

# 9. Environmental Foundation for Sustainable Development

## → MANDATE

With increased consciousness emerging from the Earth Summit (1992) and the 1996 Santa Cruz de la Sierra Declaration and Plan of Action, leaders at the Third Summit of the Americas expressed strong support for environmental protection and sustainable development. A renewed call was made to implement the provisions of the United Nations Framework Convention on Climate Change with the adoption and application of national policies that direct high levels of environmental protection. Leaders supported finding ways to reinvigorate the global commitment to sustainable development through the 2002 World Summit on Sustainable Development. The Quebec Summit document reiterated the importance of integrated water resources management and renewable energy and called on the multilateral organizations for assistance. Attention was drawn to the link between human health and environmental quality. The Heads of State and Government recognized the importance of energy as one of the fundamental bases for economic development, the region's prosperity, and improved quality of life. They committed to pursue renewable energy initiatives, promote energy integration, and enhance regulatory frameworks.

## PROGRESS SINCE APRIL 2001

Since the Quebec City Summit, progress has been made achieving environmental protection and sustainable development. In the area of Multilateral Environmental Agreements, the governments of the Americas agreed in December 2002 to adopt a \$573 million funding package in order to cut by half the consumption and production of Chlorofluorocarbons (CFCs)—the leading cause of ozone layer depletion—in developing countries by the year 2005. In mid-2003, the Cartagena Protocol on biosafety, under the UN Convention on Biological Diversity, entered into force. In November 2002, members to the Convention on Inter-

national Trade in Endangered Species of Wild Flora and Fauna (CITES) tightened provisions covering trade in listed species, while agreeing to widen the scope of trade regulation in Latin American mahogany.

In the area of environmental law regulations and policy, cooperative partnerships have been developed at a hemispheric and regional level to strengthen economic, social, and environmental regimes to assure that they are mutually supportive and contribute to Sustainable Development. Special attention has been given to environmental sustainability of trade liberalization, economic instruments, cleaner production and energy efficiency.



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In March 2003, the Third World Water Forum in Kyoto, Japan, examined how to translate the commitments made at the World Summit for Sustainable Development and the Millennium Development Goals into tangible action. Governments reiterated the importance of integrating water issues into national development and planning activities. During the Day of the Americas—and in the framework of the Third World Water Forum—the countries of the Hemisphere reaffirmed the need to implement nationwide integrated water resources management schemes, integrated with sustainable environment management practices.

Ministers of Health and Environment met in 2002 in Ottawa—within the framework of the Summit of the Americas—and an important outcome was the establishment of a Task Force. The Task Force defined priorities to be approved by the Ministers and to provide inputs for the Fourth Summit of the Americas, to be held in Argentina in 2005.

Responding to mandates from both the Summit of the Americas on Sustainable Development in Santa Cruz, Bolivia, 1996 and the Quebec City Summit, the Inter-American Biodiversity Information Net-

work (IABIN) was established as an internet-based forum for technical and scientific cooperation. In each of the 34 countries in the Summit process, IABIN Focal Points promote coordination in the collection, sharing, and use of biodiversity information. They are contributing to the steady progress made by the Hemisphere in increasing the extent of protected areas from less than 200 million hectares in 1975 to over 400 million hectares today.

Biological corridors are the strategic backbone of biodiversity conservation, as exemplified by the Meso American Biological Corridor, which extends from southern Mexico through Guatemala, Belize, El Salvador, Honduras, Nicaragua, Costa Rica, and Panama. It is considered a “bridge of life” that allows species from the north and south to migrate and reproduce in extensive areas of the region. The Meso American Biological Corridor Project (MBCP) links natural ecosystems, indigenous communities, population groups, and cultivated land across these eight countries, integrating environmental and economic objectives for the benefit of the whole population. The Project is currently being carried out through series of national Global Environment Facility (GEF)

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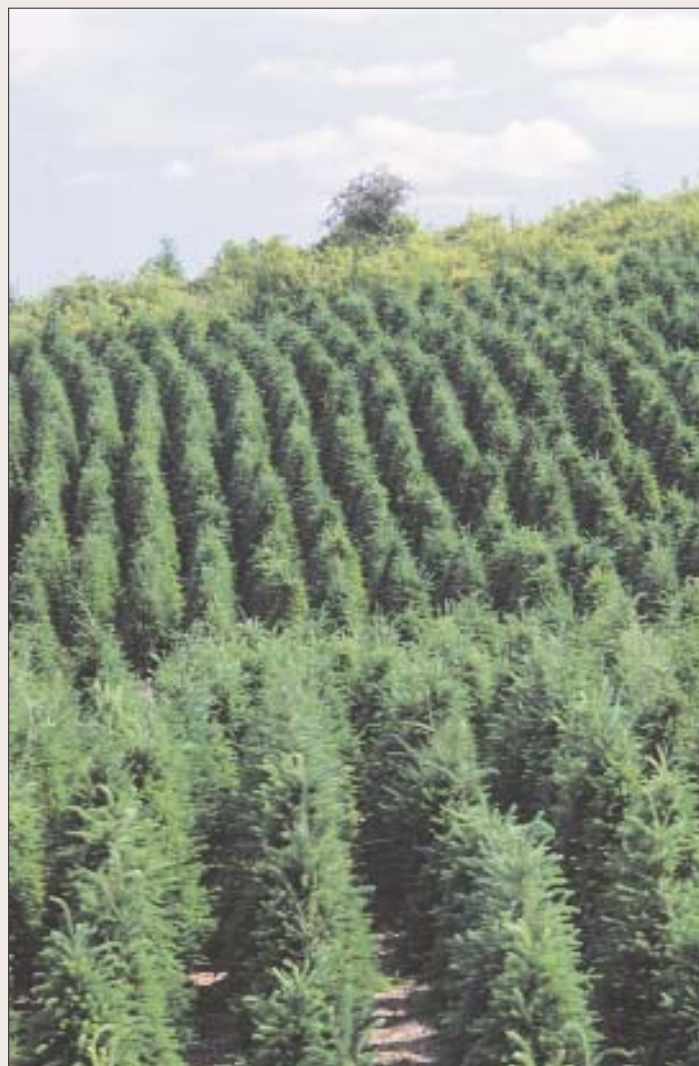
projects funded by the World Bank. There are also regional coordination initiatives through a GEF project executed by the United Nations Development Program (UNDP) and the United Nations Environment Program (UNEP).

In the area of energy, countries have made progress toward increased energy integration and greater reliance on renewable energy technologies. Innovative wind energy projects have been developed in many countries, including Brazil, Jamaica, Mexico, Costa Rica, and the United States. Likewise, expanded use of geothermal energy, biomass power, solar energy, and hydropower is evident throughout the region. Natural gas market linkages—including the countries of Bolivia, Brazil, Chile, and Argentina—are examples of the growing intra-regional dependence for fuels. In the area of electrical integration, great progress has been made in pursuit of the Central American interconnection (SIEPAC).

With support from the Global Environment Facility (GEF) and the UNDP, all countries in the Hemisphere have completed their First National Communications as required under the Convention on Climate Change. Twelve CARICOM countries completed the Caribbean Planning for Adaptation to Global Climate Change project with GEF funding and technical support from the World Bank and the OAS, and the Canadian International Development Agency building institutional and human resource capacity to assess the impact of climate change, and identify effective adaptation options.

#### SUCCESS STORIES

Market-driven conservation is beginning to have a positive impact on promoting sustainable forest management. Although in its infancy, forest certification is on the rise, and the demand is coming from the consumers. Eighty-four percent of US consumers have a better image of companies that support social and environmental causes, and 66% would switch products to favor corporations demonstrating environmental



responsibility. Several countries participate in certified sustainable forestry, most notably, Brazil, Colombia, Nicaragua, Chile, Ecuador, Guatemala and Honduras.

In Renewable Energy, Latin American and Caribbean countries have made significant commitments to increase the share of renewable sources for their energy requirements. This includes a joint regional commitment presented at the 2002 World Summit for Sustainable Development (WSSD), aiming for 10% of total energy supply by 2010. Several critical policy reforms have recently occurred that will advance the use of renewable sources of energy, including programs in Brazil that will lead to the development of 3.3 gigawatts of renewables by 2006. The Renewable Energy in the Americas Initiative



(REIA) of the OAS has led promotion of sustainable energy alternatives throughout the region, and has helped catalyze the adoption of the Renewable Energy Incentives Law in Guatemala and the preparation of Sustainable Energy Plans in Saint Lucia, Dominica and Grenada. The Hemisphere has made significant progress toward reducing the number of un-electrified communities, and recently participated in the OAS-coordinated hemispheric conference of the WSSD Global Village Energy Partnership.

In the area of Integrated Water Resources Management, all countries in the Americas are presently updating, reviewing or establishing water laws and institutional frameworks in order to implement integrated water resources management systems. Projects supported by GEF, World Bank, and the UN, and have contributed significantly to this achievement.

In Brazil, more than 40 river basin organizations at the national or provincial levels have been constituted. Presently all Brazilian states have a water law and a water charges system, and have implemented a program to charge for the use of bulk water. In Central America, the GEF funded San Juan River Basin project has enabled Costa Rica and Nicaragua to significantly strengthen their institutional framework and legislative instruments for integrated water resources management.

Likewise, the countries of the Plata Basin Treaty and the countries of the Amazon Treaty for Amazonian Cooperation are embarking on transboundary water projects focusing on integrated water resources management to achieve sustainable development.

Adaptation to Climate Change is being mainstreamed in development planning in

the Caribbean through an initiative taken by the Caribbean Development Bank (CDB), jointly with the OAS and the Canadian International Development Agency. The initiative aims to integrate natural hazard and climate change impact assessment in the project preparation and appraisal process of the Bank and participating countries.

