



# **V SUMMIT OF THE AMERICAS PREPARATORY PROCESS**

## **Private Sector Subregional Consultations**

**December, 2008**

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## **Introduction**

The Organization of American States General Secretariat, through its Department of Trade and Tourism (DTT) and the Summits of the Americas Secretariat, in coordination with the Trinidad and Tobago National Secretariat for the V Summit, organizes a series of consultations with the private sector with a view to promoting its participation in the V Summit process<sup>1</sup>.

In 2006, OAS Member States adopted the General Assembly Resolution 2244 “Promotion of Private Sector Participation in OAS Activities”, which called for the continued dialogue with the private sector and strengthening the means of dialogue with that sector, at the national level, in OAS activities, and in the Summits of the Americas process. OAS Member States agreed to “continue supporting the dialogue with the Ministers of Foreign Affairs before the inaugural sessions of the OAS General Assembly and the Summits of the Americas, so that the private sector may make recommendations, including proposed initiatives related to the topic of the Assembly or Summit and directed at the member states and the OAS.”

The consultations with the private sector were organized through coordinators representing the institutional private sector structures within the integration groupings as well as regional business associations:

### **Caribbean**

Caribbean Association of Industry and Commerce (CAIC)

### **Central America, Panama and the Dominican Republic**

Federation of Chambers of Commerce of Central America (FECAMCO)

### **Southern Cone**

Business sector of the Economic-Social Consultative Forum of Mercosur (FCES)

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<sup>1</sup> This process of consultations with the private sector was made possible with the financial support of the United States Government and the organization Private Sector of the Americas.

**North America**

Council of the Americas

**Andean Region**

Andean Consultative Business Council

Inputs were also requested from the Business Technical Advisory Committee on Labor Matters (CEATAL), the Latin American Business Council (CEAL), the Latin American Organization for the Micro, Small and Medium Enterprises (OLAMP) and the Latin American and Caribbean Association of Information Technology Entities (ALETI).

The coordinators received the draft Declaration of Commitments of Port of Spain accompanied by a brief survey (see annexes 1 and 2) to guide the discussions and the recommendations within each subregion or organization.

This document includes the inputs from the following organizations:

- √ Federation of Chambers of Commerce of Central America (FECAMCO)
- √ Caribbean Association of Industry and Commerce (CAIC)
- √ Council of the Americas
- √ Latin American Business Council (CEAL)
- √ Business Technical Advisory Committee on Labor Matters (CEATAL)
- √ Latin American and Caribbean Association of Information Technology Entities (ALETI)

Inputs from the Andean Consultative Business Council, the business sector of the Economic-Social Consultative Forum of Mercosur and OLAMP are being prepared and will be distributed in a new document to be circulated among countries as soon as they become available.

In addition to the sub-regional consultations, a virtual consultation will be launched shortly through the Summit of the Americas Virtual Platform.

For additional information, please contact:

OAS Department of Trade and Tourism

Pamela Coke-Hamilton, Director. E-mail: [pcokeh@oas.org](mailto:pcokeh@oas.org)

Gisela Vergara, Trade Specialist and Private Sector Forum Coordinator. E-mail: [gvergara@oas.org](mailto:gvergara@oas.org)

**CONSULTATIONS  
CENTRAL AMERICA  
FECAMCO**

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## **Recommendations of the Federation of Chambers of Commerce of Central America (FECAMCO) President: Carlos Federspiel**

### **TOPIC 1: Promoting Human Prosperity**

- **What are the most important challenges the Americas face to promote human prosperity?** Human prosperity is a long-term process and is achieved by generating employment. In this sense, it is necessary to have greater access to education, use of new technologies and training in technical areas. It is also necessary to promote policies that foster gender equality and decent employment, and to eradicate the worst forms of child labor.

It is necessary to strengthen Corporate Social Responsibility (CSR) by increasing the number of businesses that espouse CSR as a way to improve their businesses.

- **What must be the goals of our governments and the private sector regarding:**
  - A. Decent employment:** Promote the compliance with Chapter 16 of the Central America Free Trade Agreement (CAFTA), which promotes the compliance with the legislation of each of the countries. Promote that companies increasingly guarantee the right of pregnant women to labor stability and the payment of benefits. On the other hand, it is very important for our region to eradicate the worst forms of child labor.
  - B. Health, well-being and nutrition:** promote the establishment of programs in the region, such as “Solidarity Network,” which makes it possible to take aid to population groups who have been duly identified as in need; enhance the efficiency of the health system; increase the number of nutrition programs; prevent and eradicate diseases such as dengue, yellow fever, cholera and tuberculosis. It is necessary to foster good, healthy food and provide access to such food in order to improve the nutrition of the people and their intellectual capabilities.

**C. Access to quality education:** The state must seek to broaden its education efforts to include areas that still do not have schools or institutes; private sector businesses can provide support with equipment to improve access to technology for more students and promote flexible working hours so that people can study.

The ministers of education in the region must create a culture that fosters the proper use of inventions for cultural, education and scientific purposes, promote technical careers, lower the rate of illiteracy and foster other languages important for international trade: English, French, Mandarin. All of this will, in the medium- and long-term, create a population that is highly qualified to access better paid and more stable employment.

**D. Eliminate inequity and promote social cohesion:** In order to eliminate inequity, it is necessary to strengthen the rule of law for the quick enforcement of justice. It is also important to increase academic levels and invest more in the area of agriculture to allow the population to access better paying employment. The private sector must provide more and better sources of employment that contribute to the quality of life of the citizens in order to eradicate inequalities.

