

FOIA MARKER

This is not a textual record. This is used as an administrative marker by the Clinton Presidential Library Staff.

Folder Title:

SOA [Summit of the Americas] - 1998 (Papers Prepared by State): Issue Papers/Talking Points

Staff Office-Individual:

Inter-American Affairs-Feinberg, Richard

Original OA/ID Number:

1521

Row:	Section:	Shelf:	Position:	Stack:
37	6	4	1	V

Withdrawal/Redaction Sheet

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. briefing paper	Chile's Relations with Asia (1 page)	ca. 03/1998	P1/b(1)
002. briefing paper	Conventional Arms Transfers to Chile Issues (2 pages)	ca. 03/1998	P1/b(1)
003. briefing paper	Chilean Environmental Issues (1 page)	ca. 03/1998	P1/b(1)
004. briefing paper	Chile's Role in Peacekeeping and UN Reform (1 page)	ca. 03/1998	P1/b(1)
005. briefing paper	Trade Irritants (1 page)	ca. 03/1998	P1/b(1)
006. briefing paper	Chilean Political Situation (1 page)	ca. 03/1998	P1/b(1)
007. briefing paper	FTA-Related Labor and Environmental Issues (1 page)	ca. 03/1998	P1/b(1)
008. briefing paper	Arms Transfers to Latin America Issues (2 pages)	ca. 03/1998	P1/b(1)
009. briefing paper	Ecuador-Peru Peace Process Issues (2 pages)	ca. 03/1998	P1/b(1)
010. briefing paper	[duplicate of 008] (2 pages)	ca. 03/1998	P1/b(1)
011. briefing paper	[duplicate of 009] (2 pages)	ca. 03/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs (Feinberg, Richard)
OA/Box Number: 1521

FOLDER TITLE:

SOA [Summit of the Americas] - 1998 (Papers Prepared by State): Issue Papers/Talking Points

2009-1155-F
ke2477

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]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9802184
RECEIVED: 25 MAR 98 08

TO: DAVIES

DECLASSIFIED E.O. 13526

White House Guidelines,

FROM: KENNEY, K

September 11, 2006

DOC DATE: 28 MAR 98

SOURCE REF: 9805496

By VDE NARA, Date 06/14/15
2009-1155-F

KEYWORDS: SUMMIT OF AMERICAS
CHILE

PRESIDENTIAL TRAVEL

PERSONS:

SUBJECT: ISSUE PAPERS FOR POTUS TRIP TO SANTIAGO

ACTION: ADD-ON / APPROPRIATE ACTION

DUE DATE: 31 MAR 98 STATUS: S

STAFF OFFICER: PICCONE

LOGREF:

FILES: WH

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION
PICCONE

FOR CONCURRENCE
DELAURENTIS
DESOUZA
HOFMANN

FOR INFO
BLINKEN
BRAINARD, L
DOBBINS
ELKON
HILLIARD
LEE
SCHWARTZ

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTSM

CLOSED BY:

DOC 13 OF 13

~~CONFIDENTIAL~~



9805496
United States Department of State

Washington, D.C. 20520

March 28, 1998

2184

MEMORANDUM FOR GLYN T. DAVIES
EXECUTIVE SECRETARY
NATIONAL SECURITY COUNCIL

UNCLASSIFIED
(with ~~CONFIDENTIAL~~ attachment)

SUBJECT: Issue Papers for the POTUS Trip to
Santiago, Chile

The Department of State forwards the attached official material to the National Security Council. A disk with the listed material is also attached.

Issue Papers as follows:

- U.S. Peace Corps in Chile
- Implementation of February 1997 Frei State Visit
- Chile's Relations with Asia
- Chilean Social Security Reform
- Chilean Counternarcotics Efforts and Law Enforcement
- Conventional Arms Transfers to Chile Issues

Kristie A. Kenney
Kristie A. Kenney *for*
Executive Secretary

Attachments:
As stated.

UNCLASSIFIED
(with ~~CONFIDENTIAL~~ attachment)

MAR 30 1998

U.S. PEACE CORPS IN CHILE

During the Peace Corps' 27-year presence in Chile, more than 2,400 Volunteers have served in a variety of project areas in communities throughout the country. From 1961 to 1981, Volunteers worked in agriculture, forestry, and education, and later made important contributions in youth rehabilitation and parks management. In 1981, the PC withdrew from Chile for ten years and returned in 1991.

Over the last seven years, Volunteers have focused their efforts on assisting Chileans to improve municipal government institutions, such as helping communities work together to prepare local development plans. Peace Corps Volunteers have also contributed to the protection of Chile's environment by working with local schools to develop and integrate environmental themes into their curricula. These efforts have made tangible contributions to Chile's development.

The Peace Corps program in Chile will close in September 1998. Chile has achieved a relatively high level of development compared to many other Latin American countries. PC, therefore, decided in 1995 to close the program in Chile and re-direct resources to needier countries.

Servicio Pais (National Service) was created in 1994 by Chile's Council to Overcome Poverty, a non-partisan panel appointed by President Frei that enables young college graduates to spend one year working in the poorest, most remote municipalities of Chile. Members of Servicio Pais will contribute to national efforts to alleviate the most extreme conditions of poverty. They receive a government stipend similar to the living allowance that Peace Corps Volunteers and AmeriCorps Members receive. The first group of Servicio Pais members entered into service in 1995, and since then, more than 400 have completed service. Peace Corps Chile has maintained a close working relationship with Servicio Pais since late 1995. The two have worked side-by-side on a number of local projects, including one that Mrs. Clinton may inaugurate when she visits Temuco on Saturday, April 18th. In 1997, a delegation of Servicio Pais staff members traveled to Washington, where they visited Peace Corps and AmeriCorps headquarters to learn more about USG volunteer programs.

TALKING POINTS

- The Peace Corps program in Chile has been one of our most successful in Latin America, and we appreciate the generous hospitality that the Chilean people have offered to our Volunteers.
- Our Volunteers will depart Chile in September, thankful for the opportunity to have lived and worked with Chileans throughout the country.

UNCLASSIFIED

IMPLEMENTATION OF FEBRUARY 1997 FREI STATE VISIT

A number of bilateral consultative mechanisms were either established or enhanced as a result of the Frei state visit.

Defense Consultative Commission (DCC): In an effort to forge closer security ties in the post-Pinochet period, the second Department of Defense-led DCC was held in Santiago in December 1997; a third is planned for the fourth quarter of 1998 in Washington. The Commission's objectives are to institutionalize regular consultations in defense and security matters and to build a shared conceptual framework to strengthen the bonds of trust between the defense establishments of Chile and the United States. Initially three committees were created which meet at least once annually: Military Cooperation, Science and Technology, and Education of Civilians in the Field of Defense.

Global Security Dialogue: Atmospherics were excellent at the first meeting of this State Department-led political-military consultative mechanism in Santiago on January 13-14, 1998. Participants discussed many regional and bilateral security-policy issues including improvements in the Southern Cone's security climate, the Peru-Ecuador peace process, Confidence Building Mechanisms, and the proposal for a regional dialogue on security issues. The next meeting will be in Washington in 1999.

U.S.-Chile Consultative Committee on Agriculture: Secretary Glickman, during his December visit to Chile, signed an agreement with Chilean Minister of Agriculture Mladinic that created this group. This was the culmination of much effort during the year to resolve long-standing agricultural trade issues and strengthen the bilateral relationship in agricultural matters. The committee is expected to facilitate resolution of other issues (e.g. barriers to U.S. beef and poultry) and to promote cooperation in international agricultural fora.

New Fulbright Agreement: The agreement, signed during the Frei visit, established Chile as a full partner in program implementation but was only recently submitted for Chilean congressional approval. GOC appointment of four Chilean board members awaits this approval, which may be achieved before the visit. The agreement calls for both countries to match contributions; the FY-98 USG direct allocation is \$1,030,000.

Talking Points

- We are pleased by the progress we have made since your visit to establish institutional mechanisms to strengthen and improve our bilateral cooperation. We welcome not only the dialogue, but also the means to resolve issues before they become disputes.
- We look forward to implementing the new Fulbright Agreement.
- Our deepened security-related consultations are especially important. We need to forge strong institutional ties in the area of defense cooperation.

UNCLASSIFIED

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. briefing paper	Chile's Relations with Asia (1 page)	ca. 03/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs (Feinberg, Richard)
OA/Box Number: 1521

FOLDER TITLE:

SOA [Summit of the Americas] - 1998 (Papers Prepared by State): Issue Papers/Talking
Points

2009-1155-F
ke2477

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]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

CHILEAN SOCIAL SECURITY REFORM

Chileans are proud of their private pension fund system, launched in 1981 by the Pinochet government to replace a state-administered system notorious for poor service and inflation-ravaged pensions. The new privately administered, national program of retirement savings, together with a fall-back government-guaranteed minimum pension, has been a key to the country's economic success.

The system is internationally recognized as a success, serving as a model for similar reforms in other Latin American countries, and contributing significantly to a booming economy. Overall returns have been high, bolstering confidence in the system, although lower returns recently have raised questions about whether returns will remain at high levels. Large cash flows into the system, accumulating to roughly one-third of GDP by the end of 1997, have made the 15 privately managed mutual funds, Pension Fund Administrators (AFPs, Administradores de fondos de pensiones, in Spanish), a major source of corporate finance. Pension funds have contributed to a sharp increase in the domestic savings rate, thus diminishing dependence on foreign capital for financing investments.

Workers must contribute 10 percent of their salaries plus insurance premiums and fees to the highly regulated AFPs, which invest largely in Central Bank instruments and large capitalization, liquid stocks. Regulators have recently allowed funds to be invested, on a limited basis, in high-quality foreign securities and new ventures in Chile. Both the workers' contributions and the investment income earnings are tax-deferred, with taxes being assessed only when proceeds are withdrawn.

Despite its successes, the system is not problem-free. Fees are high, although competition among the AFPs for customers is intense. Due to the narrow range of permitted investment options, returns vary little among the AFPs and the local stock market is heavily dependent on AFP-managed capital. The system also shifts the risk of economic fluctuations on investment returns to workers, thus compelling tight government regulation.

TALKING POINT

- We are impressed by the innovative reforms you have made in your pension system. It is working very well to benefit the Chilean people, and the system has become a model throughout Latin America.

CHILEAN COUNTERNARCOTICS EFFORTS
AND LAW ENFORCEMENT

Chile is not a center for the production or transportation of illegal drugs. This situation is changing as drug producers utilize Chile as a source of precursor chemicals and for drug transshipment to the U.S. and Europe. Chile's proximity to producer countries, dynamic economy, and relatively developed banking system make it vulnerable to money laundering. Drug use, previously limited to the lower classes, has become more prevalent in the upper income neighborhoods and offices in Santiago. Following the August 1997 revelation that the late Mexican drug lord, Amado Carrillo Fuentes, had resided in Chile for several months, Chilean authorities moved quickly to make arrests and seize related assets. Their cooperation with U.S. authorities in investigations in both Chile and the U.S. contributed to the freezing of tens of millions of dollars in U.S. bank accounts.

For many years the U.S. Government has been discussing with the Government of Chile (GOC) the need to negotiate a modern extradition treaty to replace the outdated instrument currently in force, signed in 1900. New legislation passed by the Chilean legislature last year has removed a principal impediment pertaining to the inability of Chilean authorities to represent the U.S. Government extradition proceedings in Chile. However, the change will not become effective until the year 2003. Accordingly, Attorney General Reno wrote a letter last year to her Chilean counterpart, Justice Minister Alvear, urging the GOC to explore the possibility of an interim solution to this issue, so as to enable prompt negotiation of a new treaty.

The U.S. State Department has provided a total of \$170,000 over the past four years to support the implementation of effective money laundering and precursor chemical controls as well as narcotics investigation, interdiction, demand reduction and rehabilitation. The Chilean Government has consistently indicated that its top priority is training of existing law enforcement officers, prosecutors, magistrates and certain private parties in interdiction, control and prevention. Modest training support has been given to the two main law enforcement institutions in Chile, the Carabineros and the Investigations Police (PICH). These institutions are modern, disciplined, professional and respected internationally for their expertise in many areas of law enforcement. At the Santiago Summit, we will sign a memorandum of understanding with the Chilean Government establishing a joint information coordination center (JICC) in Chile.