## CHALLENGES

### ➤ **Integrated Water**

#### **Resources Management**

The establishment of water resources management mechanisms that are participatory and inclusive is critical. Local governments and water users and stakeholders need to be more involved in the decision making process. Mechanisms for sustainable financing of such management systems need to be developed. The results of the many donor-financed projects could be, for example, institutionalized more effectively through existing mechanisms such as the Inter-American Water Resources Network.

### ➤ **Sustainable Cities**

With approximately 80 percent of its population residing in urban areas and more than 55 metropolitan areas of 1 million inhabitants or more, PAHO shows that more than 100 million people in the Hemisphere are exposed to levels of urban air pollutants that exceed the World Health Organization's recommended ambient air quality standards. The magnitude of air pollution can discourage economic investments in highly polluted cities, causing additional and long-term economic damage to society as a whole. Political commitments by municipal governments are needed to reduce barriers to sustainable development, eliminating subsidies that encourage wasteful practices, and integrating abatement strategies with their solutions to serious urban problems such as waste, sanitation, and air pollution. Pollution has crippling economic costs. The Health and Environment linkage requires integration of water policies in national planning and identifying potential risks to human health and particularly children

from contaminated drinking water and inadequate sanitation systems.

### ➤ **Biodiversity Conservation**

The Americas are host to 8 of the world's 25 most diverse and critically important ecosystems. Recent data from the World Conservation Union (IUCN, Switzerland) in the 2003 Red List of Endangered Species many additional plant species are now classified as being under threat – new additions to the list include 1,164 Ecuadorian plants and 125 Hawaiian plants. In the Americas, plants are believed to be declining most rapidly in Brazil and Ecuador. One in every four mammals and one in every eight birds are facing a high risk of extinction in the near future, with Brazil and Peru among the countries with the highest number of known threatened birds and mammals. The economic and ecological effects of alien invasive species is understood to be staggering: estimates suggest that a full one-quarter of total agricultural productivity in some countries in the region may be lost because of alien invasive species, while the effects in water climates and sensitive ecosystems is likely to be much greater than in northern or temperate climates.

### ➤ **Climate Risk**

The region needs to improve its predictive capacity to forecast, anticipate, and respond to climate-related hazards and the impact of climate change. Additionally, further efforts are required to fully integrate climate risk management into national planning mechanisms, particularly in decision-making in key socio-economic sectors.

### ➤ **Improved data for decision-making**

Among the key challenges facing the Hemisphere is the need to increase statistical information and analysis on environmental conditions and sustainability indicators at the country-specific and regional levels. In the area of trade and integration, countries are seeking ways to ensure that the hemispheric trade agenda provides an opportunity to advance environmental

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standards, institutions, civil society networks and the private sector in assessing the social and environmental impacts of economic liberalization.

### ➤ **Renewable Energy**

The introduction of clean renewable energy technologies continues to face significant barriers throughout the region. Existing infrastructure is predominantly geared to the use of conventional fossil fuel technologies or is based on large hydropower facilities. Renewable energy systems require large initial investments as they are capital intensive, but have very low operating costs. The use of targeted incentives and mandates can overcome these challenges, but on-going fiscal budgets and energy sector transitions have limited the adoption of such measures.

Since the concept of sustainable development was formally launched in the 1987 report *Our Common Future* (of the Brundtland Commission), and formally endorsed by Heads of State and Government in 1992 at the Earth Summit in Rio, the world community continues its struggle with defining and implementing the goals of sustainable development. The record shows that progress remains difficult, especially during periods of economic uncertainty and transition. In poorer economies, substantial international resources have been used to underwrite the achievement of the goals, although projects large and small have demonstrated the critical involvement and capacity of local communities to better decide and manage their natural resources.

# 10. Agriculture Management and Rural Development

## ➤ MANDATE

The Heads of State and Government recognized the strategic importance of agriculture in promoting the integrated development of countries, and in providing a living for millions of rural families. Accordingly, they decided to play a pro-active role in improving agriculture as a way to achieve prosperity, increase economic opportunities, promote social justice and develop human potential.

Accordingly, the leaders at the Quebec City Summit of the Americas adopted two over-arching mandates. The first mandate had the objective of promoting medium and long-term national strategies toward sustainable improvement in agriculture and rural life. This would be accomplished by encouraging dialogue among government ministers, parliamentarians and civil society, particularly organizations linked to rural areas, as well as members of the scientific and academic communities. The second mandate, whose scope covers the entire Hemisphere, instructed the Ministers of Agriculture—in cooperation with the Inter-American Institute for Cooperation on Agriculture (IICA)—to promote joint action by all stakeholders in the agricultural sector to improve agriculture and rural life, and to facilitate the implementation of the Plans of Action of the Summits of the Americas.

In this way, leaders stressed the importance of promoting dialogue and joint action among members of the agriculture and rural life community, at both the national and hemispheric levels. In addition, they highlighted the role of Ministers of Agriculture

and of ministerial meetings on agriculture and rural life as promoters and protagonists of this dialogue and joint action, in a spirit of broad participation by all sectors involved.

## PROGRESS ACHIEVED

*The status of agriculture and rural life.* An overview of the current status of agriculture and rural life reveals noteworthy successes, but the pace and scope of progress are inadequate in relation to the long-term proposals made by the Heads of State and Government. Several pertinent aspects of the situation are detailed below.

Total agricultural production in the Latin America and Caribbean (LAC) region grew in a sustained fashion between 1993 and 2001, in step with growth in the GDP, although at lower rates. In the 2000-2001 period, average growth was 2.6%, with significant differences among countries: in 18 countries, growth stalled or declined, with growth rates under 2%, while only 13 countries recorded growth rates in excess of 2%. Although production in the northern sub-region grew at rates similar to the average for Latin America and the

The increasing deterioration of the natural resource base represents a serious threat to current and future agricultural production. It is undermining the productive potential of rural areas—particularly the poorest regions—and endangering the food security of rural inhabitants.



Rural areas have twice as many poor people as urban areas, and extreme poverty is three times as high.

Caribbean as a whole, it declined slightly in comparison to the previous decade. Regarding international trade, although the volume of agricultural trade in the LAC region has increased since the middle of the 1980s, the rate of growth has been lower than that achieved by other sectors. It should be pointed out that the ratio of exports of processed products compared to raw materials or commodities has not changed markedly. In contrast, the export of processed products has been gaining ground in world markets. This has significant implications for the future of LAC exports, which continue to depend mainly on commodities, while trends in the world market are heading in the opposite direction.

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In addition, the availability and quality of agricultural trade services—in areas such as technology, information and communications, financing and agricultural sanitation, among others—are seriously deficient in the LAC region when compared to the more developed countries in North America.

***Implementation and follow-up of mandates: efforts made by countries.*** Countries are taking action, and achieving progress, in improving agriculture and rural life. Agricultural and rural development issues are playing a more central role in national development plans, and States are beginning to develop policies to improve agriculture and encourage rural development. As countries pay increasing attention to these issues, they are adopting measures designed to take into account the economic, social and environmental dimensions of decisions related to agriculture and rural development.

***Ministers of Agriculture to lead hemispheric process between now and 2015.*** As a follow-up

to the mandates adopted at the Third Summit, Ministers of Agriculture conducted dialogue and consultations during 2001 at the national, regional and hemispheric levels. This culminated in the First Ministerial Meeting on Agriculture and Rural Life in the Summit of the Americas process. At the meeting, which was held in the Dominican Republic in November 2001, the Ministers of Agriculture adopted the “Declaration of Bávaro for the Improvement of Agriculture and Rural Life in the Americas.” In the declaration, ministers noted the critical issues that need to be addressed urgently in order to improve agriculture and rural life, and expressed their conviction and desire to promote a shared agenda with countries in this regard.

Continuing the dialogue initiated in 2001, the Ministers of Agriculture and their ministerial staffs, with the support of IICA, moved the process forward at the Second Ministerial Meeting on Agriculture and Rural Life, held in the Republic of Panama on November 11 and 12, 2003. The outcomes of the Second Meeting that help consolidate the ministerial meetings and the Summits of the Americas process include: the adoption of the “AGRO 2003-2015” Plan of Action for the implementation of presidential mandates and the agreements contained in the Declaration of Bávaro, the sharing of national and regional experiences concerning implementation and follow-up, ministerial dialogue on the strategic issues contained in the Plan of Action, and the drafting of a ministerial proposal on agriculture and rural life for the next Extraordinary Session of the Summit of the Americas.

#### SUCCESS STORIES

***The adoption of state policies and the establishment of national follow-up mechanisms.*** Given their relevance to the promotion of national dialogue designed to implement long-term strategies, it is important to mention the efforts made by Honduras, Chile, Canada, Peru and Mexico to coordinate State policies for the sustainable



improvement of agriculture and rural life. These policies are designed to: cover a broad time frame, promote dialogue among various state agencies and civil society organizations, and establish follow-up mechanisms such as Agricultural Round Tables.

In Honduras, President Ricardo Maduro said: "Let us develop a long-term national strategic plan, validated by civil society, for the transformation of agriculture, the environment, protected areas and land-use planning." With this in mind, in October 2002 President Maduro initiated a process of dialogue that led to an Agricultural Round Table. After an extensive consultation process, the Round Table performed valuable work in reviewing and defining the short, medium, and long term policies required in the agricultural sector. A document entitled "Draft State Policy for Agriculture in Honduras – 2003-2015"—prepared by the Technical Secretariat of the Honduran Agricultural Round Table at the request of the Secretariat of Agriculture and Cattle Raising—is aimed at providing a comprehensive response to issues raised by each of the stakeholders who participated in the dialogue process.

