Parties in Kyoto, Japan, and in view of the Fourth Conference of Parties to be held in Buenos Aires, Argentina in November, 1998:

Encourage ^{all} Parties, to work toward ^{consensus with their level of development} achieving the objectives and goals of the United Nations Framework Convention on Climate Change. ^{the most cost effective way of}

Recognize the key role that technologies play in managing the environmental aspects related to energy, and encourage the exchange of technology, information and experiences, as well as share views on the Clean Development Mechanism.

Members of the Working Group:

Argentina
Brazil
Canada
Caricom (Trinidad and Tobago)
Chile
Costa Rica
Mexico
United States
Venezuela

Don Lesme
Re: Climate

- o The Chilean hosts of the Santiago Summit have made it clear that only issues arrived at by consensus will be included on the Summit agenda.
 - Discussion of Climate Change was highly contentious, so it was a break that we actually got it on the Action Plan.
- o A re-opening of this issue would only open a contentious debate where the consensus could easily be to simply drop Climate from the Action Plan -- and thereby the agenda for the Presidential discussion at the Summit.
- o Climate's presence on the Action Plan allows President Clinton to directly raise the subject during the plenary discussions.

FYI:

- o The Climate Change Action Plan language for Santiago is grouped as a sub-theme of "Regional Energy Cooperation" -- its most logical fit on the Santiago Agenda.
- o The U.S. (Secretary Pena) and Venezuela (Energy Minister Arrieta) co-coordinate this initiative.
- o At a Summit Energy Ministerial Jan 15 in Caracas, Secretary Pena pressed the region's energy ministers for language on Climate Change, and won an endorsement for "hemispheric cooperation" on this issue. The issue was highly contentious.
- o At the Summit Implementation Review Group this month, the U.S. faced stiff opposition by its energy co-chair, Venezuela, on introducing Climate Change beyond the acknowledgment it was given at the Caracas ministerial.
- o Under intense USG pressure at the SIRG, Venezuela finally agreed it would not block our efforts for a more ambitious Climate Statement.
 - Venezuela did so reluctantly, and its delegate, U/S Gonazalez, called both the Energy and Foreign Ministers for final approval.
- o At the SIRG, we also hosted negotiations with Mexico, the Caribbean, Brazil, Argentina, Costa Rica and others to achieve consensus on a Summit Climate statement.
- o Mexico, in particular, argued loudly against any discussion of Climate on the Summit Agenda but conceded it could live with our statement, so long as we assured the Summit was not a parallel negotiation to the UN process.
- o The SIRG representatives took the presence of NSC Director David Sandalow as an indicator that the U.S. proposal was final.
- o We achieved a breakthrough by getting it on the agenda.

Facilitate the integration of natural gas and electricity markets via fixed grids, for which we will promote the development of domestic regulations aimed at:

1. Assuring open access of third parties to the remaining capacity in these grids;
2. Assuring non-discriminatory treatment for local and foreign companies;
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5. Maintaining reliability and security of the respective energy systems.

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**THIRD HEMISPHERIC MEETING OF ENERGY MINISTERS
CARACAS, VENEZUELA
JANUARY 15-16, 1998**

**CARACAS DECLARATION
(CORRECTED ENGLISH TEXT)**

INTRODUCTION

The Energy Ministers of the Hemisphere, considering the mandates of the Summit of the Americas of December 1994 held in Miami, U.S.A., as well as the agreements from the First Hemispheric Meeting of Energy Ministers/Hemispheric Energy Symposium held in Washington, D.C., in October 1995, and the Second Hemispheric Meeting of Energy Ministers held in July 1996 in Santa Cruz de la Sierra, Bolivia, now celebrate the Third Hemispheric Meeting of Energy Ministers with the following objectives:

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- Further strengthen the hemispheric cooperation process in the area of energy.
- Consider the institutionalization of the Hemispheric Energy Initiative and especially the options for establishing a Coordinating Secretariat for this Initiative.
- Become informed regarding the meeting held by the private sector entitled "First Energy Business Forum of the Americas."
- Consider the paragraphs on energy to be proposed to the Heads of State and Government at the Second Summit of the Americas, for consideration for inclusion in the Declaration of Principles and in the Action Plan that the Heads of State and Government will sign.