TALKING POINTS

- An updated bilateral extradition treaty to address international crime and narcotics offenses should be a priority issue for our two countries.
- We share your concerns over the growing problem of drug trafficking through Chilean territory, and will continue to support your law enforcement efforts.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
002. briefing paper	Conventional Arms Transfers to Chile Issues (2 pages)	ca. 03/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs (Feinberg, Richard)
OA/Box Number: 1521

FOLDER TITLE:

SOA [Summit of the Americas] - 1998 (Papers Prepared by State): Issue Papers/Talking
Points

2009-1155-F
ke2477

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]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9802184
RECEIVED: 25 MAR 98 08

TO: DAVIES

DECLASSIFIED E.O. 13526

White House Guidelines,

FROM: KENNEY, K

September 11, 2006

DOC DATE: 27 MAR 98

SOURCE REF: 9805422

By KDE NARA, Date 05/14/15
2009-1155-F

KEYWORDS: SUMMIT OF AMERICAS
CHILE

PRESIDENTIAL TRAVEL

PERSONS:

SUBJECT: ISSUE PAPERS FOR PRES TRIP TO CHILE -- US DRUG CERTIFICATION / RULE
OF LAW / ROLE OF MULTILATERAL INSTITUTIONS & 94 SUMMIT

ACTION: ADD-ON / APPROPRIATE ACTION

DUE DATE: 31 MAR 98 STATUS: S

STAFF OFFICER: PICCONE

LOGREF:

FILES: WH

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

HOFMANN

FOR CONCURRENCE

DELAURENTIS

DESOUZA

PICCONE

FOR INFO

BLINKEN

BRAINARD, L

BUSBY

DOBBINS

ELKON

HILLIARD

LEE

SCHWARTZ

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTSM

CLOSED BY:

DOC 17 OF 17

~~CONFIDENTIAL~~



UNCLASSIFIED

9805422

United States Department of State

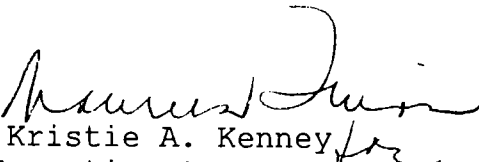
Washington, D.C. 20520

March 27, 1998

MEMORANDUM FOR GLYN T. DAVIES
Executive Secretary
National Security Council

SUBJECT: Issue Papers for the President's Trip
to Santiago, Chile

Please find attached a diskette and copies of materials for
The President's trip to Santiago, Chile.


Kristie A. Kenney
Executive Secretary

Attachments:

U.S. Drug Certification
Rule of Law
Role of Multilateral Institutions
Implementation of 1994 Summit
Strengthening Judicial Systems
Poverty and Discrimination Overview
Micro-Enterprise & Small Business Development
Equitable Access to Basic Health Services
Strengthening the Role of Women in Society

UNCLASSIFIED

U.S. DRUG CERTIFICATION

Every year the President must certify that the governments of the major drug producing and transit countries have cooperated with the US -- or taken adequate steps on their own -- in meeting the goals and objectives of an international standard that most countries have signed onto, the 1998 UN Drug Convention. If the President fails to certify a government, it is ineligible for most forms of US assistance, with the exception of humanitarian and most antidrug aid. The US is also obliged to vote "no" to any assistance loans for decertified countries in the multilateral development banks.

The certification law was passed by Congress in 1986. The Congress in effect has asked the Executive Branch to answer a simple question: Since the drug problem so directly affects the US and its citizens, are economic and other assistance funds that we provide to source and transit countries appropriate and cost effective when weighed against those countries counternarcotics cooperation?

As a public diplomacy instrument, the drug certification process represents an important departure from traditional bilateral diplomacy. Where traditional diplomacy relies principally on confidentiality and private communication, certification, particularly the announcement of the President's decisions, is a very public matter, stressing openness and transparency. The certification process thus represents the USG's objective assessment of the international drug situation.

The very public nature of the certification decisions, however, has led to resentment in foreign capitols and rumblings on Capitol Hill. Congressional critics have argued that certain decisions are not based on counternarcotics performance and have been particularly critical of the decision to certify Mexico the last two years.

Certification remains an extremely contentious issue in Latin America and parts of Asia. Many countries take exception to the idea of external assessments as well as the individual certification decisions. They often feel that the process erodes a country's sovereignty and efforts to strengthen regional integration. Many Latin American leaders also have concluded that the certification decisions are politically motivated. State has taken steps to make the process more transparent and give the cooperating countries a greater sense of ownership for the certification objectives.

This year the President certified the full cooperation of

UNCLASSIFIED

-2-

22 countries: Aruba, The Bahamas, Belize, Bolivia, Brazil, China, Dominican Republic, Ecuador, Guatemala, Haiti, Hong Kong, India, Jamaica, Laos, Malaysia, Mexico, Panama, Peru, Taiwan, Thailand, Venezuela, Vietnam. Four countries -- Cambodia, Colombia, Pakistan and Paraguay -- were not certified for cooperating, but were granted a national interests certification. Afghanistan, Burma, Iran and Nigeria were decertified.

UNCLASSIFIED

RULE OF LAW

The lack of effective justice systems throughout Latin America and the Caribbean threatens to undermine the democratic progress of the last decade. Governments are being openly challenged by the electorate to end corruption, protect them from rising domestic and international crime and provide a secure legal environment for trade and investment.

In most countries, crime generally goes unpunished, and only a small percentage of criminal cases are ever resolved on the merits. The courts do no better in the civil area, with the result that those who can (generally international investors) insist on other forms of dispute resolution in all important contracts. While judges are often blamed for the poor results, they too are caught in the web of systemic failure.

Governments throughout the region are responding to the challenge of building a true rule of law with promises of fundamental reform. Judicial councils and other changes in the structure of judiciaries are being made to improve management and the quality of appointments. New criminal procedure codes are being adopted throughout the region, replacing the traditional investigative judge with an adversarial, prosecutorial system. Non-governmental organizations are developing to fill areas not being covered by the government and to maintain pressure for reform.

Over the last ten years, the USG has provided over \$300 million in foreign assistance to encourage what was recognized as a long-term process of strengthening justice systems in the region. Other international donors, such as the World Bank and Inter-American Development Bank, are now offering far greater resources than the USG ever could to continue this work. It is important that the USG remain engaged in the area of justice reform. Success will necessarily be gradual, but it is essential to our goals of supporting democracy, combating crime and developing stronger economic ties in the region.

TALKING POINTS

- We are following with great interest the justice reforms being implemented throughout the region and will continue to support them in any way that we can.
- We are working with other donors in this area to coordinate assistance being offered and ensure a lack of duplication. We are also striving to ensure that our technical approaches are complementary.

ROLE OF MULTILATERAL INSTITUTIONS

The 1967 hemispheric summit was held as an outgrowth of the Alliance for Progress; the meeting's action plan was, therefore, predicated on a large U.S. development assistance package. By the time of the Miami Summit, the political and economic landscape of the hemisphere had changed vastly. Governments agreed in the Miami Summit negotiations that programs should be carried out with existing resources and the same holds true for Santiago.

This criteria for Summit initiatives of no additional bilateral resources means that governments and donors have to prioritize their domestic and international agendas to focus on Summit mandates. In addition, Summit governments now place greater emphasis on the role of hemispheric institutions and multilateral development banks to carry out programs, while recognizing the resource constraints under which these organizations operate. Actions within multilateral institutions are often the most high-profile examples of Summit implementation.

Throughout the Santiago Plan of Action, multilateral institutions are called upon to undertake specific tasks in implementation. In the working text used at the time of this writing, there are 33 specific mandates or references to the OAS or its programs; IDB, 16; the World Bank, 6; and PAHO, 3. In the case of multilateral development banks, most references are to requests for technical assistance from the staff or grants rather than transfer of funds through loans to avoid burdening countries with indebtedness which they may be unable to afford.

Generally, the multilateral institutions mentioned above have been responsive to the Miami and Santiago Summits as appropriate to their respective missions. Between the IDB and World Bank, the former has played a greater role in Summit preparation due to its unique mandate to support both the individual and collective development of its borrowing member countries. Since most of the Summit action plan is related to long-term development, the IMF has not been active in Summits of the Americas.

TALKING POINTS

- Our governments recognize the unique technical skills and knowledge that hemispheric organizations and multilateral development banks can bring to the Summit process.
- We must work within these institutions to see that appropriate actions are taken in support of the Summit.

UNCLASSIFIED

IMPLEMENTATION OF 1994 SUMMIT

Leaders at the Miami Summit in December 1994 enunciated a common vision for a hemispheric community of 34 nations. Taking advantage of the historic transformation of the region to democratic rule and open markets, the leaders issued a 23-point action plan based on four themes - democracy and human rights, economic integration and free trade, poverty and discrimination, and sustainable development.

In Miami, you noted that the true test of the Summit would be if, working together, we could turn *dichos* to *hechos* - words to deeds. Progress has been substantial and noteworthy, such as:

FTAA: Efforts are well underway to create a Free Trade Area of the Americas (FTAA) by 2005, as agreed by the leaders at the Miami Summit of the Americas.

Drugs: Hemispheric cooperation on counternarcotics has reached unprecedented levels since Miami. In December 1996, Summit governments signed a new Anti-Drug Strategy in the Hemisphere. Countries have agreed to take tough new measures in several areas related to drugs - money laundering, illegal firearms, and control of precursor chemicals.

Corruption: The hemisphere led the world in being the first region to negotiate a convention to fight corrupt government and business practices. The OAS Corruption Convention, signed in May 1996, has been signed by 23 countries and ratified by eight.

Microenterprise: The Miami Action Plan sought to make new opportunities available for the microentrepreneur and small businessman. The Inter-American Development Bank has developed a 5-year, \$500 million program to promote micro-loans and AID will spend up to \$120 million in the next three years for this same purpose.

Cleaner Environment: Joined in a region-wide effort to reduce air and water pollution, especially by phasing out lead from gasoline.

As host of the Miami Summit, you will issue a comprehensive report detailing follow-up activities on all 23 Miami Summit action items.

TALKING POINT

- As the host of the Miami Summit, my government compiled a comprehensive progress report on the Miami Summit, which each of you has received. This report, to which many of your governments contributed, is a testament to the commitment of the hemisphere to turning words into deeds.

UNCLASSIFIED

STRENGTHENING JUDICIAL SYSTEMS

The presence of a whole section on justice systems in this Action Plan demonstrates the heightened visibility that the issue has acquired since the summit in Miami, when the need to strengthen justice systems was mentioned only as part of the Action Plan for Combating Corruption. Governments throughout the region can no longer ignore the public clamor to clean up and fundamentally reform justice systems. While corruption may be what people complain about first, building new systems that work and are substantially free of corruption requires a concerted effort between governments and civil society over a long period of time and utilizing a wide variety of technical skills.

The action items on justice proposed for adoption at Santiago address a number of critical issues -- access to justice, reform of criminal justice and juvenile justice systems, and the need for better legal instruments and international cooperation to combat organized crime. There are three separate action items on child and family issues because, while for the USG these are matters of state law, other governments felt the Action Plan was unbalanced without spelling out these areas in some detail. The action items are drafted to allow the USG to continue to defer to the states on all such issues.

There is one new international initiative in the justice section -- establishment of a justice studies center to facilitate training of personnel, exchange of information and other forms of technical cooperation. The initiative combines proposals by Argentina, Canada and the USG and has received strong endorsement from most other governments. Only Mexico has attempted to water down the commitment to establish the center. The IDB is expected to be the principal source of funds, but we are ready to provide start-up costs if necessary. Attorney General Reno will discuss the center in more detail with her counterparts in Santiago.