In Chile, President Ricardo Lagos convened an Agricultural Round Table composed of Ministers from various government departments, representatives of the Legislative Branch, agri-business and agriculture-related professional associations, farm worker organizations and agronomy faculties. The result was an agreement on the basic framework for sectoral policies, as contained in the document entitled "State Policy for Chilean Agriculture – 2000-2010." Moreover, important agreements were concluded with the private sector that were conducive to the implementation of the agreed measures.

The Government of Canada places a high priority on agriculture and rural development. Accordingly, the Canadian Federal Government brought together the provincial and territorial governments, along with repre-

sentatives of the agricultural sector, agribusiness, and civil society to help develop a national agricultural policy. The resulting long-term strategy is outlined in a document entitled: "Putting Canada First: An Architecture for Agricultural Policy in the 21st Century." This method of work ensured that the strategy – whose objective is to position Canada as the world leader in food safety, innovation and production, and environmental protection—was discussed at the national level.

Mexico places a high priority on improving agriculture and rural life. Accordingly, the Federal Government initiated and promoted a national dialogue that culminated in the signing in April 2003 of the "National Agreement for the Countryside: For the Development of Rural Society and Food Safety and Sovereignty". The Federal Executive Branch, farm worker organizations and Mexican producers endorsed the agreement. It acknowledges the need for true structural changes, as raised by these organizations at the different round tables within the "Dialogue for a State Policy for the Countryside".



In Peru, the government of President Alejandro Toledo decided to join forces with representatives of political, civil society, and religious organizations to establish a National Agreement. The Agreement, signed in July 2002, included 29 State policies designed to form the basis for a transition to democracy and its consolidation, the affirmation of the national identity, and the development of a shared vision of the country's future. State Policy No. 23, entitled "Agricultural and Rural Development Policy," formalizes the commitment to promote agricultural and rural development in Peru—including agriculture, cattle raising, aquaculture, agribusiness and sustainable forest harvesting—in order to boost the economic and social well-being of the sector.

The Agreement establishes conditions under which food safety and sovereignty, and the development of rural society, can be achieved through state policy. It also acknowledges the broad-based social process and the clear position adopted by the farm worker and producer organizations that participated in the dialogue. They maintained that because of the long-standing neglect of the rural sector, and the impact of trade liberalization and structural adjustments over the past two decades, the only way to re-energize the countryside was to implement far-reaching structural reforms as part of a long-term national strategy.

*Establishing regional mechanisms.* Dialogue and commitments to action on agriculture and rural life contained in the mandates stemming from the Third Summit have led to a number of valuable initiatives in the Caribbean, Central American, and Southern regions.

For example, 2001 saw the formation of the "Caribbean Alliance for the Sustainable Development of Agriculture and the Rural Milieu," a participatory mechanism involving Ministers of Agriculture and regional organizations working in the fields of research, trade and higher education, as well as agricultural entrepreneurs, rural women,

and the Wives of the Heads of State and Government from the Caribbean. At its Third Regular Meeting (October 2001), Ministers of Agriculture from 14 Caribbean countries adopted a Ministerial Declaration and a Plan of Action, reaffirming their commitment to joint action with all the members of the Community of Agriculture and Rural Life of the Caribbean, and as part of the Hemispheric Community. Other regional mechanisms—such as the Regional Council for Agricultural Cooperation (CORECA—Central America, Mexico and the Dominican Republic), the Central American Agricultural Council (CAC) and the Southern Agricultural Council (CAS—Argentina, Bolivia, Brazil, Chile and Paraguay)—participated in a range of activities and discussions leading to the preparation of the "AGRO 2003-2015 Plan of Action for Agriculture and Rural Life in the Americas."

## CHALLENGES

The national and international environment, and the outlook for agriculture and rural life, make it necessary to take strategic actions designed to confront four major challenges. The first challenge is to balance the objectives of an export-based development model with those of sustainable development, rural prosperity, and food security. The second is to help build a set of institutions favourable to the development of agriculture and the improvement of rural life. The third involves improving the public and private management of agriculture and rural development. Finally, the fourth challenge is to develop the necessary public and private capacity to meet the first three in a timely and successful manner.

The main obstacles to the improvement of agriculture and rural life have to do with access to markets, financing and investment, technology and the national capacity to manage agriculture, rural life, and the mandates and agreements adopted in this area.

# 11. Labor and Employment

## → MANDATE

Successful implementation of Summit mandates can often be attributed to a high degree of commitment from the relevant Ministerial processes. Ministers working together at the hemispheric level are the cornerstone for many Summit initiatives, and the Labor Ministers have taken up their Quebec City mandates and fashioned a road map to achieving their goals through 2005 and the next Summit of the Americas. The labor mandates are focused on the fundamental role of the Inter-American Conference of Ministers of Labor (CIMT): the application of the International Labor Organization (ILO) core labor standards, improving the coordination between labor ministries and international institutions within the Americas, developing new mechanisms to increase the effectiveness of technical assistance for smaller economies, strengthening labor ministries, training and capacity building for workers, the elimination of child labor, and protecting the rights of workers. Employment in the Americas, and the lack thereof, is an issue of urgent importance because of its relationship to so many other issues, including economic growth, social development, poverty, human rights and justice.

Recent trends in inequality are marked by several factors, and crucial among them is weak employment generation, particularly in South America. Labor markets in Latin America are ailing. Unemployment is at its highest level in many years, and although wages have

improved in some countries, they have done so at a very slow pace. Many workers receive pay that is too low to escape poverty, and wage inequality, which is among the highest in the world, is not improving. Unskilled workers have seen their wages decline relative to the wages





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of skilled workers. Not surprisingly, public opinion polls, such as Latino-barómetro, have identified unemployment, low wages, and job instability as the most pressing problems in the region. According to their 2003 data, when asked which was the most important problem in their country, 29% of Latin Americans responded unemployment. According to the ILO, 57 million people in the Americas today have no employment or are underemployed.

Since 2001, the Ministers of Labor have met twice to develop a work plan to implement the above mentioned initiatives. In an effort to translate these mandates into concrete and practical action, the Ministers created the Working Group 1: the Labor Dimensions of the Summit Process. The objective of the group is twofold: to examine the challenges that globalization, free trade and the new economy pose for the working people of the Americas and to develop policies to

create opportunities that benefit working people in the face of economic restructuring and technological change. The Working Group held three workshops in Montreal, Miami and Brasilia. The Montreal and Miami workshops focused on labor policies for the new economy, employing new technologies in government administration, overcoming the digital divide and modernizing unemployment insurance. The Brasilia workshop examined the collection of data, facts, and figures needed to understand the labor dimensions of economic integration.

The ILO has conducted an extensive study on the effects of integration on labor markets and labor policy in an effort to assist countries in developing their labor policies. The study focuses on the social and labor aspects of the regional integration agreements currently in force in the Americas, and is designed to assist countries in making



tems, promoting the ILO Declaration, social dialogue on labor law reform and mainstreaming gender issues in countries' policy agendas. Countries also began to implement—with the help of partner international organizations—projects with individual labor ministries. One example is the OAS Unit for Social Development and Education's project to conduct a series of technical workshops on skills and training certification. Also, the ILO has a project with Latin American and Caribbean countries to assess their specific needs to strengthen their labor administrations. International cooperation is also being enhanced with the help of the ILO project, and the business and labor advisory committees, who have put together an inventory of the technical assistance projects in the Hemisphere in order to better understand what conditions are needed for international assistance to be effective. Similarly, the OAS has created a permanent portfolio of consolidated programs in occupational safety, health, labor administration, gender equity, and labor skills training and certification to be shared through the OAS horizontal cooperation strategy.

Trade union and business leaders form an integral part of the Labor Ministerial



process. The Trade Union Technical Advisory Council (COSATE) and the Business Technical Advisory Committee on Labor Matters (CEATAL) are regularly consulted regarding the social and labor dimensions of regional integration and free trade processes in the Hemisphere; and the Ministers work with them in order to achieve their objectives.

At their most recent meeting—held September 24-26, 2003 in Salvador de Bahia, Brazil—Labor Ministers established the next set of goals for furthering the implementation of the Quebec City mandates. In their Declaration, Ministers emphasized that equality of opportunity, elimination of extreme poverty, and equitable distribution of wealth and income are basic objectives of integral development. The Ministers have adopted a highly holistic approach to their work, taking into account the UN Millennium Development Goals, the effect of free trade agreements, the manner in which they are implemented, and their impact on labor policy and markets. They asserted that decent work is the most effective instrument for the improvement of living conditions for the peoples of the Americas. (OAS, Inter-American Council for Integral Development (CIDI), Declaration and Plan of Action of Salvador).

A related concern of the Ministers is the effect of the current economic crisis in the region. They agreed to take steps to develop national action plans on decent work and to combat the sexual exploitation of and trafficking in persons—especially women and children—with the assistance of the ILO. As of October 2003, 13 countries of the Hemisphere had not ratified one of the two ILO conventions on child labor (No. 182 and 138), and two of these countries had ratified neither. Ministers also supported a proposal to conduct a feasibility study of options for establishing a cooperation mechanism for the modernization of labor administrations, the promotion of decent work, and training. The study will consider the experiences and resources available in Member States, and



regional and international organizations, especially the OAS, PAHO and the ILO. The Ministers Plan of Action sets out in concrete terms their new instructions to the two Working Groups, including specific tasks and deadlines. These new instructions build upon the work accomplished at the previous Conferences, and include instructions to establish a regular dialogue with their counterparts in the Ministries of Trade, Education, Health, and Social Development of the Hemisphere. (Salvador Declaration)

Many challenges lie ahead for countries in their implementation of the commitments from Quebec City. According to the IDB's annual report on economic and social progress, while education is a critical factor in developing a productive and competitive work force, without an adequate institutional and macroeconomic environment to back it up, more schooling cannot put people to work or assure them a decent wage. Another serious finding is that well-educated Latin Americans are not necessarily more likely to be employed. In fact, unemployment rates are usually lower among people with less education than they are

among the better educated. Increases in unemployment have tended to affect both low-skilled and high-skilled workers equally. In addition, serious enforcement problems persist in many countries, despite legislative advances. It is clear that improving the enforcement of labor laws requires not only building capacity for inspection and strengthening institutions, but also upgrading the overall labor administration in each country. Furthermore, in order to achieve effective compliance with fundamental principles and rights, innovative legal and political measures need to be developed, including: micro enterprises, and small businesses and rural sector businesses in the enforcement process—in addition to strengthening existing mechanisms. Job creation is a critical factor in the reduction of poverty and is one area that the Heads of State and Government will address with new and innovative ideas when they meet at the Special Summit of the Americas in January 2004 in Mexico. (United Nations Economic Commission for Latin America and the Caribbean (ECLAC), Social Panorama of Latin America 2001-2002; ILO; IDB).