CONSIDERING

- That in the Declaration of Principles and the Action Plan adopted at the Summit of the Americas, the Heads of State and Government of the Hemisphere committed to guaranteeing sustainable development and conservation of the environment for present and future generations and stated that sustainable economic development requires hemispheric cooperation in the area of Energy; commitments that were countersigned at the Hemispheric Summit held in Santa Cruz de la Sierra, Bolivia, in December 1996.
- That during the First Hemispheric Meeting of Energy Ministers held in Washington, D.C., U.S.A., it was agreed to increase regional cooperation among governments, multilateral financing institutions, non-governmental organizations, and the private sector as a mechanism to achieve economic and energy development in our hemisphere.

Regional Energy Cooperation

In accordance with the legal and constitutional rules of every State, as well as with the commitments that our Governments assume in the context of the negotiations of the Free Trade Area of the Americas (FTAA), in order to ensure sustainable energy development and further the energy integration of the Hemisphere, Governments will:

- **promote policies and processes that facilitate the trade of products, goods and services related to the energy sector;**
- **promote, in the shortest possible time, policies and processes that facilitate the development of infrastructure, including across international boundaries, to further the integration of energy markets;**
- **foster the creation and strengthening of transparent and predictable regulatory systems, which take into account the needs of the different parties involved;**
- **promote legal, fiscal and regulatory systems in order to stimulate local and foreign private investment in the energy sector in those areas permitted by our respective constitutions;**
- **increase access of rural inhabitants to energy services; and**
- **support policies and programs that will stimulate the development of renewable energy and energy efficiency.**

To support these actions, we will continue our efforts of cooperation through the Hemispheric Energy Initiative.

3/11/98
12:05



Daniel Lesmez

03/27/98 12:31:59 PM

Record Type: Record

To: Patricia A. McHugh/WHO/EOP

cc: Nelson W. Cunningham/WHO/EOP, Eric Farnsworth/WHO/EOP, Ana Maria Salazar/WHO/EOP, Carl Lingenfelter/WHO/EOP

Subject: Please pass message to Mack for meeting with Amb. Brown

Mack --

Secretary Pena agreed to initiate the dialogue with Venezuela and Mexico seeking to reopen the discussion on climate change language for the political declaration. The demarche from State to key posts to circulate the revised CC text is expected to go out today.

For your meeting with Amb. Brown today at 2:00 p.m., you should be aware of the following concerns regarding the political declaration.

First, Nelson, Ana Maria, Carl and I, made substantial revisions to the political declaration that was drafted by Chileans, and after consolidating them we submitted them to Amb. Brown's shop for their consideration. While the draft that was circulated is a translation of the Spanish text, that should in no way minimize our concern over some of the language in the text. We have not been provided with the Spanish version, but suspect that we would have similar concerns with the Spanish text in terms of lack of clarity, not being direct enough, and using the term globalization instead of hemispheric integration in at least one paragraph.

The second issue, which I missed but has been brought to my attention by the Dept. of Energy and the Dept. of State Energy Office, is that there is not reference to energy cooperation anywhere in the political declaration. The logical place for a declaration on energy cooperation would be in paragraph 16, where sustainable development and climate change are addressed. The proposed energy language, one sentence, has been shared with Amb. Brown's office for inclusion in this paragraph. If any reference to energy cooperation and integration is entirely kept out of the political declaration, it would send the wrong signal and could significantly undermine the work that we are trying to achieve through the energy ministerial process (including on global climate change).

Proposal for Language for Political Declaration

We acknowledge that the development of energy links between our countries and intensification of trade in the energy sector strengthen and foster the integration of the Americas and contributes to the sustainable development of our nations and to the improvement of the quality of life of our people.

facsimile
TRANSMITTAL

to: Dan Lesmez
fax #: 456-7586
re: Santiago
date: March 27, 1998
pages: 4, including this cover sheet.

Dan,

Attached is the language that I provided to State for inclusion in the Political Declaration. I told Mark Wells that without this language we would have problems with the countries -- including ours -- who worked hard on developing language in Caracas and Mexico. I have also attached the language negotiated in Mexico. You'll notice that the version I proposed is shorter which was an attempt to meet State's desire for brevity.