TALKING POINTS

- We strongly support establishment of a justice studies center. The hemisphere needs to organize its information about justice systems and reform processes better, so that governments and private individuals can have ready access to relevant information when developing new programs.
- We believe that this approach will be particularly important in the training area and are prepared to participate fully in all justice center programs.

POVERTY AND DISCRIMINATION OVERVIEW

Despite the hemisphere's impressive performance over the past five years, free markets have not yet overcome decades of limited economic growth due to statist economics generated the results they promised. Forty percent of the population lives in poverty. Income inequity remains the worst in the world. These realities threaten many of the achievements of which governments are so rightly proud.

At Miami, leaders of the hemisphere launched a major cooperative effort to address these problems. The results of this effort have been significant. In 1997, the region's economies achieved their best performance in the past 25 years; capital inflows continued to recover from the 1994 Mexico crisis; and inter-regional trade increased.

After falling throughout the 1970s, poverty increased dramatically in the 1980s. By the end of the decade, the population living in poverty had doubled, increasing from 70 million to 150 million. In the 1990s, the poverty rate has declined but only slightly.

Efforts to address poverty have focused on economic growth. The experience of the 1990s suggests that more rapid growth will be required to reduce poverty. At the same time, increased attention to income distribution and access to education as well as the distribution of assets will be necessary, as are efforts to redress gender, racial and ethnic discrimination.

Talking Points:

- Access by the poor to the assets necessary for increased productivity and income is a central theme of Santiago.
- The microenterprise initiative, which will expand the access of microentrepreneurs to financial services, has the potential for greatly benefiting the 50 million working poor of the hemisphere.
- The property registration initiative is a second important measure to increase the productive assets of the poor. With secure title to property, the poor will invest in productivity enhancing improvements to their land and use their titles to obtain loans for income-earning activities.
- The education initiative which focuses on improving the access of the poor to primary and secondary schools is critical to breaking the persistent cycle of poverty.

MICRO-ENTERPRISE & SMALL BUSINESS DEVELOPMENT

Throughout our hemisphere, millions of working poor families derive an important share of their income from microenterprises: tiny, informally organized business activities. To a large extent, widespread microentrepreneurship is a reflection of a low level of employment opportunities in the formal economy. In the process of development, those most successful will grow and move into the formal economy as small businesses. Ensuring the inclusion of these many self-employed persons in the benefits of hemispheric economic integration is at the crux of this action item.

Income disparities in our hemisphere are among the highest in the world. The Summit Plan of Action calls for a significant number of the 50 million working poor, especially women and the youth, to have access to financial services by the year 2000. Non-governmental organizations and U.S. Private Volunteer Organizations are the principal providers of financial and non-financial services to the microentrepreneurs of our countries.

After the 1994 Miami Summit, USAID launched a microenterprise initiative designed to make microenterprise development a better-established part of the Agency's economic growth efforts. Under the program USAID has committed itself to four principles: (1) focus on women and the very poor; (2) reaching large numbers of people; (3) support of self-sustaining programs; and (4) improved partnerships with indigenous organizations. The target for microenterprise assistance in 1998 is \$40 million. The Agency as a whole has a target for an average growth of 15 percent per year in the number of clients served by USAID-supported microfinance programs worldwide. Both the Inter-American Bank and the World Bank have increased their financial support for this sector.

TALKING POINTS

- The development of micro and small businesses offer the best avenue for economic integration of the formal and informal economies of our region.
- Access to credit is a key link in this development chain. Creating opportunities for micro and small businesses to tap into the formal financial sector, especially in rural areas, will promote wider economic integration.

UNCLASSIFIED

DECL: N/A

EQUITABLE ACCESS TO BASIC HEALTH SERVICES

This action item proposes to increase the availability of four major technologies in health, and to shorten the interval between their development and application: 1) vaccine research, 2) rational use of essential drugs, 3) health information and surveillance networks, and 4) water, sanitation, and solid waste technologies.

It also affirms the countries' intentions to: 1) allocate resources to these activities, 2) seek bilateral and multilateral support of these programs, and 3) develop mechanisms for evaluating health technologies.

Vaccine research will focus on development, production, and utilization of vaccines not now available which are particularly needed in the hemisphere, such as those to prevent measles/mumps/rubella, typhoid, meningitis, and pneumonia.

Improving the availability and rational use of essential drugs will enable treatment of common ailments within the resources that countries can make available.

Improved availability and use of information for managing health programs will enable faster response to epidemics and better allocation of resources to serve the poorest populations.

Progress during the International Drinking Water Supply and Sanitation Decade in the region just kept pace with population growth and urbanization. Emphasizing low-cost technologies will extend their impact, especially to the 43 percent of the rural population without water services.

TALKING POINTS

- These technologies can reduce the threat of infectious diseases in the hemisphere, alleviating unnecessary human suffering. This will be accomplished by earlier and wider access to vaccines and essential drugs, by better resource allocation to appropriate health programs and geographic areas, and by reducing water and vector-borne diseases.
- Reducing infectious diseases will lead to better health, especially for the poor. This will improve productivity both of working adults and of school children, thereby contributing to the alleviation of poverty and the achievement of basic education goals in the hemisphere.

UNCLASSIFIED

STRENGTHENING THE ROLE OF WOMEN IN SOCIETY

Consolidation of democracy in the Americas provides an opportunity to examine the legal, political and closely linked economic barriers to women's participation in society. Action items in this initiative seek to institutionalize agreements made at the Miami Summit along with the Beijing Conference on Women (and other important Summits) and to advance the criminal, penal, civil, labor and family codes. The purpose of the review is to identify legal barriers to women and then establish programs to correct the problems. Women's health is also an important issue.

Seven field missions currently have programs to address to address women's legal rights issues, with more to follow. In addition, the Global Women's Legal Rights Initiative, announced at the Beijing conference, will broaden its activities in the Latin America region during the coming year.

We expect governments to agree to provide resources and administrative mechanisms to implement these initiatives. The support of the Inter-American Commission on Women, the Inter-American Development Bank, and other organizations will be essential to having an effective monitoring system.

TALKING POINTS

- Implementation of the Miami and related Beijing agendas is underway in most countries; yet governments must effectively respond by devoting resources and staff.
- Legal reform to set the foundation for equality is essential to strengthen women's economic and political position. USAID is currently in the process of increasing its emphasis on women's legal rights in the Americas.
- We need an effective monitoring component to strengthen implementation of the international commitments we have made to women's rights.



United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

March 27, 1998

MEMORANDUM FOR GLYN T. DAVIES
Executive Secretary
National Security Council

SUBJECT: Issue Papers for the President's Trip
to Santiago, Chile

Please find attached a diskette and copies of materials for
The President's trip to Santiago, Chile.


Kristie A. Kenney
Executive Secretary

Attachments:

U.S. Drug Certification
Rule of Law
Role of Multilateral Institutions
Implementation of 1994 Summit
Strengthening Judicial Systems
Poverty and Discrimination Overview
Micro-Enterprise & Small Business Development
Equitable Access to Basic Health Services
Strengthening the Role of Women in Society

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

U.S. DRUG CERTIFICATION

Every year the President must certify that the governments of the major drug producing and transit countries have cooperated with the US -- or taken adequate steps on their own -- in meeting the goals and objectives of an international standard that most countries have signed onto, the 1998 UN Drug Convention. If the President fails to certify a government, it is ineligible for most forms of US assistance, with the exception of humanitarian and most antidrug aid. The US is also obliged to vote "no" to any assistance loans for decertified countries in the multilateral development banks.

The certification law was passed by Congress in 1986. The Congress in effect has asked the Executive Branch to answer a simple question: Since the drug problem so directly affects the US and its citizens, are economic and other assistance funds that we provide to source and transit countries appropriate and cost effective when weighed against those countries counternarcotics cooperation?

As a public diplomacy instrument, the drug certification process represents an important departure from traditional bilateral diplomacy. Where traditional diplomacy relies principally on confidentiality and private communication, certification, particularly the announcement of the President's decisions, is a very public matter, stressing openness and transparency. The certification process thus represents the USG's objective assessment of the international drug situation.

The very public nature of the certification decisions, however, has led to resentment in foreign capitols and rumblings on Capitol Hill. Congressional critics have argued that certain decisions are not based on counternarcotics performance and have been particularly critical of the decision to certify Mexico the last two years.

Certification remains an extremely contentious issue in Latin America and parts of Asia. Many countries take exception to the idea of external assessments as well as the individual certification decisions. They often feel that the process erodes a country's sovereignty and efforts to strengthen regional integration. Many Latin American leaders also have concluded that the certification decisions are politically motivated. State has taken steps to make the process more transparent and give the cooperating countries a greater sense of ownership for the certification objectives.

This year the President certified the full cooperation of

UNCLASSIFIED

UNCLASSIFIED

-2-

22 countries: Aruba, The Bahamas, Belize, Bolivia, Brazil, China, Dominican Republic, Ecuador, Guatemala, Haiti, Hong Kong, India, Jamaica, Laos, Malaysia, Mexico, Panama, Peru, Taiwan, Thailand, Venezuela, Vietnam. Four countries -- Cambodia, Colombia, Pakistan and Paraguay -- were not certified for cooperating, but were granted a national interests certification. Afghanistan, Burma, Iran and Nigeria were decertified.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

RULE OF LAW

The lack of effective justice systems throughout Latin America and the Caribbean threatens to undermine the democratic progress of the last decade. Governments are being openly challenged by the electorate to end corruption, protect them from rising domestic and international crime and provide a secure legal environment for trade and investment.

In most countries, crime generally goes unpunished, and only a small percentage of criminal cases are ever resolved on the merits. The courts do no better in the civil area, with the result that those who can (generally international investors) insist on other forms of dispute resolution in all important contracts. While judges are often blamed for the poor results, they too are caught in the web of systemic failure.

Governments throughout the region are responding to the challenge of building a true rule of law with promises of fundamental reform. Judicial councils and other changes in the structure of judiciaries are being made to improve management and the quality of appointments. New criminal procedure codes are being adopted throughout the region, replacing the traditional investigative judge with an adversarial, prosecutorial system. Non-governmental organizations are developing to fill areas not being covered by the government and to maintain pressure for reform.

Over the last ten years, the USG has provided over \$300 million in foreign assistance to encourage what was recognized as a long-term process of strengthening justice systems in the region. Other international donors, such as the World Bank and Inter-American Development Bank, are now offering far greater resources than the USG ever could to continue this work. It is important that the USG remain engaged in the area of justice reform. Success will necessarily be gradual, but it is essential to our goals of supporting democracy, combating crime and developing stronger economic ties in the region.

TALKING POINTS

- We are following with great interest the justice reforms being implemented throughout the region and will continue to support them in any way that we can.
- We are working with other donors in this area to coordinate assistance being offered and ensure a lack of duplication. We are also striving to ensure that our technical approaches are complementary.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

ROLE OF MULTILATERAL INSTITUTIONS

The 1967 hemispheric summit was held as an outgrowth of the Alliance for Progress; the meeting's action plan was, therefore, predicated on a large U.S. development assistance package. By the time of the Miami Summit, the political and economic landscape of the hemisphere had changed vastly. Governments agreed in the Miami Summit negotiations that programs should be carried out with existing resources and the same holds true for Santiago.

This criteria for Summit initiatives of no additional bilateral resources means that governments and donors have to prioritize their domestic and international agendas to focus on Summit mandates. In addition, Summit governments now place greater emphasis on the role of hemispheric institutions and multilateral development banks to carry out programs, while recognizing the resource constraints under which these organizations operate. Actions within multilateral institutions are often the most high-profile examples of Summit implementation.

Throughout the Santiago Plan of Action, multilateral institutions are called upon to undertake specific tasks in implementation. In the working text used at the time of this writing, there are 33 specific mandates or references to the OAS or its programs; IDB, 16; the World Bank, 6; and PAHO, 3. In the case of multilateral development banks, most references are to requests for technical assistance from the staff or grants rather than transfer of funds through loans to avoid burdening countries with indebtedness which they may be unable to afford.