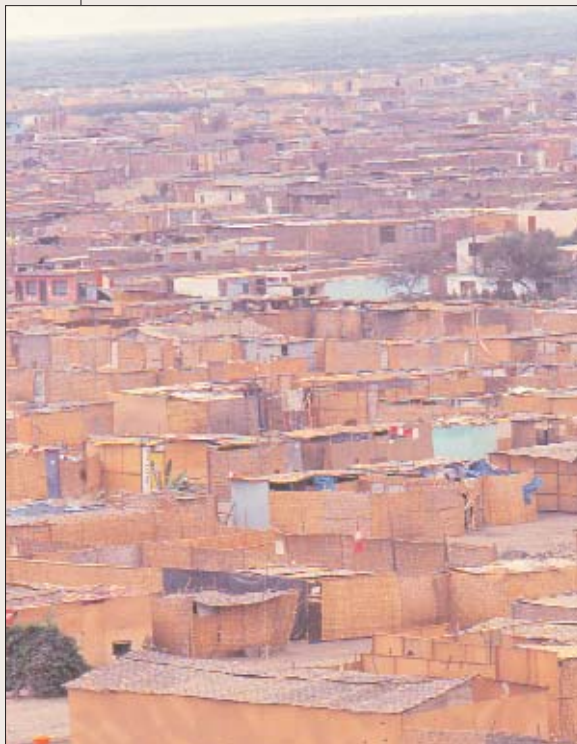
**Job creation is a critical factor in the reduction of poverty and is one area that the Heads of State and Government will address with new and innovative ideas when they meet at the Special Summit of the Americas in January 2004 in Mexico.**

# 12. Growth with Equity

## → MANDATE

*Leaders recognized that economic growth is fundamental to overcoming economic disparities and strengthening democracy in the Hemisphere. They stated that the primary challenge confronting the Hemisphere is eradication of poverty and inequity. Proposed actions to achieve this goal are: improvements on competitiveness; equity-enhancing trade; more equitable access to opportunities; improved access to financing, including for the Heavily Indebted Poor Countries (HIPC); creation of a positive environment for business; maximizing the benefits of orderly migration; reducing the negative effects of economic volatility; minimizing the effects of natural disasters; and, encouraging social stability and mobility.*

Forty four percent of the population of Latin America and the Caribbean (220 million) live in poverty, and 20% in extreme poverty (ECLAC).



The inability of economic growth in Latin America and the Caribbean to raise the living standard of its poorest citizens is now at the center of regional policy discussions. Poverty and inequity are pervasive. Forty four percent of the population of Latin America and the Caribbean (220 million) live in poverty, and 20% in extreme poverty (ECLAC). Ten percent of the wealthiest population holds 48% of the income in Latin America and the Caribbean, and 10% of the poorest has 1.6% (World Bank).

High poverty rates and extreme income inequality are undermining the quality of life for large parts of the region's population and citizens' confidence in the market economy. Recent polls show that only 16 per cent of people were fully satisfied with the market



economy as a model, though most thought it was the only way ahead. (Source: Latinobarómetro)

National governments and development banks are working to reduce poverty with new strategies: pension reform in Chile; improved competitiveness assistance from the Andean Development Corporation; targeted programs to promote primary education and child nutrition in Mexico and Brazil; and Inter-

American Development Bank projects designed in close consultation with target groups.

New trade policies, including ongoing negotiations at the World Trade Organization and the Free Trade Area of the Americas, are explicitly linking trade to development goals by examining the preparations needed for successful global engagement of and adjustment assistance for vulnerable sectors and workers.

## Development Financing

*Leaders recognized the need for development financing from bilateral and multilateral donors while noting that debt servicing constitutes a major constraint on investment for many countries in the Hemisphere.*

Eight countries in the region—including the large economies of Argentina and Brazil—are severely indebted, according to the World Bank. High-debt countries have large debt servicing needs—taking funds away from other needed government programs—must engage in negotiations with lending parties, including the International Monetary Fund. They are vulnerable to unfavorable changes in exchange rates and interest rates.

Policies are now under development in most highly indebted countries to find ways to reduce the present debt burden, increase alternative methods to finance government operations, and avoid costly renegotiations with public and private lenders.

### CLASSIFICATION OF ECONOMIES BY INCOME AND INDEBTEDNESS, JULY 2003

*World Bank*

#### LOW INCOME

Nicaragua	Severely Indebted
Haiti	Moderately Indebted

#### MIDDLE INCOME – LOWER

Brazil	Severely Indebted
Ecuador	
Guyana	
Peru	

Bolivia	Moderately Indebted
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Colombia

Honduras

Jamaica

St. Vincent and the Grenadines

Dominican Republic	Less Indebted
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Guatemala

Paraguay

#### MIDDLE INCOME – UPPER

Argentina	Severely Indebted
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Panama

Uruguay

Chile	Moderately Indebted
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Dominica

Grenada

St. Kitts and Nevis

Costa Rica	Less Indebted
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Mexico

Trinidad and Tobago

Venezuela

FINANCING OF SUMMIT MANDATES  
2001–2003

Organization	Caribbean Development Bank (CDB)	Central American Bank for Economic Integration (CABEL)	Corporacion Andina de Fomento (CAF)	Inter-American Development Bank (IDB)	Inter-American Institute for Cooperation in Agriculture (IICA)	World Bank
Contribution*	\$61.7 million	\$444.8 million	\$2 million	\$9.2 billion**	\$62.2 million	\$6 billion

\* All contributions are in US dollars

\*\* Source: Inter-American Development Bank, Strategic Programs and Activities: Two Years after Quebec, (June 2003)

Source for all others: Reports of the Joint Summit Working Group



The World Bank, the Inter-American Development Bank, the Andean Development Corporation, the Central American Bank for Economic Integration and the Caribbean Development Bank are each members of the Summit of the Americas process within the Joint Summit Working Group.

SUCCESS STORY

The international community recognized the need to provide special assistance to those countries least able to manage debt services, the Highly Indebted Poor Countries (HIPC). The Board of Executive Directors of the Inter-American Development Bank has approved interim debt relief for Guyana within the framework of the Enhanced HIPC

Initiative. Under the Enhanced HIPC Initiative, the IDB will provide Guyana with \$64 million in debt relief, in net present value terms, in stages through 2012, of which up to one third may be delivered as interim relief. The IDB is Guyana's largest creditor and largest source of debt relief under the HIPC Initiative. The combined effort of multilateral institutions and bilateral donors is expected to reduce Guyana's outstanding public external debt by one-half. The IDB has also provided debt relief to Bolivia, Honduras and Nicaragua under Enhanced HIPC.



The World Bank, the Inter-American Development Bank, the Andean Development Corporation, the Central American Bank for Economic Integration and the Caribbean Development Bank are each members of the Summit of the Americas process within the Joint Summit Working Group. Efforts are underway to better coordinate the work of these institutions and to more firmly link their programs to the mandates of the Summit.

## Enabling Economic Environment

Leaders supported a variety of initiatives to promote business development, especially for small and medium enterprises, and for those without traditional access to resources for business needs.

Conditions needed to facilitate the development of small and medium enterprises are a favorable investment climate, including a competitive policy and regulatory environment, strong and sustainable institutions providing financial and non-financial services, expanded and continuous flows of resources from local and international markets, and improved access for low-income entrepreneurs to formal sector services and resources. (Source: IDB Micro, Small and Medium Enterprise Division)

In recognition of the importance of remittances to the region, and the need to develop small enterprises, the US has provided \$3 million in grants and technical assistance to leverage remittances creatively for community development. These projects have resulted in a revolving loan fund for low-income farmers, as well as a nutrition program for mothers, children and the elderly in Mexico; a training program for ecotourism and micro enterprises in Honduras; and a credit union and a community development organization that conducts small scale projects throughout Haiti.

## Migration

Facilitation of orderly migration, support for social services to migrants, and promotion of cooperative mechanisms to improve the transfer of migrant remittances were encouraged by hemispheric leaders.

Since the Third Summit of the Americas, remittances from migrants have been increasingly recognized as a major source of foreign capital to nations, and a direct infusion of wealth into poorer communities across the Americas. According to the Inter-American Development Bank, inflows of remittances to Latin America and the Caribbean will reach \$40 billion in 2003, surpassing direct foreign investment as a source of foreign exchange.

### PROGRESS

*"Banks have recognized that a significant number of (remittance) senders could be potential clients of their institutions, either because they are unbanked or because banks and credit unions could better serve them. . . . New experiments take place every day. Banks are becoming interested in money transfers, and governments are exploring policies to address these trends. From a policy perspective, alliances between governments, civil society and private sector institutions must be formed in order to share best practices and coordinate strategies to improve the flow of transfers." (Source: Inter-American Development Bank, February 2003)*



Clear and enforceable property rights are a major component of private sector development in market economies.