I understand that the Secretary has talked to Arrieta once and may try again later. He has been trading calls with Tellez. Give me a call if you have questions.

From the desk of...

David Pumphrey
Director, Office of Policy for the Americas, Asia
and Africa
United States Department of Energy
1000 Independence Ave.
Washington, D.C. 20585

202-586-6832
Fax: 202-586-0013



United States Department of State

Washington, D.C. 20520

March 24, 1998

TO: ACDA - Giovanni Snidle, 736-4833
DOE - David Pumphrey, 586-6148
DOL - Andrew Samet, 219-5980
DOL - Jorge Perez-Lopez, 219-5071
NSC - Amb. James Dobbins, 456-9130
State/OES - Ann Wells, 647-2746
State/ARA/USOAS - Victor Marrero, 647-0911
State/ARA/SPA - Michele Manatt, 647-0791
State/L - Mike Peay, 736-7784
State/S/P - Gerry Gallucci, 647-3267
Treasury/OASIA - Wes McGrew, 622-1273
USTR - Peter Allgeier, 395-9675
USAID - Mark Schneider, 216-3012
Wh. House/ Special Envoy - Mack McLarty, 456-7586

FROM: Richard C. Brown *RCB*
Senior Coordinator

SUBJECT: Draft Santiago Declaration of Principles

Attached is the English translation of the Draft Declaration of Principles that will be negotiated at next week's Plenipotentiary SIRG Meeting in Santiago. The draft is a good basis for discussion; several of our "deliverables" have received specific mention. The Chileans have opted for a short document and have determined that it should be no longer than three pages. We have agreed to these space limitations. This means that any additions we make need to be offset by deletions.

Remember, the Declaration should be brief, presidential, visionary, but with brief references only to those new, innovative initiatives that will appear in the Plan of Action.

I need your comments on the attached by noon tomorrow (Wednesday). Your input will be used to formulate the U.S. negotiating position, which must be finalized by Thursday. It is therefore essential that you get your comments to Mark Wells (tel. 647-0742/ fax 736-7618) by noon Wednesday.

DECLARATION OF SANTIAGO DRAFT

- 1.. We, the democratically-elected Heads of State and Government of the countries of the Americas, have met in Santiago, Chile, in order to strengthen the process of dialogue and cooperation begun in Miami in December 1994. Since that time, unprecedented efforts have been made in the Hemisphere to formulate joint plans and programs to seek solutions to our common challenges. We pledge to continue this ambitious undertaking.
2. The consolidation of democracy, political dialogue, economic stability, the extent to which our trade liberalization policies coincide, and the will to foster a process of Hemispheric integration have helped make our relations more mature. The imminent approach of a new millennium, with its attendant opportunities, compels us to redouble our efforts to improve the living conditions of the peoples of the Americas and to achieve a mutually supportive community.
3. Hemispheric integration is a necessary complement to national policies designed to achieve a level of development that will enable us to overcome unresolved problems. In its broadest sense, a process of integration will make it possible to shape a common set of values and interests, on the basis of respect for our respective cultural identities.
4. Globalization offers great opportunities for progress, yet it may also lead to greater differences among nations. Insofar as the rights of workers are respected and bolstered, and a major effort is made to train them, the benefits of ^{integration} globalization will reach all men and women of the Hemisphere. Special attention must be paid to the most vulnerable groups within our societies.
5. ~~We are convinced that~~ education is the determining ^{anti-factor} for the social, cultural, political, and economic development of our peoples. The students of the Americas must have access to the best primary, secondary, and higher education as well as have available opportunities for lifelong learning. We will place technology at the service of education, in order to guarantee access to growing levels of knowledge and to ensure that educators will achieve the highest possible levels of professional development. (The Plan of Action that accompanies this Declaration precisely spells out the goals and objectives we intend to achieve and the actions that will make them a reality.) To that end, we undertake to invest greater resources in this important area, with a view to meeting our goals and objectives within the agreed timeframes

The agreements reached by our Ministers of Education at the Conference held in Mérida, Mexico, in February 1998, reflect our desire to promote specific joint initiatives designed to improve access to, and the quality of, education. To this end, we have instructed our Ministers of Education to hold another Conference in Brasilia, Brazil, so as to strengthen and lend continuity to our decisions in this area.