Generally, the multilateral institutions mentioned above have been responsive to the Miami and Santiago Summits as appropriate to their respective missions. Between the IDB and World Bank, the former has played a greater role in Summit preparation due to its unique mandate to support both the individual and collective development of its borrowing member countries. Since most of the Summit action plan is related to long-term development, the IMF has not been active in Summits of the Americas.

TALKING POINTS

- Our governments recognize the unique technical skills and knowledge that hemispheric organizations and multilateral development banks can bring to the Summit process.
- We must work within these institutions to see that appropriate actions are taken in support of the Summit.

UNCLASSIFIED

UNCLASSIFIED

IMPLEMENTATION OF 1994 SUMMIT

Leaders at the Miami Summit in December 1994 enunciated a common vision for a hemispheric community of 34 nations. Taking advantage of the historic transformation of the region to democratic rule and open markets, the leaders issued a 23-point action plan based on four themes - democracy and human rights, economic integration and free trade, poverty and discrimination, and sustainable development.

In Miami, you noted that the true test of the Summit would be if, working together, we could turn *dichos* to *hechos* - words to deeds. Progress has been substantial and noteworthy, such as:

FTAA: Efforts are well underway to create a Free Trade Area of the Americas (FTAA) by 2005, as agreed by the leaders at the Miami Summit of the Americas.

Drugs: Hemispheric cooperation on counternarcotics has reached unprecedented levels since Miami. In December 1996, Summit governments signed a new Anti-Drug Strategy in the Hemisphere. Countries have agreed to take tough new measures in several areas related to drugs - money laundering, illegal firearms, and control of precursor chemicals.

Corruption: The hemisphere led the world in being the first region to negotiate a convention to fight corrupt government and business practices. The OAS Corruption Convention, signed in May 1996, has been signed by 23 countries and ratified by eight.

Microenterprise: The Miami Action Plan sought to make new opportunities available for the microentrepreneur and small businessman. The Inter-American Development Bank has developed a 5-year, \$500 million program to promote micro-loans and AID will spend up to \$120 million in the next three years for this same purpose.

Cleaner Environment: Joined in a region-wide effort to reduce air and water pollution, especially by phasing out lead from gasoline.

As host of the Miami Summit, you will issue a comprehensive report detailing follow-up activities on all 23 Miami Summit action items.

TALKING POINT

- As the host of the Miami Summit, my government compiled a comprehensive progress report on the Miami Summit, which each of you has received. This report, to which many of your governments contributed, is a testament to the commitment of the hemisphere to turning words into deeds.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

STRENGTHENING JUDICIAL SYSTEMS

The presence of a whole section on justice systems in this Action Plan demonstrates the heightened visibility that the issue has acquired since the summit in Miami, when the need to strengthen justice systems was mentioned only as part of the Action Plan for Combating Corruption. Governments throughout the region can no longer ignore the public clamor to clean up and fundamentally reform justice systems. While corruption may be what people complain about first, building new systems that work and are substantially free of corruption requires a concerted effort between governments and civil society over a long period of time and utilizing a wide variety of technical skills.

The action items on justice proposed for adoption at Santiago address a number of critical issues -- access to justice, reform of criminal justice and juvenile justice systems, and the need for better legal instruments and international cooperation to combat organized crime. There are three separate action items on child and family issues because, while for the USG these are matters of state law, other governments felt the Action Plan was unbalanced without spelling out these areas in some detail. The action items are drafted to allow the USG to continue to defer to the states on all such issues.

There is one new international initiative in the justice section -- establishment of a justice studies center to facilitate training of personnel, exchange of information and other forms of technical cooperation. The initiative combines proposals by Argentina, Canada and the USG and has received strong endorsement from most other governments. Only Mexico has attempted to water down the commitment to establish the center. The IDB is expected to be the principal source of funds, but we are ready to provide start-up costs if necessary. Attorney General Reno will discuss the center in more detail with her counterparts in Santiago.

TALKING POINTS

- We strongly support establishment of a justice studies center. The hemisphere needs to organize its information about justice systems and reform processes better, so that governments and private individuals can have ready access to relevant information when developing new programs.
- We believe that this approach will be particularly important in the training area and are prepared to participate fully in all justice center programs.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

POVERTY AND DISCRIMINATION OVERVIEW

Despite the hemisphere's impressive performance over the past five years, free markets have not yet overcome decades of limited economic growth due to statist economics generated the results they promised. Forty percent of the population lives in poverty. Income inequity remains the worst in the world. These realities threaten many of the achievements of which governments are so rightly proud.

At Miami, leaders of the hemisphere launched a major cooperative effort to address these problems. The results of this effort have been significant. In 1997, the region's economies achieved their best performance in the past 25 years; capital inflows continued to recover from the 1994 Mexico crisis; and inter-regional trade increased.

After falling throughout the 1970s, poverty increased dramatically in the 1980s. By the end of the decade, the population living in poverty had doubled, increasing from 70 million to 150 million. In the 1990s, the poverty rate has declined but only slightly.

Efforts to address poverty have focused on economic growth. The experience of the 1990s suggests that more rapid growth will be required to reduce poverty. At the same time, increased attention to income distribution and access to education as well as the distribution of assets will be necessary, as are efforts to redress gender, racial and ethnic discrimination.

Talking Points:

- Access by the poor to the assets necessary for increased productivity and income is a central theme of Santiago.
- The microenterprise initiative, which will expand the access of microentrepreneurs to financial services, has the potential for greatly benefiting the 50 million working poor of the hemisphere.
- The property registration initiative is a second important measure to increase the productive assets of the poor. With secure title to property, the poor will invest in productivity enhancing improvements to their land and use their titles to obtain loans for income-earning activities.
- The education initiative which focuses on improving the access of the poor to primary and secondary schools is critical to breaking the persistent cycle of poverty.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

MICRO-ENTERPRISE & SMALL BUSINESS DEVELOPMENT

Throughout our hemisphere, millions of working poor families derive an important share of their income from microenterprises: tiny, informally organized business activities. To a large extent, widespread microentrepreneurship is a reflection of a low level of employment opportunities in the formal economy. In the process of development, those most successful will grow and move into the formal economy as small businesses. Ensuring the inclusion of these many self-employed persons in the benefits of hemispheric economic integration is at the crux of this action item.

Income disparities in our hemisphere are among the highest in the world. The Summit Plan of Action calls for a significant number of the 50 million working poor, especially women and the youth, to have access to financial services by the year 2000. Non-governmental organizations and U.S. Private Volunteer Organizations are the principal providers of financial and non-financial services to the microentrepreneurs of our countries.

After the 1994 Miami Summit, USAID launched a microenterprise initiative designed to make microenterprise development a better-established part of the Agency's economic growth efforts. Under the program USAID has committed itself to four principles: (1) focus on women and the very poor; (2) reaching large numbers of people; (3) support of self-sustaining programs; and (4) improved partnerships with indigenous organizations. The target for microenterprise assistance in 1998 is \$40 million. The Agency as a whole has a target for an average growth of 15 percent per year in the number of clients served by USAID-supported microfinance programs worldwide. Both the Inter-American Bank and the World Bank have increased their financial support for this sector.

TALKING POINTS

- The development of micro and small businesses offer the best avenue for economic integration of the formal and informal economies of our region.
- Access to credit is a key link in this development chain. Creating opportunities for micro and small businesses to tap into the formal financial sector, especially in rural areas, will promote wider economic integration.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

EQUITABLE ACCESS TO BASIC HEALTH SERVICES

This action item proposes to increase the availability of four major technologies in health, and to shorten the interval between their development and application: 1) vaccine research, 2) rational use of essential drugs, 3) health information and surveillance networks, and 4) water, sanitation, and solid waste technologies.

It also affirms the countries' intentions to: 1) allocate resources to these activities, 2) seek bilateral and multilateral support of these programs, and 3) develop mechanisms for evaluating health technologies.

Vaccine research will focus on development, production, and utilization of vaccines not now available which are particularly needed in the hemisphere, such as those to prevent measles/mumps/rubella, typhoid, meningitis, and pneumonia.

Improving the availability and rational use of essential drugs will enable treatment of common ailments within the resources that countries can make available.

Improved availability and use of information for managing health programs will enable faster response to epidemics and better allocation of resources to serve the poorest populations.

Progress during the International Drinking Water Supply and Sanitation Decade in the region just kept pace with population growth and urbanization. Emphasizing low-cost technologies will extend their impact, especially to the 43 percent of the rural population without water services.

TALKING POINTS

- These technologies can reduce the threat of infectious diseases in the hemisphere, alleviating unnecessary human suffering. This will be accomplished by earlier and wider access to vaccines and essential drugs, by better resource allocation to appropriate health programs and geographic areas, and by reducing water and vector-borne diseases.
- Reducing infectious diseases will lead to better health, especially for the poor. This will improve productivity both of working adults and of school children, thereby contributing to the alleviation of poverty and the achievement of basic education goals in the hemisphere.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

STRENGTHENING THE ROLE OF WOMEN IN SOCIETY

Consolidation of democracy in the Americas provides an opportunity to examine the legal, political and closely linked economic barriers to women's participation in society. Action items in this initiative seek to institutionalize agreements made at the Miami Summit along with the Beijing Conference on Women (and other important Summits) and to advance the criminal, penal, civil, labor and family codes. The purpose of the review is to identify legal barriers to women and then establish programs to correct the problems. Women's health is also an important issue.

Seven field missions currently have programs to address to address women's legal rights issues, with more to follow. In addition, the Global Women's Legal Rights Initiative, announced at the Beijing conference, will broaden its activities in the Latin America region during the coming year.

We expect governments to agree to provide resources and administrative mechanisms to implement these initiatives. The support of the Inter-American Commission on Women, the Inter-American Development Bank, and other organizations will be essential to having an effective monitoring system.

TALKING POINTS

- Implementation of the Miami and related Beijing agendas is underway in most countries; yet governments must effectively respond by devoting resources and staff.
- Legal reform to set the foundation for equality is essential to strengthen women's economic and political position. USAID is currently in the process of increasing its emphasis on women's legal rights in the Americas.
- We need an effective monitoring component to strengthen implementation of the international commitments we have made to women's rights.

UNCLASSIFIED



UNCLASSIFIED

9805359

United States Department of State

Washington, D.C. 20520

March 26, 1998

2184

MEMORANDUM FOR GLYN T. DAVIES
Executive Secretary
National Security Council

SUBJECT: Chilean Issue Papers for the President's Trip
to Santiago, Chile

Please find attached a diskette and copies of materials for
The President's trip to Santiago, Chile.

Kristie A. Kenney *for*
Executive Secretary

Attachments:

Chilean Environmental Issues
Chile's Role in peacekeeping and UN Reform
Education and Technology
Trade Irritants
Chilean Political Situation
Economic, Trade, Agricultural, Aviation Issues

MAR 27 8:01

UNCLASSIFIED

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
003. briefing paper	Chilean Environmental Issues (1 page)	ca. 03/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs (Feinberg, Richard)
OA/Box Number: 1521

FOLDER TITLE:

SOA [Summit of the Americas] - 1998 (Papers Prepared by State): Issue Papers/Talking
Points

2009-1155-F
ke2477

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]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
004. briefing paper	Chile's Role in Peacekeeping and UN Reform (1 page)	ca. 03/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs (Feinberg, Richard)
OA/Box Number: 1521

FOLDER TITLE:

SOA [Summit of the Americas] - 1998 (Papers Prepared by State): Issue Papers/Talking
Points

2009-1155-F
ke2477

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]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

EDUCATION AND TECHNOLOGY

The Frei administration has undertaken a high profile education reform that aims to improve quality and equity at both the primary and secondary levels. Access to education is no longer an issue (over 95% of primary school age and 80% of secondary school age children are enrolled in school). However, significant differences persist in educational opportunities and performance among children of different social classes, among those in public education and private schools, and among children in urban centers and more isolated areas.