## *Enhancing Social Stability and Mobility*

### → MANDATE

*Internally displaced peoples and lack of property rights are two areas highlighted for concern by hemispheric leaders.*

Internally displaced peoples, resulting from internal strife, are a problem now most concentrated in Colombia. The long-standing conflict has created a humanitarian crisis for embattled populations in war-torn regions, child combatants, and the protection of human rights. The national government is instituting new programs in an effort to end the conflict and to repair the damages to society across the country. The government is assisted in these efforts by NGOs such as the International Committee of the Red Cross, by bilateral donors such as the United States and Canada, and by the United Nations Development Program.

### ESTABLISHING PROPERTY RIGHTS TO ENABLE ECONOMIC DEVELOPMENT

Clear and enforceable property rights are a major component of private sector development in market economies. In Latin America and the Caribbean, there are large numbers of informal property holders, informal business enterprises without clear titles, slow and complicated procedures for registering property rights, and centralized administration of property rights registration which limits access to those in remote areas. Women often find barriers to establishing property rights due to cultural, institutional and educational barriers. The continued insecurity of indigenous property rights generates policy discussions in many

countries and has led to violent conflict. (Source: The Inter-Summit Property Systems Initiative (IPSI) [www.oas.org](http://www.oas.org))

#### SUCCESS STORY

##### > El Salvador

Activities are in place to improve the process of property registration system, including:

- Strengthening 10 registration offices and establishing a national communication network
- Improving, and putting into place cadastre—the information registry—registration of 454,181 properties in 5 departments
- 1750 digitalized cadastral maps have been prepared in digital format
- Institutional laws affiliated with the National Registry Center are: the Law of the National Registry, that has been concluded; the Special Law on the National Cadastre and Registration system; in the revision process; the Law on Tribunal Administrative Registry, Revision of the Draft Law of Real Estate Warrantier, the Special Transitory Law to Delimit Property Rights and Possession of properties in Joint Ownership State.

(THE REPUBLIC OF EL SALVADOR, NATIONAL REPORT ON THE FOLLOW-UP OF THE IMPLEMENTATION OF THE QUEBEC CITY PLAN OF ACTION MANDATES)

#### CHALLENGES

Growth with equity is a central challenge in the Hemisphere. Low economic growth rates reduce employment, tax revenues for government programs and new business investment. Growth that is concentrated in certain sectors and benefits a small percentage of the population does not improve the lives of all citizens and creates tensions between those benefiting and those excluded from economic opportunities. Improving the business climate will require major investments in infrastructure, sound macro-economic policies, access to credit and the rule of law enforced by a well-managed state sector. National governments and the entities that finance them are faced with the realities of globalization, which can bring the benefits of access to world wide markets and information, and the risks of volatility, high expectations of international investors, and the rapid spread of discontent among the disaffected. Governments need financial management expertise, integrated development strategies, a commitment to serving the most vulnerable in their societies, and support of the international community to achieve prosperity for their populations.

National governments and the entities that finance them are faced with the realities of globalization, which can bring the benefits of access to world wide markets and information, and the risks of volatility.



# 13. Education

## → MANDATE

*In the Plan of Action of the Third Summit of the Americas, the governments recognized that education is the key to strengthening democratic institutions, promoting the development of human potential, equality and understanding among our peoples, as well as sustaining economic growth and reducing poverty. They also reaffirmed the commitment of previous Summits to promote the principles of equity, quality, relevance and efficiency at all levels of the education system, and the commitment to eliminate gender disparities in primary and secondary education.*

The leaders of the Americas, meeting in Quebec City, pledged to support early childhood and adult education—particularly to promote literacy—while providing for alternative methods that meet the needs of disadvantaged segments of the population.



The Heads of State and Government pledged to promote access to quality basic education for all, support lifetime learning, strengthen education systems in the Hemisphere, enhance the performance of teachers, ensure universal access of all boys and girls to quality primary education, and ensure access to quality secondary education to 75% of the youth by 2010.

The leaders of the Americas, meeting in Quebec City, pledged to support early childhood and adult education—particularly to promote literacy—while providing for alternative methods that meet the needs of disadvantaged segments of the population, or of those excluded from formal education systems: girls, minorities, indigenous, and children with special education needs.

The Third Summit also agreed to identify and set up appropriate hemispheric mechanisms to ensure the implementation of the education initiatives in the Plan of

Action of Quebec City. It pledged to offer diversified curricula based on the development of skills, knowledge, and civic and democratic values.

These goals in the area of education accurately reflect the concerns raised at the World Conference on Education for All—which was held in Jomtien, Thailand, in 1990—and were ratified and adopted in world and regional spheres over the course of the decade. There is also the objective of providing basic education to all children, youth, and adults, a principle that was recognized at the World Forum on Education held in Dakar in April 2000, and was ratified in the Millennium Development Objectives of the same year.

With regard to achieving universal access to quality primary education for all boys and girls in the Hemisphere—a goal that was set for 2010—the Program to Promote Educational Reform in Latin American

and the Caribbean (PREAL) and UNESCO report that 11 countries have attained the goal, or are close, to having 95% of their boys and girls attending primary school. Seven countries are still under 90%. As for secondary education, if the current trend continues very few countries will attain the goal of having 75% of their youth attend secondary school by 2010.

Regarding the objective of eliminating gender disparities in primary and secondary education by 2005, World Bank statistics show that in 2000, girls in Latin America received on average only one-half year less schooling than boys. In fact, in some countries—including the Dominican Republic, Honduras, Jamaica, Nicaragua, Paraguay, and Trinidad and Tobago—the rate of completion in primary education is 5 to 8 percent higher for girls than for boys.

On the issue of quality education, recent studies confirm that it is inadequate in Latin America. For example, according to the Program for International Student Assessment

(PISA)—conducted by the OECD/UNESCO in Mexico, Chile, Peru, Argentina, and Brazil—between 16 and 24% of children 15 years of age can technically read, but they have problems with understanding and using what they have read to advance and extend their understanding in other areas.

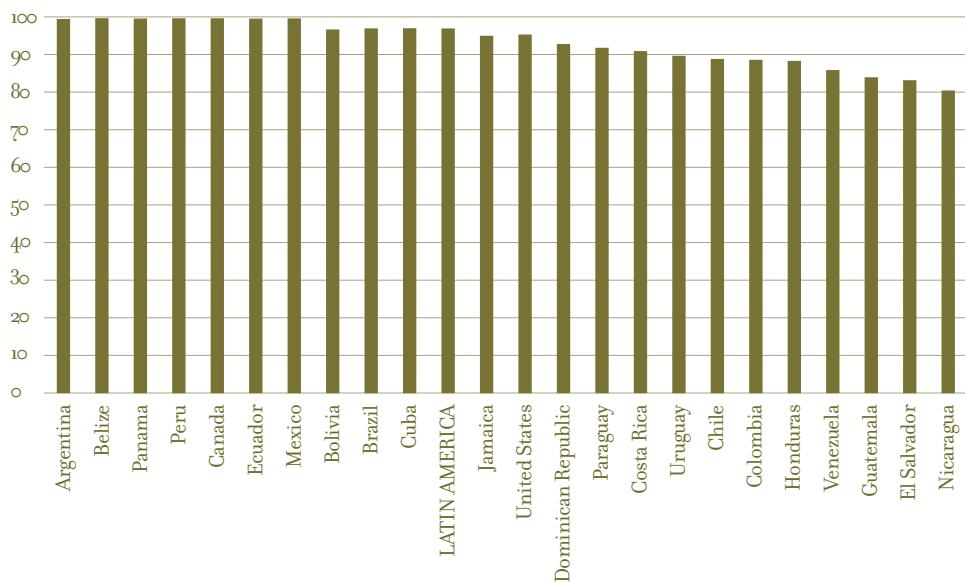
To follow up on the mandates established in education, and establish new cooperation mechanisms, the Ministers of Education of the Americas met in the framework of the OAS. The Meeting of Ministers of Education in the sphere of the Inter-American Council for Integral Development (CIDI) was held September 24 and 25, 2001, in the city of Punta del Este, Uruguay. There the education ministers agreed to form the Inter-American Committee on Education to ensure implementation of the education initiatives, and prepare for the ministerial meetings. The Summit mandates were grouped in five substantive areas: equity with quality; decentralization, management, social participation, and teacher training; secondary education and certification of skills acquired on the job;



**If the current trend continues very few countries will attain the goal of having 75% of their youth attend secondary school by 2010.**