*in particular
primary
secondary
education*

6. The culture of democracy must reach every one of our people. Representative democracy derives its strength and meaning from the active participation of individuals at all levels of civic life. We will expand education for democracy and intensify efforts to transform Government structures into more participatory systems.
7. We reaffirm the importance of respecting and advancing, in their universal and indivisible nature, ~~human beings'~~ human rights and fundamental freedoms, the protection of which is a permanent priority concern of our governments. We concur in the need to pursue efforts to develop and enhance international agreements and instruments designed to safeguard them. We agree that a free and impartial press plays a key role, and we support the establishment of an Office of the Special Rapporteur for Freedom of Expression, under the Inter-American Commission on Human Rights of the Organization of American States.
8. We will continue our efforts to eradicate every kind of discrimination surviving in the Hemisphere. A priority task is equal rights for women and their active participation in all areas of endeavor in our countries. We will continue promoting the full integration of indigenous populations and other vulnerable groups into political and economic life, with due respect for the characteristics and expressions of their cultural identity.
9. An independent, efficient, and effective justice system plays an essential role in the process of securing democratic societies, guarantees equality of all citizens, contributes to economic development, and definitively strengthens its own institutional framework. We will strive to further the reforms necessary to achieve this objective and we will promote legal and judicial cooperation. The strengthening of national entities that conduct studies on justice and the establishment of an Inter-American Center for Justice Studies will support those objectives.
10. We have resolved to strengthen our social policies with a view to eliminating, within a reasonable timeframe, the lingering problems of poverty and marginalization. ~~At the same time, we have defined specific initiatives designed to offer new opportunities to people who are in such situations, which are focused, in particular, on providing support to micro and small enterprises, and to continued improvement of health indicators.~~ *and improving access to private and state legal protections.* *public* *and increased access to employment and services under the legal structure.*
11. With legitimate pride, we note that in the Hemisphere, peace, an essential value for human coexistence and the development of nations, is becoming a reality. We underscore the efforts and commitments made to strengthen the peace processes in ~~Central America~~. We are fostering confidence and security among our countries, by adopting measures such as those related to transparency in military expenditures.
12. We have progressed towards a shared approach in combating drug trafficking, terrorism, weapons trafficking and corruption, as well as other international illicit activities. We are determined to persevere on this path. ~~The establishment of an objective procedure for the multilateral evaluation of actions aimed at combating the~~ *we seek to* *procedure to evaluate efforts to...*

production, trafficking, and consumption of illicit drugs. represents noteworthy progress in international cooperation in this field.

13. The recent volatility of international markets, confirms the need for sound and coherent macroeconomic policies. We will ^{continue to} strengthen financial market oversight mechanisms through the implementation of modern regulatory guidelines, ^{addressing} ~~to~~ ^{transparency} ~~to~~.
14. The establishment of a Free Trade Areas of the Americas (FTAA) is a priority in ~~terms of~~ ^{the} furthering hemispheric integration. We ~~attach great value to~~ ^{re-attach} the achievements of the FTAA preparatory process, in which the 34 countries of the Hemisphere ~~created the conditions~~ ^{built a framework and} to start the negotiating process. The ~~work~~ ^{so work} accomplished contributes to strengthening trade disciplines, consolidates the multilateral negotiating capacity of the countries of the Hemisphere, stimulates levels ^{of economic cooperation} that are unprecedented in this part of the world, supports the modernization of the economic institutions of our countries, and facilitates the participation of smaller economies in the FTAA process. ^{harmonizing} ~~to~~ ^{trade} ~~practice ^{consolidation} ~~multilateral~~ ~~negotiations~~~~
15. In signing this Declaration, we ~~are formally beginning the phase of negotiations for~~ ^{the} the creation of a Free Trade Area of the Americas, ~~based on the proposal formulated at the Trade Ministerial held in San José, Costa Rica, this March, using the methodology and work schedule suggested to us.~~ We instructed our Ministers to arrange for the first negotiating meeting to be held in ... of 1998 and we are grateful for the generous contribution of ... in offering the city of ... to host this meeting. ^{Consolidation} ~~multilateral~~ ~~negotiations~~
16. We will strengthen national, hemispheric, and international efforts aimed at environmental protection as a basis for sustainable development that provides human beings a healthy and productive life in harmony with nature. The commitments undertaken at our Conference held in Santa Cruz de la Sierra, Bolivia, in December 1996, provide a solid basis for strengthening our actions. As Parties to the United Nations Framework Convention on Climate Change, we underscore the importance of working together to make preparations for a meeting to be held in November 1998 in Buenos Aires, Argentina, as a follow-up to the Kyoto Conference.
17. In addition to recognizing the importance of the Organization of American States (OAS) as the entity that represents the Hemisphere, and emphasizing the positive role that it has played since its establishment, we confirm our commitment to the process of modernization and strengthening of the Organization and the other inter-American institutions. To that end, our Foreign Ministers will develop specific and innovative proposals that will allow these institutions to adjust to present and future needs.
18. We reiterate our political will to ~~continue strengthening~~ ^{the} intra-hemispheric dialogue and cooperation ~~within the framework of friendship and solidarity that serves as a stimulus to our countries,~~ ^{our} and we resolve to meet in at the Third Summit of the Americas. ^{to address common challenges.}