The government has focused on improving public-sector education infrastructure (including educational technology), revising curricula, and strengthening the teaching profession. These objectives are reflected in Chile's preferences for the content of the proposed U.S.-Chile MOU on Education. Since 1990 public-sector spending on education has doubled in real terms, both per-student and as a percentage of the government budget. The lowest-performing elementary schools receive major support. The government has committed \$1.5 billion over five years to extend the school day by eliminating double shifts in schools, primarily through construction of new schools.

The Chileans are introducing information technology into the educational system. Through the "ENLACES" (LINKS) program, Chile hopes to provide access to a dedicated, user-friendly computer network to all 1500 secondary schools and to half the country's 10,000 primary schools by the year 2000. Already implemented in about 1500 schools, "ENLACES" relies on a network of 25 universities to provide on-site training and pedagogical support to teachers, few of whom have experience in computer technology. The project included a specially developed user-friendly interface, including e-mail, an educational data base, and bulletin board-type services.

Augmenting the government's small contribution of computers, schools are encouraged to acquire additional hardware and software through donations or purchase. The government hopes for schools to have dedicated telephone lines and affordable access to on-line services within several years. The government also intends to provide special support to the most isolated schools and those with the fewest resources, to ensure their continued use of education technology.

TALKING POINTS

- I commend Chile's vision and commitment to educational reform. Your introduction of computer-based technology to support learning in primary and secondary schools is impressive.
- Education is a key to democratic and sustainable economic development. Chile's educational reforms should be emulated by others in the hemisphere.

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
005. briefing paper	Trade Irritants (1 page)	ca. 03/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs (Feinberg, Richard)
OA/Box Number: 1521

FOLDER TITLE:

SOA [Summit of the Americas] - 1998 (Papers Prepared by State): Issue Papers/Talking
Points

2009-1155-F
ke2477

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]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
006. briefing paper	Chilean Political Situation (1 page)	ca. 03/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs (Feinberg, Richard)
OA/Box Number: 1521

FOLDER TITLE:

SOA [Summit of the Americas] - 1998 (Papers Prepared by State): Issue Papers/Talking
Points

2009-1155-F
ke2477

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]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

UNCLASSIFIED

ECONOMIC, TRADE, AGRICULTURAL, AVIATION ISSUES

Despite the Asian crisis, Chile's economy is poised to post its fifteenth year of steady growth. Lower prices for copper and other commodities, reduced Asian demand (affecting one-third of exports), and a more restrictive monetary policy in 1998 will hold real GDP expansion to 5.5 - 6.0 percent, compared to 7.1 percent in 1997. Nevertheless, some of Chile's exports benefited from the 10 percent currency devaluation caused by the Asian financial crisis. Unemployment averages six percent and the 1997 inflation rate of 6.0 percent approached G-7 levels; the Central Bank's inflation target for 1998 is 4.5 percent.

Chile has one of the most open economic and trade regimes in Latin America. In an aggressive trade promotion campaign, Chile has signed broad free trade agreements with Mexico (1992, currently being expanded to "NAFTA-like" coverage) and Canada (1997), joined Mercosur as an associate member (1996), and has sought more limited arrangements with other Latin American countries. Chile actively seeks additional agreements, notably with the European Union, and desires to raise its profile in APEC where it is South America's first member.

The U.S. is Chile's single largest trading partner: our exports were valued at \$4.4 billion in 1997, while U.S. imports from Chile totaled \$2.3 billion, yielding a surplus of \$2.1 billion. The agreement, reached during President Frei's February 1997 state visit, for our agricultural experts to work on major, long-standing technical barriers to trade has yielded results. U.S. apples and grapes now enter Chile, and the effective ban on U.S. wheat imports due to karnal bunt (a parasite which affects wheat) has ended.

The U.S. and Chile initialed an "Open Skies" accord in October 1997. Chile conditions signature on U.S. regulatory approval (with anti-trust immunity) of an alliance between American Airlines and LANChile, the country's premier carrier. USG approval is unlikely before the visit.

Talking Points

- Your economy's vigor in the face of Asia's crisis reinforces our mutual conviction that sound macroeconomic policies are crucial.
- The bilateral consultative committee on agriculture established when you visited Washington last year is yielding results. We are pleased that American fresh fruit is now entering Chile and that you have lifted the ban on U.S. wheat imports.
- We remain committed to passage of fast-track, but even in its absence we intend to move ahead with FTAA. Chile and the U.S. should look at ways to remove barriers and facilitate trade such as the "Open Skies" agreement.

UNCLASSIFIED

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9802184
RECEIVED: 25 MAR 98 08

TO: DAVIES

DECLASSIFIED E.O. 13526

White House Guidelines,

FROM: KENNEY, K

September 11, 2006

DOC DATE: 27 MAR 98

SOURCE REF: 9805485

By KDE NARA, Date 05/14/19
2009-1155-F

KEYWORDS: SUMMIT OF AMERICAS
CHILE

PRESIDENTIAL TRAVEL

PERSONS:

SUBJECT: ISSUE PAPER FOR POTUS TRIP TO SANTIAGO

ACTION: ADD-ON / APPROPRIATE ACTION

DUE DATE: 31 MAR 98 STATUS: S

STAFF OFFICER: PICCONE

LOGREF:

FILES: WH

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION
PICCONE

FOR CONCURRENCE
DELAURENTIS
DESOUZA
HOFMANN

FOR INFO
BLINKEN
BRAINARD, L
DOBBINS
ELKON
HILLIARD
LEE
SCHWARTZ

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTSM

CLOSED BY:

DOC 11 OF 11

~~CONFIDENTIAL~~



9805485

United States Department of State

Washington, D.C. 20520

March 27, 1998

2184

MEMORANDUM FOR GLYN T. DAVIES
EXECUTIVE SECRETARY
NATIONAL SECURITY COUNCIL

UNCLASSIFIED (with ~~CONFIDENTIAL~~ attachment)

SUBJECT: Issue Paper for the POTUS Trip to Santiago, Chile

The Department of State forwards the following official material to the National Security Council. A disk with the listed material is also attached.

Issue Paper as follows:

- FTA-Related Labor and Environmental Issues


Kristie A. Kenney
Executive Secretary

Attachments:
As stated.

UNCLASSIFIED (with ~~CONFIDENTIAL~~ attachment)

MAR 30 6:13

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
007. briefing paper	FTA-Related Labor and Environmental Issues (1 page)	ca. 03/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs (Feinberg, Richard)
OA/Box Number: 1521

FOLDER TITLE:

SOA [Summit of the Americas] - 1998 (Papers Prepared by State): Issue Papers/Talking
Points

2009-1155-F
ke2477

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]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9802184
RECEIVED: 25 MAR 98 08

TO: DAVIES

DECLASSIFIED E.O. 13526
White House Guidelines,
September 11, 2006

FROM: KENNEY, K

DOC DATE: 27 MAR 98
SOURCE REF: 9805422

By KDE NARA Date 06/14/14
2009-1155-F

KEYWORDS: SUMMIT OF AMERICAS
CHILE

PRESIDENTIAL TRAVEL

PERSONS:

SUBJECT: ISSUE PAPERS FOR PRES TRIP TO CHILE -- US DRUG CERTIFICATION / RULE
OF LAW / ROLE OF MULTILATERAL INSTITUTIONS & 94 SUMMIT

ACTION: ADD-ON / APPROPRIATE ACTION

DUE DATE: 31 MAR 98 STATUS: S

STAFF OFFICER: PICCONE

LOGREF:

FILES: WH

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION
HOFMANN

FOR CONCURRENCE
DELAURENTIS
DESOUZA
PICCONE

FOR INFO
BLINKEN
BRAINARD, L
BUSBY
DOBBINS
ELKON
HILLIARD
LEE
SCHWARTZ

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTSM

CLOSED BY:

DOC 17 OF 17

~~CONFIDENTIAL~~

United States Department of State

Washington, D.C. 20520



UNCLASSIFIED

March 27, 1998

MEMORANDUM FOR GLYN T. DAVIES
Executive Secretary
National Security Council

SUBJECT: Issue Papers for the President's Trip
to Santiago, Chile

Please find attached a diskette and copies of materials for
The President's trip to Santiago, Chile.


Kristie A. Kenney
Executive Secretary

Attachments:

U.S. Drug Certification
Rule of Law
Role of Multilateral Institutions
Implementation of 1994 Summit
Strengthening Judicial Systems
Poverty and Discrimination Overview
Micro-Enterprise & Small Business Development
Equitable Access to Basic Health Services
Strengthening the Role of Women in Society

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

U.S. DRUG CERTIFICATION

Every year the President must certify that the governments of the major drug producing and transit countries have cooperated with the US -- or taken adequate steps on their own -- in meeting the goals and objectives of an international standard that most countries have signed onto, the 1998 UN Drug Convention. If the President fails to certify a government, it is ineligible for most forms of US assistance, with the exception of humanitarian and most antidrug aid. The US is also obliged to vote "no" to any assistance loans for decertified countries in the multilateral development banks.

The certification law was passed by Congress in 1986. The Congress in effect has asked the Executive Branch to answer a simple question: Since the drug problem so directly affects the US and its citizens, are economic and other assistance funds that we provide to source and transit countries appropriate and cost effective when weighed against those countries counternarcotics cooperation?

As a public diplomacy instrument, the drug certification process represents an important departure from traditional bilateral diplomacy. Where traditional diplomacy relies principally on confidentiality and private communication, certification, particularly the announcement of the President's decisions, is a very public matter, stressing openness and transparency. The certification process thus represents the USG's objective assessment of the international drug situation.

The very public nature of the certification decisions, however, has led to resentment in foreign capitols and rumblings on Capitol Hill. Congressional critics have argued that certain decisions are not based on counternarcotics performance and have been particularly critical of the decision to certify Mexico the last two years.

Certification remains an extremely contentious issue in Latin America and parts of Asia. Many countries take exception to the idea of external assessments as well as the individual certification decisions. They often feel that the process erodes a country's sovereignty and efforts to strengthen regional integration. Many Latin American leaders also have concluded that the certification decisions are politically motivated. State has taken steps to make the process more transparent and give the cooperating countries a greater sense of ownership for the certification objectives.

This year the President certified the full cooperation of

UNCLASSIFIED

UNCLASSIFIED

-2-

22 countries: Aruba, The Bahamas, Belize, Bolivia, Brazil, China, Dominican Republic, Ecuador, Guatemala, Haiti, Hong Kong, India, Jamaica, Laos, Malaysia, Mexico, Panama, Peru, Taiwan, Thailand, Venezuela, Vietnam. Four countries -- Cambodia, Colombia, Pakistan and Paraguay -- were not certified for cooperating, but were granted a national interests certification. Afghanistan, Burma, Iran and Nigeria were decertified.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

RULE OF LAW

The lack of effective justice systems throughout Latin America and the Caribbean threatens to undermine the democratic progress of the last decade. Governments are being openly challenged by the electorate to end corruption, protect them from rising domestic and international crime and provide a secure legal environment for trade and investment.

In most countries, crime generally goes unpunished, and only a small percentage of criminal cases are ever resolved on the merits. The courts do no better in the civil area, with the result that those who can (generally international investors) insist on other forms of dispute resolution in all important contracts. While judges are often blamed for the poor results, they too are caught in the web of systemic failure.

Governments throughout the region are responding to the challenge of building a true rule of law with promises of fundamental reform. Judicial councils and other changes in the structure of judiciaries are being made to improve management and the quality of appointments. New criminal procedure codes are being adopted throughout the region, replacing the traditional investigative judge with an adversarial, prosecutorial system. Non-governmental organizations are developing to fill areas not being covered by the government and to maintain pressure for reform.

Over the last ten years, the USG has provided over \$300 million in foreign assistance to encourage what was recognized as a long-term process of strengthening justice systems in the region. Other international donors, such as the World Bank and Inter-American Development Bank, are now offering far greater resources than the USG ever could to continue this work. It is important that the USG remain engaged in the area of justice reform. Success will necessarily be gradual, but it is essential to our goals of supporting democracy, combating crime and developing stronger economic ties in the region.