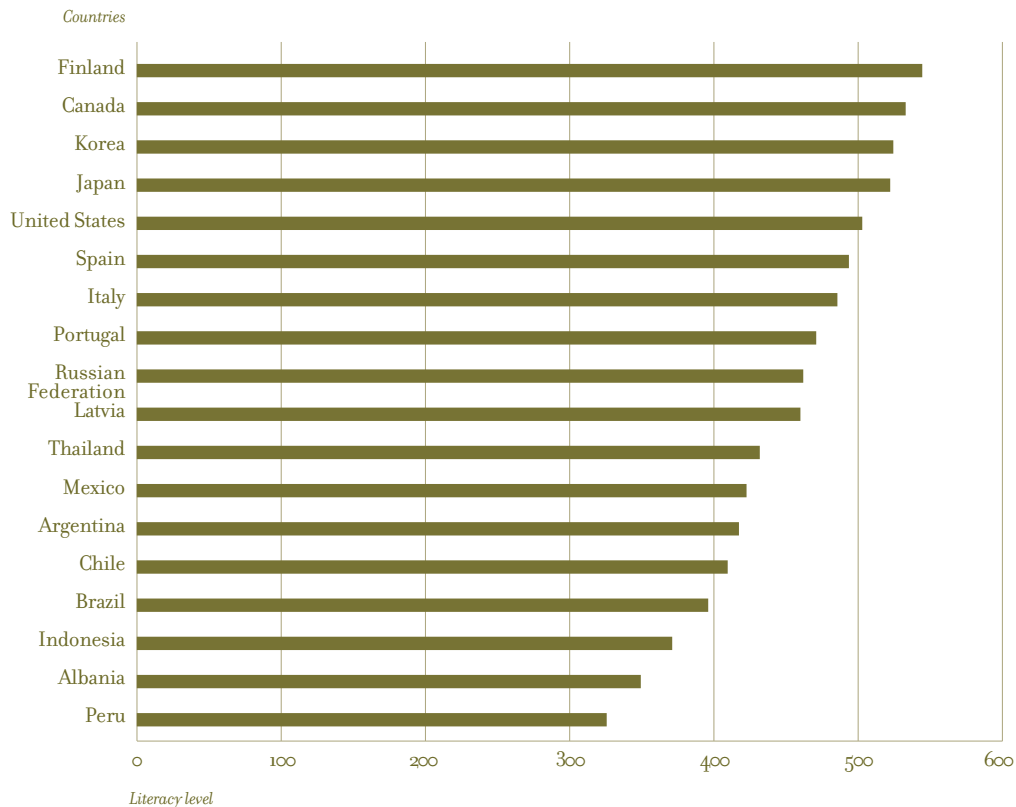
NET ENROLLMENT IN PRIMARY EDUCATION, 2000  
Source: PREAL, *Lagging Behind*, 2001 and virtual databases of UNESCO, 2003.

% of the primary age population



LITERACY PERFORMANCE OF 15-YEAR-OLDS  
IN SELECTED COUNTRIES (PISA), 2000

Source: OECD, *Literacy Skills for the World of Tomorrow*, 2003.



higher education; and the application of technology to education.

At the Third Meeting of Ministers of Education of CIDI—held in Mexico City from August 11-13, 2003—it was decided to join forces to respond to the challenges of equity with quality, teacher training, and secondary education. They encouraged the use of computer and educational technologies. The ministers established the Inter-American Committee on Education defined its specific duties, and tasked it with identifying how available resources are being used.

The education ministers also launched a strategy to compile the Permanent Portfolio of Exemplary or Consolidated Programs, including, as a start, 17 programs from 17 countries in the Hemisphere. This initiative groups educational programs will

be shared by governments, with a view to exchanging experiences that could help them design their own projects. As part of this effort, the Organization of American States and the World Bank held seven seminars during 2002 and 2003, with participation by 28 countries.

In view of the decision of Hemisphere leaders in Quebec City to mobilize resources to support sustained investment in education at all levels— and also establish a cooperative mechanism to promote the development of productive partnerships—the countries have been working closely with agencies of the inter-American system, international cooperation and development agencies, government offices, and civil society organizations. The agencies presented their strategies in keeping with the five subject areas established by the education ministers.



Furthermore, in response to the mandates of the Summits of the Americas, the Inter-American Development Bank, the OAS, and the Department of Education in Mexico jointly organized a meeting on financing education assistance, objective of which was to identify trends in the development of funding for education, and do a technical analysis of the availability of resources for the education sector in Latin America and the Caribbean.

Regarding the promotion of participation and dialogue with civil society organizations, the OAS opened an Internet forum. Contributions, suggestions, and experiences of civil society were presented at the education ministers' meetings in Punta del Este and Mexico City.

On the subject of education and democratic values, the OAS is organizing a Special Meeting on Promotion of a Democratic Cul-

**PROGRESS**

*Regarding innovative use of information and communications technology to share knowledge and ideas, the Mexican government—through its Department of Education (Secretaría de Educación Pública—SEP)—offered all countries in the region free use of the Mexican educational satellite system, “EDUSAT.” Use of this signal, and the curricula developed by the SEP, will make it possible to undertake joint programs to improve the quality of basic education in the Hemisphere. At the Third Ministerial Meeting, the SEP launched the Education Channel of the Americas.*

ture Through Education. This meeting is scheduled for the first quarter of 2004. The OAS conducted joint research on this question with the University of Maryland— with the support of the U.S. State Department—on



The Organization of American States and the World Bank held seven education seminars during 2002 and 2003, with participation by 28 countries.

strengthening of democracy in the Americas by instilling civic and democratic values.

In cooperation with the Department of Education of Mexico—and through the Educational Television Office and the Institute of the World Bank—there were three videoconferences to plan hemispheric projects for teacher training, secondary education, and equity with quality. These videoconferences permitted dialogue among education ministers of the countries that coordinate hemispheric projects in each subregion.

#### CHALLENGES

➤ **To strive to have all children receive an acceptable level of learning.**

To achieve this objective, necessary resources should be allocated to the educa-

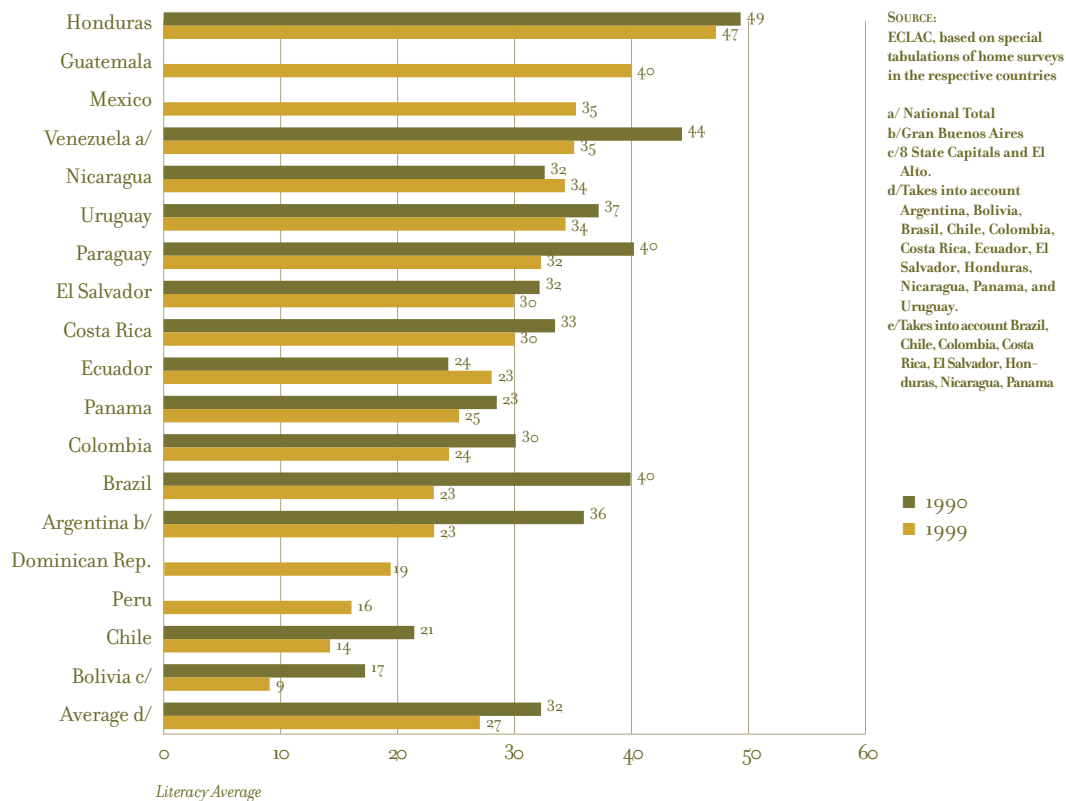
tion systems, and used efficiently and effectively to improve the quality of education for all. To also develop national standards and instruments to measure learning levels through periodic national tests, with publication of results and comparison of progress with past performance and with that of other countries in similar circumstances.

➤ **Improve student retention and equity in the schools.**

According to the Research Project on Educational Achievement and Enrollment Around the World of the World Bank, nearly all the region's children—even those with the lowest income—enter basic education at some point. Despite this "universal" access, many children and youth drop out of primary and secondary school before finishing.

LATIN AMERICA (18 COUNTRIES): DROPOUT RATES AMONG YOUTH 15 TO 19 YEARS, 1990-1999, URBAN ZONES

Global Dropout Rates



Therefore, hemispheric efforts to comply with the goal of universal primary education require attention to both equity and quality.