19. ~~We agree~~

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REUNION EXTRAORDINARIA DEL COMITÉ GUIA DE LA INICIATIVA HEMISFERICA DE ENERGIA

México, D.F. 26 de febrero de 1998

Párrafo para ser incluido en la Declaración Política de la II Cumbre de las Américas (APROBADO)

Reconocemos que el desarrollo de vínculos energéticos entre nuestros países y la intensificación del comercio en el sector energía, fortalecen e impulsan la integración de las Américas. La integración energética, basada en actividades competitivas y transparentes, y de acuerdo con las condiciones y objetivos nacionales, contribuye al desarrollo sostenible de nuestras naciones y al ~~mejoramiento de la calidad de vida de nuestras poblaciones procurando un~~ mínimo impacto en el ambiente.

English Version

We acknowledge that the development of energy links between our countries and the intensification of trade in the energy sector strengthen and foster the integration of the Americas. Energy integration, based on competitive and transparent activities, and in compliance with National conditions and objectives, contributes to the sustainable development of our nations and to the improvement of the quality of life of our people with minimum impact on the environment.

Párrafos para ser incluidos en el Plan de Acción de la II Cumbre de las Américas (APROBADOS)

De conformidad con las normas jurídicas y constitucionales de cada Estado, así como con los compromisos que nuestros Gobiernos asuman en el contexto de las negociaciones del Area de Libre Comercio de las Américas (ALCA), a fin de asegurar un desarrollo energético sostenible y de avanzar en la integración energética del hemisferio, convenimos en:

- Promover políticas y procesos que faciliten el comercio de los productos, bienes y servicios relacionados con el sector energético;
- Impulsar, en el menor tiempo posible, políticas y procesos que faciliten el desarrollo de infraestructura, inclusive a través de fronteras internacionales, para integrar aún más los mercados energéticos;

cooperación a través de la Iniciativa Energética Hemisférica.

English Version

In accordance with the legal and constitutional rules of every State, as well as with the commitments that our Governments assume in the context of the negotiations of the **Free Trade Area of the Americas (FTAA)**, in order to ensure sustainable energy development and **further the energy integration of the Hemisphere**, we agree to:

- Promote policies and processes that facilitate the trade of products, goods and services related to the energy sector;
- Promote, in the shortest possible time, policies and processes that facilitate the development of infrastructure, including across international boundaries, to further the integration of energy markets;
- Promote the creation and strengthening of transparent and predictable regulatory systems, which take into account the needs of the different parties involved;
- Promote **legal, fiscal** and regulatory systems in order to stimulate local and foreign private investment in the energy sector in those areas permitted by respective constitutions; and,
- Increase access of rural inhabitants to energy services.

To support these actions, we will continue our efforts of cooperation through the Hemispheric Energy Initiative.