TALKING POINTS

- We are following with great interest the justice reforms being implemented throughout the region and will continue to support them in any way that we can.
- We are working with other donors in this area to coordinate assistance being offered and ensure a lack of duplication. We are also striving to ensure that our technical approaches are complementary.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

ROLE OF MULTILATERAL INSTITUTIONS

The 1967 hemispheric summit was held as an outgrowth of the Alliance for Progress; the meeting's action plan was, therefore, predicated on a large U.S. development assistance package. By the time of the Miami Summit, the political and economic landscape of the hemisphere had changed vastly. Governments agreed in the Miami Summit negotiations that programs should be carried out with existing resources and the same holds true for Santiago.

This criteria for Summit initiatives of no additional bilateral resources means that governments and donors have to prioritize their domestic and international agendas to focus on Summit mandates. In addition, Summit governments now place greater emphasis on the role of hemispheric institutions and multilateral development banks to carry out programs, while recognizing the resource constraints under which these organizations operate. Actions within multilateral institutions are often the most high-profile examples of Summit implementation.

Throughout the Santiago Plan of Action, multilateral institutions are called upon to undertake specific tasks in implementation. In the working text used at the time of this writing, there are 33 specific mandates or references to the OAS or its programs; IDB, 16; the World Bank, 6; and PAHO, 3. In the case of multilateral development banks, most references are to requests for technical assistance from the staff or grants rather than transfer of funds through loans to avoid burdening countries with indebtedness which they may be unable to afford.

Generally, the multilateral institutions mentioned above have been responsive to the Miami and Santiago Summits as appropriate to their respective missions. Between the IDB and World Bank, the former has played a greater role in Summit preparation due to its unique mandate to support both the individual and collective development of its borrowing member countries. Since most of the Summit action plan is related to long-term development, the IMF has not been active in Summits of the Americas.

TALKING POINTS

- Our governments recognize the unique technical skills and knowledge that hemispheric organizations and multilateral development banks can bring to the Summit process.
- We must work within these institutions to see that appropriate actions are taken in support of the Summit.

UNCLASSIFIED

UNCLASSIFIED

IMPLEMENTATION OF 1994 SUMMIT

Leaders at the Miami Summit in December 1994 enunciated a common vision for a hemispheric community of 34 nations. Taking advantage of the historic transformation of the region to democratic rule and open markets, the leaders issued a 23-point action plan based on four themes - democracy and human rights, economic integration and free trade, poverty and discrimination, and sustainable development.

In Miami, you noted that the true test of the Summit would be if, working together, we could turn *dichos* to *hechos* - words to deeds. Progress has been substantial and noteworthy, such as:

FTAA: Efforts are well underway to create a Free Trade Area of the Americas (FTAA) by 2005, as agreed by the leaders at the Miami Summit of the Americas.

Drugs: Hemispheric cooperation on counternarcotics has reached unprecedented levels since Miami. In December 1996, Summit governments signed a new Anti-Drug Strategy in the Hemisphere. Countries have agreed to take tough new measures in several areas related to drugs - money laundering, illegal firearms, and control of precursor chemicals.

Corruption: The hemisphere led the world in being the first region to negotiate a convention to fight corrupt government and business practices. The OAS Corruption Convention, signed in May 1996, has been signed by 23 countries and ratified by eight.

Microenterprise: The Miami Action Plan sought to make new opportunities available for the microentrepreneur and small businessman. The Inter-American Development Bank has developed a 5-year, \$500 million program to promote micro-loans and AID will spend up to \$120 million in the next three years for this same purpose.

Cleaner Environment: Joined in a region-wide effort to reduce air and water pollution, especially by phasing out lead from gasoline.

As host of the Miami Summit, you will issue a comprehensive report detailing follow-up activities on all 23 Miami Summit action items.

TALKING POINT

- As the host of the Miami Summit, my government compiled a comprehensive progress report on the Miami Summit, which each of you has received. This report, to which many of your governments contributed, is a testament to the commitment of the hemisphere to turning words into deeds.

UNCLASSIFIED

STRENGTHENING JUDICIAL SYSTEMS

The presence of a whole section on justice systems in this Action Plan demonstrates the heightened visibility that the issue has acquired since the summit in Miami, when the need to strengthen justice systems was mentioned only as part of the Action Plan for Combating Corruption. Governments throughout the region can no longer ignore the public clamor to clean up and fundamentally reform justice systems. While corruption may be what people complain about first, building new systems that work and are substantially free of corruption requires a concerted effort between governments and civil society over a long period of time and utilizing a wide variety of technical skills.

The action items on justice proposed for adoption at Santiago address a number of critical issues -- access to justice, reform of criminal justice and juvenile justice systems, and the need for better legal instruments and international cooperation to combat organized crime. There are three separate action items on child and family issues because, while for the USG these are matters of state law, other governments felt the Action Plan was unbalanced without spelling out these areas in some detail. The action items are drafted to allow the USG to continue to defer to the states on all such issues.

There is one new international initiative in the justice section -- establishment of a justice studies center to facilitate training of personnel, exchange of information and other forms of technical cooperation. The initiative combines proposals by Argentina, Canada and the USG and has received strong endorsement from most other governments. Only Mexico has attempted to water down the commitment to establish the center. The IDB is expected to be the principal source of funds, but we are ready to provide start-up costs if necessary. Attorney General Reno will discuss the center in more detail with her counterparts in Santiago.

TALKING POINTS

- We strongly support establishment of a justice studies center. The hemisphere needs to organize its information about justice systems and reform processes better, so that governments and private individuals can have ready access to relevant information when developing new programs.
- We believe that this approach will be particularly important in the training area and are prepared to participate fully in all justice center programs.

POVERTY AND DISCRIMINATION OVERVIEW

Despite the hemisphere's impressive performance over the past five years, free markets have not yet overcome decades of limited economic growth due to statist economics generated the results they promised. Forty percent of the population lives in poverty. Income inequity remains the worst in the world. These realities threaten many of the achievements of which governments are so rightly proud.

At Miami, leaders of the hemisphere launched a major cooperative effort to address these problems. The results of this effort have been significant. In 1997, the region's economies achieved their best performance in the past 25 years; capital inflows continued to recover from the 1994 Mexico crisis; and inter-regional trade increased.

After falling throughout the 1970s, poverty increased dramatically in the 1980s. By the end of the decade, the population living in poverty had doubled, increasing from 70 million to 150 million. In the 1990s, the poverty rate has declined but only slightly.

Efforts to address poverty have focused on economic growth. The experience of the 1990s suggests that more rapid growth will be required to reduce poverty. At the same time, increased attention to income distribution and access to education as well as the distribution of assets will be necessary, as are efforts to redress gender, racial and ethnic discrimination.

Talking Points:

- Access by the poor to the assets necessary for increased productivity and income is a central theme of Santiago.
- The microenterprise initiative, which will expand the access of microentrepreneurs to financial services, has the potential for greatly benefiting the 50 million working poor of the hemisphere.
- The property registration initiative is a second important measure to increase the productive assets of the poor. With secure title to property, the poor will invest in productivity enhancing improvements to their land and use their titles to obtain loans for income-earning activities.
- The education initiative which focuses on improving the access of the poor to primary and secondary schools is critical to breaking the persistent cycle of poverty.

UNCLASSIFIED

DECL: N/A

MICRO-ENTERPRISE & SMALL BUSINESS DEVELOPMENT

Throughout our hemisphere, millions of working poor families derive an important share of their income from microenterprises: tiny, informally organized business activities. To a large extent, widespread microentrepreneurship is a reflection of a low level of employment opportunities in the formal economy. In the process of development, those most successful will grow and move into the formal economy as small businesses. Ensuring the inclusion of these many self-employed persons in the benefits of hemispheric economic integration is at the crux of this action item.

Income disparities in our hemisphere are among the highest in the world. The Summit Plan of Action calls for a significant number of the 50 million working poor, especially women and the youth, to have access to financial services by the year 2000. Non-governmental organizations and U.S. Private Volunteer Organizations are the principal providers of financial and non-financial services to the microentrepreneurs of our countries.

After the 1994 Miami Summit, USAID launched a microenterprise initiative designed to make microenterprise development a better-established part of the Agency's economic growth efforts. Under the program USAID has committed itself to four principles: (1) focus on women and the very poor; (2) reaching large numbers of people; (3) support of self-sustaining programs; and (4) improved partnerships with indigenous organizations. The target for microenterprise assistance in 1998 is \$40 million. The Agency as a whole has a target for an average growth of 15 percent per year in the number of clients served by USAID-supported microfinance programs worldwide. Both the Inter-American Bank and the World Bank have increased their financial support for this sector.

TALKING POINTS

- The development of micro and small businesses offer the best avenue for economic integration of the formal and informal economies of our region.
- Access to credit is a key link in this development chain. Creating opportunities for micro and small businesses to tap into the formal financial sector, especially in rural areas, will promote wider economic integration.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

EQUITABLE ACCESS TO BASIC HEALTH SERVICES

This action item proposes to increase the availability of four major technologies in health, and to shorten the interval between their development and application: 1) vaccine research, 2) rational use of essential drugs, 3) health information and surveillance networks, and 4) water, sanitation, and solid waste technologies.

It also affirms the countries' intentions to: 1) allocate resources to these activities, 2) seek bilateral and multilateral support of these programs, and 3) develop mechanisms for evaluating health technologies.

Vaccine research will focus on development, production, and utilization of vaccines not now available which are particularly needed in the hemisphere, such as those to prevent measles/mumps/rubella, typhoid, meningitis, and pneumonia.

Improving the availability and rational use of essential drugs will enable treatment of common ailments within the resources that countries can make available.

Improved availability and use of information for managing health programs will enable faster response to epidemics and better allocation of resources to serve the poorest populations.

Progress during the International Drinking Water Supply and Sanitation Decade in the region just kept pace with population growth and urbanization. Emphasizing low-cost technologies will extend their impact, especially to the 43 percent of the rural population without water services.

TALKING POINTS

- These technologies can reduce the threat of infectious diseases in the hemisphere, alleviating unnecessary human suffering. This will be accomplished by earlier and wider access to vaccines and essential drugs, by better resource allocation to appropriate health programs and geographic areas, and by reducing water and vector-borne diseases.
- Reducing infectious diseases will lead to better health, especially for the poor. This will improve productivity both of working adults and of school children, thereby contributing to the alleviation of poverty and the achievement of basic education goals in the hemisphere.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

STRENGTHENING THE ROLE OF WOMEN IN SOCIETY

Consolidation of democracy in the Americas provides an opportunity to examine the legal, political and closely linked economic barriers to women's participation in society. Action items in this initiative seek to institutionalize agreements made at the Miami Summit along with the Beijing Conference on Women (and other important Summits) and to advance the criminal, penal, civil, labor and family codes. The purpose of the review is to identify legal barriers to women and then establish programs to correct the problems. Women's health is also an important issue.

Seven field missions currently have programs to address to address women's legal rights issues, with more to follow. In addition, the Global Women's Legal Rights Initiative, announced at the Beijing conference, will broaden its activities in the Latin America region during the coming year.

We expect governments to agree to provide resources and administrative mechanisms to implement these initiatives. The support of the Inter-American Commission on Women, the Inter-American Development Bank, and other organizations will be essential to having an effective monitoring system.

TALKING POINTS

- Implementation of the Miami and related Beijing agendas is underway in most countries; yet governments must effectively respond by devoting resources and staff.
- Legal reform to set the foundation for equality is essential to strengthen women's economic and political position. USAID is currently in the process of increasing its emphasis on women's legal rights in the Americas.
- We need an effective monitoring component to strengthen implementation of the international commitments we have made to women's rights.

UNCLASSIFIED



9805498

United States Department of State

Washington, D.C. 20520

March 28, 1998

MEMORANDUM FOR GLYN T. DAVIES
EXECUTIVE SECRETARY
NATIONAL SECURITY COUNCIL

UNCLASSIFIED (with ~~CONFIDENTIAL~~ attachment)

SUBJECT: Issue Papers for the Summit of the Americas
POTUS Trip

The Department of State forwards the following official material to the National Security Council. A disk with the listed material is also attached.