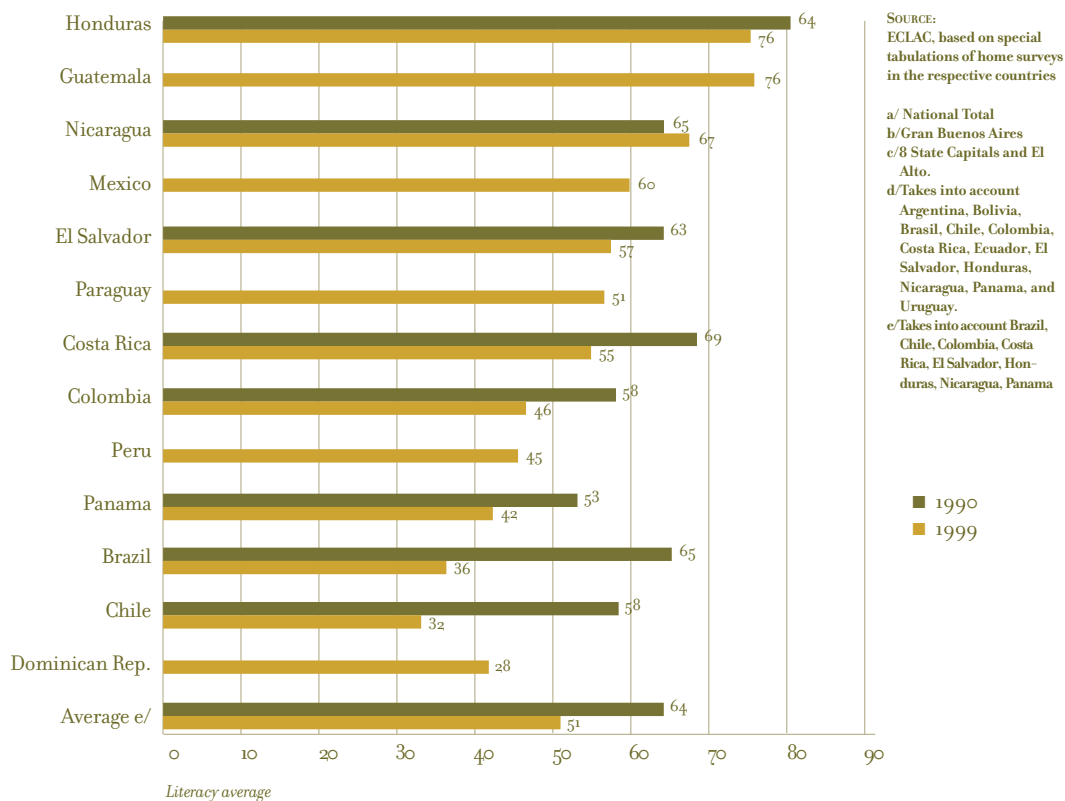
Estimates for the year 2000 by the UN Economic Commission for Latin America and the Caribbean (ECLAC) indicate that about 37% of Latin America's teenagers (between 15 and 19 years of age) leave school before graduation. Regional data show that on average one needs at least 12 years of formal education to get a job to prevent poverty or escape from it. The data also show that the social return is higher for those who finish secondary and university education. ECLAC has also found that teens in low-income families are more likely to drop out. In 11 of 17 countries studied by ECLAC, more than half of all

children who quit school come from this type of family. At the same time, in most of the region the demand for skilled labor—workers with secondary and/or tertiary studies—is growing faster than the demand for unskilled labor. Therefore, at a time when the countries of the Americas need more educated citizens, the supply of students with at least a secondary diploma continues to lag behind.

According to the World Bank, the Caribbean's most serious education problems are access and high dropout rates. On average, less than half the children who begin elementary school finish secondary school. Youth unemployment is high in the Caribbean, because that is the age group most likely unemployed. Young people are also

LATIN AMERICA (18 COUNTRIES): DROPOUT RATES AMONG YOUTH 15 TO 19 YEARS, 1990-1999, RURAL ZONES

Global Dropout Rates



more impoverished than other groups, and live in larger families. (World Bank, 2000)

The countries need to increase retention and eliminate educational differences that result from inadequate allocation of financial and human resources in education systems, which induces discrimination on the basis of income, race, and/or gender.

**> Restructure the teaching profession to make it more attractive and more responsible for results.**

The challenges in teacher training are closely related to concept of the role of the teacher and the reality of their professional careers.

The way teachers are trained depends largely on the way education systems envision their role and work. At the same time, their

pay and working conditions influence the type of person who decides to become a teacher, and how she or he works in the profession. The deterioration of working conditions and low pay have created a teacher shortage, not only in the Americas, but throughout the world, which threatens the quality of teaching and learning.

Hemisphere-wide reforms also require the training of administrators at the school, municipal, provincial, regional, and national levels. They also demand an exhaustive study of the impact of changes on the school curriculum and the school community together, and the updating of teachers to respond effectively to these processes.

The region's challenge is to consider not only how to train teachers initially, but how to continue to update their skill as educators

The way teachers are trained depends largely on the way education systems envision their role and work.





to respond to the system's new demands. It is also necessary to evaluate teachers' performance, with the main goal being to improve classroom work to ensure meaningful learning.

➤ **Hemispheric cooperation**

Finally, it is necessary to stimulate hemispheric cooperation in the areas of equity and quality, secondary education reform, and teacher training, pursuant to the above-mentioned recommendations of the

education ministers of the Americas. There must be even greater support from technical cooperation agencies to generate hemispheric projects that effectively address these concerns. In addition, it will be necessary to strengthen consultation with civil society and the work of the Inter-American Committee on Education (CIE), while expanding national, sub-regional, and hemispheric dialogues to permit continuous attention to the challenge of education financing to ensure quality and equity.

# Science and Technology

## → MANDATE

*At the Third Summit, leaders recognized the development of scientific and technological capacity as essential for building knowledge-based societies. Hemispheric cooperation was highlighted as a mechanism to promote popularization of science and technology, strengthen high-level human capital development for research and innovation, and further refine science and technology indicators.*

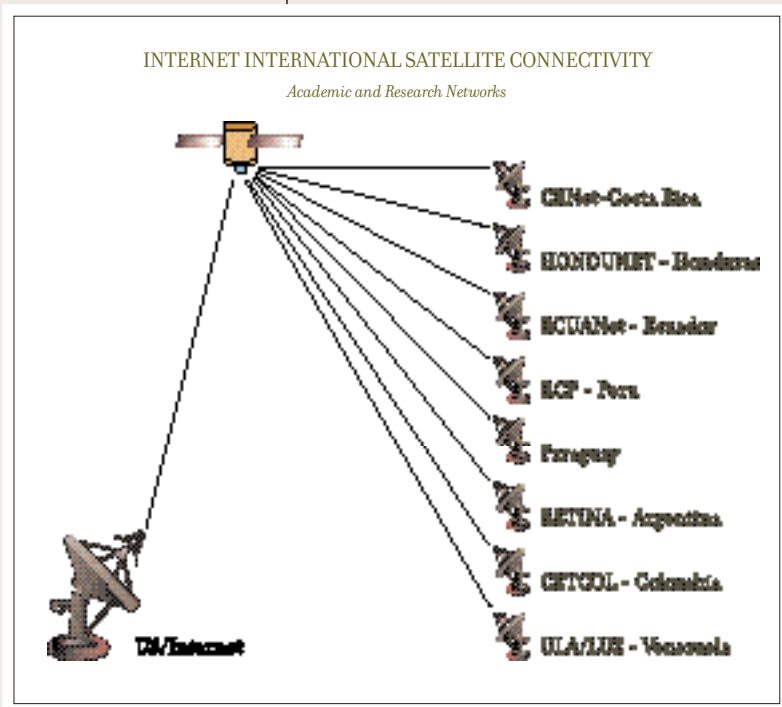
## OVERALL PROGRESS

National programs of science and technology development are recognized as a key component of reaching national goals of business development to compete in international markets. On the occasion of approving a \$25.26 million loan to Chile in May 2003, the World Bank's Lead Science and Technology Specialist, Lauritz Holm-

Nielsen, stated: "By strengthening Chile's own scientific research network, and enabling Chilean scientists to interact with their peers in Europe and North America, these projects boost Chile's leap forward to develop an innovative capacity matching that of many developed countries. They also help the Government implement a policy framework and coordinated strategy to stimulate and sustain scientific innovation."

At the hemispheric level, the OAS Office of Science and Technology is the Technical Secretariat to a number of important scientific networks, including the Inter-American Commission on Science and Technology, and the Inter-American Network on Science and Technology Indicators. In this capacity, the OAS Office of Science and Technology provides permanent technical advice in science and technology, especially to national councils of science and technology, political bodies of the Organization, other internal bodies, and various units promoting—among other objectives—technical cooperation in issues related to the implementation and formulation of policies, strategies, programs, projects, and initiatives in science and technology. In this way the Office has also contributed to the popularization of the field.

RedHUCyT connected for the first time, most of the countries of the region to the Internet years ago. The new goal is that the OAS Office of Science and Technology, given its limited resources—and conscious of the OAS's current role—and the mandates in this area—focuses on promoting the development of a more advanced level of interconnections, therefore opening new possibilities of cooperation in advanced scientific and technological applications.



## REACTIVATION OF THE INTER-AMERICAN METROLOGY SYSTEM



SIM has been reactivated with the support of the OAS. SIM is comprised of national metrology institutes from the 34 countries of the Americas. Created to promote international, particularly Inter-American, and regional cooperation in metrology, it is committed to the implementation of a Global Measurement System within the Americas, in which all users can have confidence. SIM is essential for the economic integration process that the region is currently facing.

Through the efforts in the area of Information Technology and Connectivity, the OAS Office of Science and Technology—through RedHUCyT, the Hemisphere Wide Inter-University Scientific and Technological Information Network—connected for first time most of the Hemisphere’s countries to the Internet years ago. The new goal of the OAS in this area is the development of more advanced level of interconnections, therefore opening new possibilities of cooperation in advanced scientific and technological applications.

### CHALLENGES

The limited level of resources represents the main problem confronted by national governments, and the OAS Office of Science and Technology, for the implementation of the Summit mandates. The

importance of science and technology in the process of development, reduction of poverty, and improvement of living conditions of the countries of the Hemisphere, has been widely recognized by the Heads of State and Government of the Americas and the ministers of the Hemisphere through the Summit process. There is wide recognition of the need for evidence-based decision making, requiring quality data for specific benchmarks and measuring progress. A higher level of resources for the follow-up of the mandates would be very beneficial. Additional resources would facilitate the use of this information in public and private policy decisions. Conscious that the level of development in science and technology of the region is unequal, more resources would particularly help countries with smaller economies.