Issue Papers as follows:

- Arms Transfers to Latin America Issues
- Ecuador-Peru Peace Process Issues
- Education for Democracy


Kristie A. Kenney
Executive Secretary *for*

Attachments:
As stated.

UNCLASSIFIED (with ~~CONFIDENTIAL~~ attachment)

MAR 30 2000

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9802184
RECEIVED: 25 MAR 98 08

TO: DAVIES

DECLASSIFIED E.O. 13526

White House Guidelines,

FROM: KENNEY, K

September 11, 2006

DOC DATE: 28 MAR 98
SOURCE RLF: 9805498

By KOE NARA, Date 05/14/14
2009-1155-F

KEYWORDS: SUMMIT OF AMERICAS
CHILE

PRESIDENTIAL TRAVEL

PERSONS:

SUBJECT: ISSUE PAPERS FOR SUMMIT OF AMER POTUS TRIP

ACTION: ADD-ON / APPROPRIATE ACTION

DUE DATE: 31 MAR 98 STATUS: S

STAFF OFFICER: PICCONE

LOGREF:

FILES: WH

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION

PICCONE

FOR CONCURRENCE

DELAURENTIS

DESOUZA

HOFMANN

FOR INFO

BLINKEN

BRAINARD, L

DOBBINS

ELKON

HILLIARD

LEE

SCHWARTZ

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTSM

CLOSED BY:

DOC 15 OF 15

~~CONFIDENTIAL~~



9805498
United States Department of State

Washington, D.C. 20520

March 28, 1998

MEMORANDUM FOR GLYN T. DAVIES
EXECUTIVE SECRETARY
NATIONAL SECURITY COUNCIL

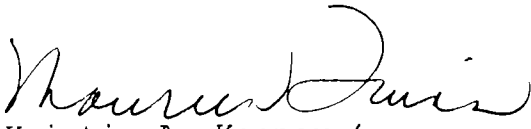
UNCLASSIFIED (with ~~CONFIDENTIAL~~ attachment)

SUBJECT: Issue Papers for the Summit of the Americas
POTUS Trip

The Department of State forwards the following official material to the National Security Council. A disk with the listed material is also attached.

Issue Papers as follows:

- Arms Transfers to Latin America Issues
- Ecuador-Peru Peace Process Issues
- Education for Democracy


Kristie A. Kenney
Executive Secretary

Attachments:
As stated.

UNCLASSIFIED (with ~~CONFIDENTIAL~~ attachment)

MAR 30 8:03

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
008. briefing paper	Arms Transfers to Latin America Issues (2 pages)	ca. 03/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs (Feinberg, Richard)
OA/Box Number: 1521

FOLDER TITLE:

SOA [Summit of the Americas] - 1998 (Papers Prepared by State): Issue Papers/Talking
Points

2009-1155-F
ke2477

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]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
009. briefing paper	Ecuador-Peru Peace Process Issues (2 pages)	ca. 03/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs (Feinberg, Richard)
OA/Box Number: 1521

FOLDER TITLE:

SOA [Summit of the Americas] - 1998 (Papers Prepared by State): Issue Papers/Talking
Points

2009-1155-F
ke2477

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]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

UNCLASSIFIED

DECL: N/A

EDUCATION FOR DEMOCRACY

Incorporating formal instruction on the rights and responsibilities of citizens in a democracy into education at the primary and secondary levels will be one of the most effective ways we have of developing citizens who will make freedom and opportunity come to life.

The initiative on education for democracy springs from the recognition that citizen participation in government is enhanced through close links between educational institutions, government, and the private sector, including non-governmental organizations.

Civitas, an international consortium dedicated to promoting democratic citizenship through education, has held a series of regional conferences since 1995 on civic education or education for democracy. The USG has co-sponsored these conferences, including Civitas Panamericano in Argentina in 1996. Civitas Panamericano sought to build regional and international networks of expertise and technology among government and non-government organizations in order to strengthen civic participation, democratic values, and free market economics throughout the Americas.

There are now Civitas projects, supported in part by the USG, proposed or underway in nearly every country in the region, and a growing network of NGOs associated with these projects. Major U.S. NGOs, including the American Federation of Teachers, are closely involved with many of these projects.

TALKING POINTS

- Sustaining a functioning democracy is hard work. We believe that one of the best ways to protect and nourish a democracy is through education.
- Through the efforts of our governments and our vibrant civil society, we can work together to educate our youth about the importance of their rights and responsibilities as citizens of the democracies of this hemisphere.

UNCLASSIFIED

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
010. briefing paper	[duplicate of 008] (2 pages)	ca. 03/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs (Feinberg, Richard)
OA/Box Number: 1521

FOLDER TITLE:

SOA [Summit of the Americas] - 1998 (Papers Prepared by State): Issue Papers/Talking
Points

2009-1155-F

ke2477

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]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
011. briefing paper	[duplicate of 009] (2 pages)	ca. 03/1998	P1/b(1)

COLLECTION:

Clinton Presidential Records
National Security Council
Inter-American Affairs (Feinberg, Richard)
OA/Box Number: 1521

FOLDER TITLE:

SOA [Summit of the Americas] - 1998 (Papers Prepared by State): Issue Papers/Talking
Points

2009-1155-F
ke2477

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]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

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)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

EDUCATION FOR DEMOCRACY

Incorporating formal instruction on the rights and responsibilities of citizens in a democracy into education at the primary and secondary levels will be one of the most effective ways we have of developing citizens who will make freedom and opportunity come to life.

The initiative on education for democracy springs from the recognition that citizen participation in government is enhanced through close links between educational institutions, government, and the private sector, including non-governmental organizations.

Civitas, an international consortium dedicated to promoting democratic citizenship through education, has held a series of regional conferences since 1995 on civic education or education for democracy. The USG has co-sponsored these conferences, including Civitas Panamericano in Argentina in 1996. Civitas Panamericano sought to build regional and international networks of expertise and technology among government and non-government organizations in order to strengthen civic participation, democratic values, and free market economics throughout the Americas.

There are now Civitas projects, supported in part by the USG, proposed or underway in nearly every country in the region, and a growing network of NGOs associated with these projects. Major U.S. NGOs, including the American Federation of Teachers, are closely involved with many of these projects.

TALKING POINTS

- Sustaining a functioning democracy is hard work. We believe that one of the best ways to protect and nourish a democracy is through education.
- Through the efforts of our governments and our vibrant civil society, we can work together to educate our youth about the importance of their rights and responsibilities as citizens of the democracies of this hemisphere.

~~CONFIDENTIAL~~
NSC/RMO PROFILE

RECORD ID: 9802184
RECEIVED: 25 MAR 98 08

TO: DAVIES

DECLASSIFIED E.O. 13526
White House Guidelines,
September 11, 2006

FROM: KENNEY, K

DOC DATE: 27 MAR 98
SOURCE REF: 9805422

By KDE NARA, Date 05/19/14
2009-1155-F

KEYWORDS: SUMMIT OF AMERICAS
CHILE

PRESIDENTIAL TRAVEL

PERSONS:

SUBJECT: ISSUE PAPERS FOR PRES TRIP TO CHILE -- US DRUG CERTIFICATION / RULE
OF LAW / ROLE OF MULTILATERAL INSTITUTIONS & 94 SUMMIT

ACTION: ADD-ON / APPROPRIATE ACTION

DUE DATE: 31 MAR 98 STATUS: S

STAFF OFFICER: PICCONE

LOGREF:

FILES: WH

NSCP:

CODES:

D O C U M E N T D I S T R I B U T I O N

FOR ACTION
HOFMANN

FOR CONCURRENCE
DELAURENTIS
DESOUZA
PICCONE

FOR INFO
BLINKEN
BRAINARD, L
BUSBY
DOBBINS
ELKON
HILLIARD
LEE
SCHWARTZ

COMMENTS: _____

DISPATCHED BY _____ DATE _____ BY HAND W/ATTCH

OPENED BY: NSTSM

CLOSED BY:

DOC 17 OF 17

CONFIDENTIAL



United States Department of State

Washington, D.C. 20520

UNCLASSIFIED

March 27, 1998

MEMORANDUM FOR GLYN T. DAVIES
Executive Secretary
National Security Council

SUBJECT: Issue Papers for the President's Trip
to Santiago, Chile

Please find attached a diskette and copies of materials for
The President's trip to Santiago, Chile.

Kristie A. Kenney
Kristie A. Kenney
Executive Secretary

Attachments:

U.S. Drug Certification
Rule of Law
Role of Multilateral Institutions
Implementation of 1994 Summit
Strengthening Judicial Systems
Poverty and Discrimination Overview
Micro-Enterprise & Small Business Development
Equitable Access to Basic Health Services
Strengthening the Role of Women in Society

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

U.S. DRUG CERTIFICATION

Every year the President must certify that the governments of the major drug producing and transit countries have cooperated with the US -- or taken adequate steps on their own -- in meeting the goals and objectives of an international standard that most countries have signed onto, the 1998 UN Drug Convention. If the President fails to certify a government, it is ineligible for most forms of US assistance, with the exception of humanitarian and most antidrug aid. The US is also obliged to vote "no" to any assistance loans for decertified countries in the multilateral development banks.

The certification law was passed by Congress in 1986. The Congress in effect has asked the Executive Branch to answer a simple question: Since the drug problem so directly affects the US and its citizens, are economic and other assistance funds that we provide to source and transit countries appropriate and cost effective when weighed against those countries counternarcotics cooperation?

As a public diplomacy instrument, the drug certification process represents an important departure from traditional bilateral diplomacy. Where traditional diplomacy relies principally on confidentiality and private communication, certification, particularly the announcement of the President's decisions, is a very public matter, stressing openness and transparency. The certification process thus represents the USG's objective assessment of the international drug situation.

The very public nature of the certification decisions, however, has led to resentment in foreign capitols and rumblings on Capitol Hill. Congressional critics have argued that certain decisions are not based on counternarcotics performance and have been particularly critical of the decision to certify Mexico the last two years.

Certification remains an extremely contentious issue in Latin America and parts of Asia. Many countries take exception to the idea of external assessments as well as the individual certification decisions. They often feel that the process erodes a country's sovereignty and efforts to strengthen regional integration. Many Latin American leaders also have concluded that the certification decisions are politically motivated. State has taken steps to make the process more transparent and give the cooperating countries a greater sense of ownership for the certification objectives.

This year the President certified the full cooperation of

UNCLASSIFIED

UNCLASSIFIED

-2-

22 countries: Aruba, The Bahamas, Belize, Bolivia, Brazil, China, Dominican Republic, Ecuador, Guatemala, Haiti, Hong Kong, India, Jamaica, Laos, Malaysia, Mexico, Panama, Peru, Taiwan, Thailand, Venezuela, Vietnam. Four countries -- Cambodia, Colombia, Pakistan and Paraguay -- were not certified for cooperating, but were granted a national interests certification. Afghanistan, Burma, Iran and Nigeria were decertified.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

RULE OF LAW

The lack of effective justice systems throughout Latin America and the Caribbean threatens to undermine the democratic progress of the last decade. Governments are being openly challenged by the electorate to end corruption, protect them from rising domestic and international crime and provide a secure legal environment for trade and investment.

In most countries, crime generally goes unpunished, and only a small percentage of criminal cases are ever resolved on the merits. The courts do no better in the civil area, with the result that those who can (generally international investors) insist on other forms of dispute resolution in all important contracts. While judges are often blamed for the poor results, they too are caught in the web of systemic failure.

Governments throughout the region are responding to the challenge of building a true rule of law with promises of fundamental reform. Judicial councils and other changes in the structure of judiciaries are being made to improve management and the quality of appointments. New criminal procedure codes are being adopted throughout the region, replacing the traditional investigative judge with an adversarial, prosecutorial system. Non-governmental organizations are developing to fill areas not being covered by the government and to maintain pressure for reform.

Over the last ten years, the USG has provided over \$300 million in foreign assistance to encourage what was recognized as a long-term process of strengthening justice systems in the region. Other international donors, such as the World Bank and Inter-American Development Bank, are now offering far greater resources than the USG ever could to continue this work. It is important that the USG remain engaged in the area of justice reform. Success will necessarily be gradual, but it is essential to our goals of supporting democracy, combating crime and developing stronger economic ties in the region.

TALKING POINTS

- We are following with great interest the justice reforms being implemented throughout the region and will continue to support them in any way that we can.
- We are working with other donors in this area to coordinate assistance being offered and ensure a lack of duplication. We are also striving to ensure that our technical approaches are complementary.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

ROLE OF MULTILATERAL INSTITUTIONS

The 1967 hemispheric summit was held as an outgrowth of the Alliance for Progress; the meeting's action plan was, therefore, predicated on a large U.S. development assistance package. By the time of the Miami Summit, the political and economic landscape of the hemisphere had changed vastly. Governments agreed in the Miami Summit negotiations that programs should be carried out with existing resources and the same holds true for Santiago.

This criteria for Summit initiatives of no additional bilateral resources means that governments and donors have to prioritize their domestic and international agendas to focus on Summit mandates. In addition, Summit governments now place greater emphasis on the role of hemispheric institutions and multilateral development banks to carry out programs, while recognizing the resource constraints under which these organizations operate. Actions within multilateral institutions are often the most high-profile examples of Summit implementation.

Throughout the Santiago Plan of Action, multilateral institutions are called upon to undertake specific tasks in implementation. In the working text used at the time of this writing, there are 33 specific mandates or references to the OAS or its programs; IDB, 16; the World Bank, 6; and PAHO, 3. In the case of multilateral development banks, most references are to requests for technical assistance from the staff or grants rather than transfer of funds through loans to avoid burdening countries with indebtedness which they may be unable to afford.

Generally, the multilateral institutions mentioned above have been responsive to the Miami and Santiago Summits as appropriate to their respective missions. Between the IDB and World Bank, the former has played a greater role in Summit preparation due to its unique mandate to support both the individual and collective development of its borrowing member countries. Since most of the Summit action plan is related to long-term development, the IMF has not been active in Summits of the Americas.

TALKING POINTS

- Our governments recognize the unique technical skills and knowledge that hemispheric organizations and multilateral development banks can bring to the Summit process.
- We must work within these institutions to see that appropriate actions are taken in support of the Summit.

UNCLASSIFIED

UNCLASSIFIED

IMPLEMENTATION OF 1994 SUMMIT

Leaders at the Miami Summit in December 1994 enunciated a common vision for a hemispheric community of 34 nations. Taking advantage of the historic transformation of the region to democratic rule and open markets, the leaders issued a 23-point action plan based on four themes - democracy and human rights, economic integration and free trade, poverty and discrimination, and sustainable development.

In Miami, you noted that the true test of the Summit would be if, working together, we could turn *dichos* to *hechos* - words to deeds. Progress has been substantial and noteworthy, such as:

FTAA: Efforts are well underway to create a Free Trade Area of the Americas (FTAA) by 2005, as agreed by the leaders at the Miami Summit of the Americas.

Drugs: Hemispheric cooperation on counternarcotics has reached unprecedented levels since Miami. In December 1996, Summit governments signed a new Anti-Drug Strategy in the Hemisphere. Countries have agreed to take tough new measures in several areas related to drugs - money laundering, illegal firearms, and control of precursor chemicals.

Corruption: The hemisphere led the world in being the first region to negotiate a convention to fight corrupt government and business practices. The OAS Corruption Convention, signed in May 1996, has been signed by 23 countries and ratified by eight.

Microenterprise: The Miami Action Plan sought to make new opportunities available for the microentrepreneur and small businessman. The Inter-American Development Bank has developed a 5-year, \$500 million program to promote micro-loans and AID will spend up to \$120 million in the next three years for this same purpose.

Cleaner Environment: Joined in a region-wide effort to reduce air and water pollution, especially by phasing out lead from gasoline.

As host of the Miami Summit, you will issue a comprehensive report detailing follow-up activities on all 23 Miami Summit action items.

TALKING POINT

- As the host of the Miami Summit, my government compiled a comprehensive progress report on the Miami Summit, which each of you has received. This report, to which many of your governments contributed, is a testament to the commitment of the hemisphere to turning words into deeds.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

STRENGTHENING JUDICIAL SYSTEMS

The presence of a whole section on justice systems in this Action Plan demonstrates the heightened visibility that the issue has acquired since the summit in Miami, when the need to strengthen justice systems was mentioned only as part of the Action Plan for Combating Corruption. Governments throughout the region can no longer ignore the public clamor to clean up and fundamentally reform justice systems. While corruption may be what people complain about first, building new systems that work and are substantially free of corruption requires a concerted effort between governments and civil society over a long period of time and utilizing a wide variety of technical skills.

The action items on justice proposed for adoption at Santiago address a number of critical issues -- access to justice, reform of criminal justice and juvenile justice systems, and the need for better legal instruments and international cooperation to combat organized crime. There are three separate action items on child and family issues because, while for the USG these are matters of state law, other governments felt the Action Plan was unbalanced without spelling out these areas in some detail. The action items are drafted to allow the USG to continue to defer to the states on all such issues.

There is one new international initiative in the justice section -- establishment of a justice studies center to facilitate training of personnel, exchange of information and other forms of technical cooperation. The initiative combines proposals by Argentina, Canada and the USG and has received strong endorsement from most other governments. Only Mexico has attempted to water down the commitment to establish the center. The IDB is expected to be the principal source of funds, but we are ready to provide start-up costs if necessary. Attorney General Reno will discuss the center in more detail with her counterparts in Santiago.

TALKING POINTS

- We strongly support establishment of a justice studies center. The hemisphere needs to organize its information about justice systems and reform processes better, so that governments and private individuals can have ready access to relevant information when developing new programs.
- We believe that this approach will be particularly important in the training area and are prepared to participate fully in all justice center programs.

UNCLASSIFIED

POVERTY AND DISCRIMINATION OVERVIEW

Despite the hemisphere's impressive performance over the past five years, free markets have not yet overcome decades of limited economic growth due to statist economics generated the results they promised. Forty percent of the population lives in poverty. Income inequity remains the worst in the world. These realities threaten many of the achievements of which governments are so rightly proud.

At Miami, leaders of the hemisphere launched a major cooperative effort to address these problems. The results of this effort have been significant. In 1997, the region's economies achieved their best performance in the past 25 years; capital inflows continued to recover from the 1994 Mexico crisis; and inter-regional trade increased.

After falling throughout the 1970s, poverty increased dramatically in the 1980s. By the end of the decade, the population living in poverty had doubled, increasing from 70 million to 150 million. In the 1990s, the poverty rate has declined but only slightly.

Efforts to address poverty have focused on economic growth. The experience of the 1990s suggests that more rapid growth will be required to reduce poverty. At the same time, increased attention to income distribution and access to education as well as the distribution of assets will be necessary, as are efforts to redress gender, racial and ethnic discrimination.

Talking Points:

- Access by the poor to the assets necessary for increased productivity and income is a central theme of Santiago.
- The microenterprise initiative, which will expand the access of microentrepreneurs to financial services, has the potential for greatly benefiting the 50 million working poor of the hemisphere.
- The property registration initiative is a second important measure to increase the productive assets of the poor. With secure title to property, the poor will invest in productivity enhancing improvements to their land and use their titles to obtain loans for income-earning activities.
- The education initiative which focuses on improving the access of the poor to primary and secondary schools is critical to breaking the persistent cycle of poverty.

UNCLASSIFIED

DECL: N/A

MICRO-ENTERPRISE & SMALL BUSINESS DEVELOPMENT

Throughout our hemisphere, millions of working poor families derive an important share of their income from microenterprises: tiny, informally organized business activities. To a large extent, widespread microentrepreneurship is a reflection of a low level of employment opportunities in the formal economy. In the process of development, those most successful will grow and move into the formal economy as small businesses. Ensuring the inclusion of these many self-employed persons in the benefits of hemispheric economic integration is at the crux of this action item.

Income disparities in our hemisphere are among the highest in the world. The Summit Plan of Action calls for a significant number of the 50 million working poor, especially women and the youth, to have access to financial services by the year 2000. Non-governmental organizations and U.S. Private Volunteer Organizations are the principal providers of financial and non-financial services to the microentrepreneurs of our countries.

After the 1994 Miami Summit, USAID launched a microenterprise initiative designed to make microenterprise development a better-established part of the Agency's economic growth efforts. Under the program USAID has committed itself to four principles: (1) focus on women and the very poor; (2) reaching large numbers of people; (3) support of self-sustaining programs; and (4) improved partnerships with indigenous organizations. The target for microenterprise assistance in 1998 is \$40 million. The Agency as a whole has a target for an average growth of 15 percent per year in the number of clients served by USAID-supported microfinance programs worldwide. Both the Inter-American Bank and the World Bank have increased their financial support for this sector.

TALKING POINTS

- The development of micro and small businesses offer the best avenue for economic integration of the formal and informal economies of our region.
- Access to credit is a key link in this development chain. Creating opportunities for micro and small businesses to tap into the formal financial sector, especially in rural areas, will promote wider economic integration.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

EQUITABLE ACCESS TO BASIC HEALTH SERVICES

This action item proposes to increase the availability of four major technologies in health, and to shorten the interval between their development and application: 1) vaccine research, 2) rational use of essential drugs, 3) health information and surveillance networks, and 4) water, sanitation, and solid waste technologies.

It also affirms the countries' intentions to: 1) allocate resources to these activities, 2) seek bilateral and multilateral support of these programs, and 3) develop mechanisms for evaluating health technologies.

Vaccine research will focus on development, production, and utilization of vaccines not now available which are particularly needed in the hemisphere, such as those to prevent measles/mumps/rubella, typhoid, meningitis, and pneumonia.

Improving the availability and rational use of essential drugs will enable treatment of common ailments within the resources that countries can make available.

Improved availability and use of information for managing health programs will enable faster response to epidemics and better allocation of resources to serve the poorest populations.

Progress during the International Drinking Water Supply and Sanitation Decade in the region just kept pace with population growth and urbanization. Emphasizing low-cost technologies will extend their impact, especially to the 43 percent of the rural population without water services.

TALKING POINTS

- These technologies can reduce the threat of infectious diseases in the hemisphere, alleviating unnecessary human suffering. This will be accomplished by earlier and wider access to vaccines and essential drugs, by better resource allocation to appropriate health programs and geographic areas, and by reducing water and vector-borne diseases.
- Reducing infectious diseases will lead to better health, especially for the poor. This will improve productivity both of working adults and of school children, thereby contributing to the alleviation of poverty and the achievement of basic education goals in the hemisphere.

UNCLASSIFIED

UNCLASSIFIED

DECL: N/A

STRENGTHENING THE ROLE OF WOMEN IN SOCIETY

Consolidation of democracy in the Americas provides an opportunity to examine the legal, political and closely linked economic barriers to women's participation in society. Action items in this initiative seek to institutionalize agreements made at the Miami Summit along with the Beijing Conference on Women (and other important Summits) and to advance the criminal, penal, civil, labor and family codes. The purpose of the review is to identify legal barriers to women and then establish programs to correct the problems. Women's health is also an important issue.

Seven field missions currently have programs to address to address women's legal rights issues, with more to follow. In addition, the Global Women's Legal Rights Initiative, announced at the Beijing conference, will broaden its activities in the Latin America region during the coming year.

We expect governments to agree to provide resources and administrative mechanisms to implement these initiatives. The support of the Inter-American Commission on Women, the Inter-American Development Bank, and other organizations will be essential to having an effective monitoring system.

TALKING POINTS

- Implementation of the Miami and related Beijing agendas is underway in most countries; yet governments must effectively respond by devoting resources and staff.
- Legal reform to set the foundation for equality is essential to strengthen women's economic and political position. USAID is currently in the process of increasing its emphasis on women's legal rights in the Americas.
- We need an effective monitoring component to strengthen implementation of the international commitments we have made to women's rights.

UNCLASSIFIED