## → MANDATE

*The mandates of the Quebec City Plan of Action in the area of health focus mainly on health sector reform, with the objective of carrying out essential public health functions while taking into account the quality of care, equal access to services, and service coverage. Included among the specific mandates in this area is the commitment to redouble efforts “to reduce maternal and child morbidity and mortality.” Leaders made a commitment to fight communicable diseases, particularly HIV/AIDS, and others such as tuberculosis, dengue, malaria, and Chagas disease. Other mandates included promoting extended immunization programs and the control of respiratory and diarrheal diseases. Finally, additional health-related mandates ranged from reducing risks to health and incidences of non-communicable diseases, to participating in the negotiation of a framework convention for the fight against tobacco, and providing health workers and the general public with scientific and technical information.*

### REFORMING THE HEALTH SECTOR

According to information provided by the Pan American Health Organization (PAHO), the second phase of the Latin American and Caribbean Health Sector Reform Initiative began in 2002. This phase included the formulation, redefinition and implementation of new instruments and the development of methodologies to help countries strengthen their national systems. The objective of the Initiative is to support countries involved in a process of health sector reform in order to promote more

equitable access to effective and efficient health services.

In order to oversee the unfolding of reform processes, 33 participating countries completed the first version of the health services and systems profile, and—with the exception of Canada, the United States, Haiti and Surinam, the second version as well. A comparative regional analysis of progress in health sector reform was conducted. The ongoing review and follow-up process enables sub-regional, regional, and national



progress reports to be prepared on problems identified in the sectoral reform process, and lead to comparative analysis and exchange of experiences among countries. Based on the data obtained using the profile methodology, PAHO recently completed a second review of the reforms.

The initiative also produced a methodology for sectoral analysis that can be used as a guide for the comprehensive and systematic review of health sector performance. This, in turn, can provide a solid base on which to develop policies and strategies for sectoral reform. The methodology proved a success during pilot projects carried out in Costa Rica, Cuba, Guyana, Nicaragua, and Paraguay. A specific segment on HIV/AIDS was included to underline the urgent need to strengthen health systems and services to deal with this pandemic.

#### COMMUNICABLE DISEASES

For many years, countries have recognized the need to create early warning and rapid response systems for acute communicable diseases with high potential to cause epidemics. Major efforts have been made to build national capacity in this regard by developing early warning networks for emerging and re-emerging diseases. There are currently three networks for the control of emerging and re-emerging infectious diseases in operation in the following regions: the Amazon, the Southern Cone, and Central America.

The objectives of the networks are to share information in a timely manner, strengthen links between laboratories and epidemiology departments, and apply joint protocols for specific diseases and syndromes using standardized laboratory procedures. With the support of the US Centers for Disease Control and Prevention (CDC), the Malbrán Institute from Argentina, and the Evandro Chagas Institute of Brazil, work was conducted in the areas of training, doctors' offices, technology transfer, supply of reagents, and the preparation of treatment guides. A meeting of representa-

tives of the three networks was held in Atlanta, Georgia (USA), in 2002 and proved to be extremely valuable in exchanging experiences on progress achieved, obstacles encountered, and needs in terms of future cooperation.

In the area of communicable diseases, PAHO is continuing its work against Chagas disease, oncocercosis, lymphatic filariasis, helminthiasis, leprosy, and HIV/AIDS. One success in this area occurred in 2002, when Latin America and the Caribbean made considerable progress in their efforts to broaden access to antiretroviral medications. Two successful sub-regional initiatives—one in the Caribbean and the other in Central America—deserve special mention since they led to a reduction in the price of patented antiretrovirals to levels similar to those in sub-Saharan Africa.

Negotiations between the five Central American governments and five pharmaceutical companies also resulted in historic declines in the price of antiretrovirals. The most common treatment in the sub-region, (AZT+3TC+EFV), will cost US\$ 1,600 per patient per year. This represents an average reduction of 55% compared to prevailing prices of patented medications in Central America. The round of negotiations in Central America, which began in September 2002, was coordinated by the Central-American Social Integration Secretariat with technical support from PAHO/WHO. The price reductions were the result of countries joining forces to negotiate with the pharmaceutical companies at a national and sub-regional level.

The Contact Group on Accelerating Access to HIV/AIDS related care supported the negotiations in Central America and the Caribbean. This initiative brought together

#### PROGRESS

*In the Caribbean, negotiations brought the price of antiretroviral cocktails down to US\$ 1,100 per patient per year, an amount similar to the prices offered to sub-Saharan countries for patented antiretrovirals. Preparations for the Caribbean round of negotiations began in February, and by July the companies had signed an agreement with the Pan Caribbean Partnership Against HIV/AIDS (PANCAP). The Caribbean Community (CARICOM) Secretariat, PAHO/WHO, and UNAIDS conducted the negotiations.*

**In 2002, PAHO published the Master Plan of Investment handbook, which was designed to help countries achieve coherence between investment plans and sectoral reform activities. The implementation of the master plan will promote the mobilization of national and international resources for activities that facilitate national goals. Bolivia, El Salvador, Guatemala, Honduras, Nicaragua and Paraguay have all developed master plans, and will test the efficacy of the concept of mobilizing resources for sectoral reform.**

five United Nations agencies and six pharmaceutical companies to accelerate access to care for persons infected with HIV/AIDS by creating alliances between the public and private sectors. A PAHO/WHO survey indicates that the agreements stemming from the negotiations between health ministries and the pharmaceutical companies led to a 54% reduction in the price of antiretrovirals in the countries of Latin America and the Caribbean.

The sub-regional negotiations produced a number of benefits: lower, uniform prices throughout the region; support for countries with less bargaining power; strengthening of cooperative ties among countries and the rationalization of technical cooperation provided by PAHO/WHO—all with the goal of helping the largest possible number of countries to conclude negotiations in the shortest possible amount of time. The sub-regional negotiations served to expedite a process that was already underway at the national level, and countries examined a number of different strategies to ensure that price reductions were achieved.

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## IMMUNIZATION PROGRAMS

### ➤ Measles

The Americas region has made impressive progress toward achieving the goal of interrupting the indigenous transmission of measles. September 2001 saw the introduction into the region of a new measles genotype, d9, which had been at the origin of outbreaks in Venezuela, and which subsequently spread to Colombia. The outbreaks were controlled following intensive vaccination campaigns. The last case of genotype d9 measles appeared in Venezuela in November 2002. Since that time, there have been no reported cases of indigenous transmission of measles in the region. This extraordinary achievement is the result of the commitment of each government in the region to fully implement the vaccination strategy recommended by the WHO.

### ➤ Haemophilus influenzae

Since the introduction of the Haemophilus Influenzae Type b (Hib) vaccine to the Americas in 1994, great progress has been made in controlling this disease. With the exception of Haiti, Guatemala, and Surinam, all countries in the region included the Hib vaccine in their immunization programs as of 2002. The fact that countries have well-structured early-detection systems was fundamental to the successful introduction of the new vaccine. Hib vaccine activities have also led to a significant reduction in the number of cases of bacterial meningitis.

### ➤ Rubeola

Rubeola and congenital rubeola syndrome are now recognized as high-priority public health problems. By October 2002, 41 countries and territories of the Americas had included a vaccine containing the rubeola vaccine in their national childhood immunization programs. Haiti, Peru and the Dominican Republic will launch their own anti-rubeola campaigns in 2003 and 2004. Many countries have also put into place specific strategies for

REDUCTIONS IN THE PRICE OF ANTIRETROVIRALS IN CENTRAL AMERICA

Source: PAHO



accelerated control of rubeola and congenital rubeola syndrome.

#### NON-COMMUNICABLE DISEASES

Latin America and the Caribbean have one of the highest rates in the world of cervico-uterine cancer incidence and mortality, despite the fact that almost all the countries in the region have been using the Papanicolaou pap smear test for more than 30 years. PAHO has evaluated other detection and treatment approaches in Peru and El Salvador, has tested methods for improving the quality of care in El Salvador, and has provided support to Antigua and Barbuda, Bolivia, Guatemala, Honduras, Jamaica, Panama, Surinam and Venezuela. It has also actively supported the Caribbean Program for the Prevention of Cervico-uterine Cancer and the Pan American Cytology Network (RedPAC), in order to strengthen cervico-uterine cancer prevention programs based on cytological evidence.

PAHO strengthened the implementation and expansion of the Integrated Management of Childhood Illness (IMCI) strategy in health institutions, and at the community level within the framework of the "Healthy Children: Goal 2002" initiative. This initiative is designed to improve the health of children under five years of age. Mortality for this group of children has decreased each year since the initiative was implemented two years ago: the number of deaths avoided increased by more than 43,000 compared to 1998 figures, which constitute the baseline for the goal of reducing the number of deaths in this age group by 100,000 for the 1999-2002 period. Almost all the deaths avoided were related to illnesses covered by the IMCI strategy, particularly pneumonia and diarrheal diseases. The number of deaths caused by illnesses covered in the Initiative dropped by 14.4% during the first year and by 7.9% during the second. These rates were higher than those for deaths from all causes, which dropped 5.6% during the first year and 2.8% during the second.



With respect to tobacco, the large majority of countries in the Americas actively participated in negotiations concerning the Framework Convention on Tobacco Control (FCTC), which was unanimously adopted by the 56th World Health Assembly in May 2003. As of October 2003, 13 governments in the Americas had signed the treaty, although none had ratified it. In anticipation of the obligations it will contract when the FCTC is ratified, Brazil has already implemented two of the most significant measures in the treaty. On the one hand, Brazil has instituted a comprehensive ban on tobacco advertising and promotion, as will be required by Article 13 of the FCTC when it enters into force. The law adopted permits advertising at the point of sale only. On the other hand, Brazil has obliged manufacturers to include clear and explicit health messages on cigarette packages. Adopting the FCTC is only the first step in reducing the burden of disease caused by tobacco. Independent of each Member State's decision to ratify the FCTC, controlling tobacco requires the mobilization of political will and the necessary human and technical resources. Only then can the considerable damage caused by tobacco – it is responsible for 18% of deaths annually – be avoided. The main challenge will be to

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