With the rule of law, more employment and better-qualified employees, it becomes more important for governments to create conditions that promote the formalization of businesses; this will enable people to have life insurance, pension funds and social assistance.

**E. Promote innovation and entrepreneurship:**

Governments must foster respect for intellectual property by promoting innovation in educational institutions.

One way to promote innovation is by fostering alliances between different university laboratories in the region, which will contribute to the exchange of knowledge. The ministers of education of the region must play a major role in facilitating alliances among colleges, universities and businesses.

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Governments must earmark more resources in their budgets for research and development.

**F. Business Environment:** It is necessary to create legal frameworks that will enable entrepreneurs to compete on equal footing and invest in the region, simplify processes and procedures to establish businesses.

Once the necessary conditions are established, the private sector must make effective use of these conditions and generate more investment that contributes to the economic growth of the countries.

The government and businesses must propose and effectively use the alternative dispute settlement mechanisms that already exist in the region, such as arbitration, mediation and conciliation and those established in bilateral and multilateral agreements.

➤ **What must the private sector commit to in order to reach these goals?**

1. Implement Corporate Social Responsibility in a larger number of companies.
2. Promote environmental responsibility
3. Efficient energy management
4. Generate good-will commitments and agreements between the public and private sectors.

➤ **What is the role of public-private alliances in reaching these goals?**

Generate proactive awareness about innovation and the new challenges facing goods and services in international trade by increasing the level of technology in businesses to make them more competitive and enable them to improve their services.

➤ **What must the timeframe be for reaching these goals?**

The timeframe must focus on two levels: medium term and long term, and redirect them in accordance with world trade trends and the economic and social situation of the countries.

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**TOPIC 2: Energy Security**

➤ **What are the most important energy security challenges faced by the Americas?** Encourage the use of renewable energy such as solar, wind, geothermal and hydroelectric that will reduce dependence on hydrocarbon-based energy and cut the cost of energy.

➤ **What must the goals of our governments and the private sector be with regard to:**

**A. Energy efficiency and conservation:** “The most expensive energy is the energy we don’t have.” Therefore, saved energy is the most economical and sustainable energy resource.

The efficient use of energy helps guarantee a greater supply, and minimize the environmental impact with clear benefits for the region. Thus, the goal is to foster a culture of rational use of energy that makes it possible to save energy. This must be done as soon as possible.

**B. Energy Diversification:** Upgrade the legal frameworks that enable the use of renewable energy (wind, solar, geothermal and hydroelectric) in line with economic growth and an increase in the use of energy.

**C. Solutions of clean energy:** Change dependency on the hydrocarbon energy model to this type of clean energy since it generates cheaper energy with its corresponding positive impact on the environment.

Dependence on hydrocarbon energy will be better addressed if there is political will to make the change to clean energy solutions by granting incentives to private capital to invest in it, through fiscal incentives or mechanisms that ensure the purchase of the energy.

Governments and private enterprise must work together with universities in the countries to promote technical academic capacities related to these technologies.

**D. Energy cooperation and integration:** Central America is working on the SIEPAC project that consists of supporting the formation and progressive

consolidation of a regional energy market (Mercado Eléctrico Regional-

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pressure on natural resources since our emerging economies increasingly demand more food, with the corresponding increase in the use of idle land for agricultural purposes, and the destruction of habitats and species.

Another challenge is linked to climate change; that is, we must consider new and better ways to generate cleaner energy that does not degrade the quality of our environment and promotes environmental conservation. It is therefore necessary for governments to undertake actions that include risk management, land management and more explicit strategies to conserve biodiversity and natural resources.

➤ **What must the goals of our governments and the private sector be with regard to:**

- A. Preparation for natural disasters:** Have emergency and mitigation plans for these situations since having a risk management plan that focuses particularly on prevention will give governments better tools to deal with these phenomena, thus avoiding not only the loss of human lives but also the loss of natural habitats that are affected by these situations.
- B. Climate Change:** Governments must focus on including climate change as a real variable in their operating plans, their finances and their social projects since until now this factor has not been included in these indicators. When this is achieved, it will be easier to attain the goals geared to economic activity because they will take into account the real value of the activities and, thus, future planning will be based on a solid foundation.
- C. Environmental governance:** The legislation and regulations related to this topic are of vital importance since they clearly establish the rules to be followed, taking into account the country's environmental vision and mission. In this sense, the world economic situation also calls for the implementation of environmental protection measures that particularly regulate the trade sector as established in the chapters on the environment in trade agreements, such as CAFTA.

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- D. Water resources:** foster citizen responsibility through environmental education to avoid the contamination of water resources, particularly surface waters.
- E. Biodiversity protection:** It is necessary to foster policies to establish protected areas in order to create sufficient areas to protect existing biodiversity. In this sense, efforts must be made to ensure the sustainability of these spaces since the lack of follow up and surveillance of these areas usually opens the doors for poaching, which leads to clandestine markets for selling protected species.
- F. Urban environmental management:** Borders between urban and rural areas are increasingly shrinking as cities grow and invade rural areas, destroying their ecosystems, generating numerous environmental problems that include everything from erosion and runoff to natural disasters such as floods. Thus, it is necessary to promote and enact laws for land management, particularly those that guarantee the real conservation of areas of biodiversity protection.
- **What must the private sector commit to in order to reach these goals?**  
Generate new company visions that include a real concern for conserving the environment and natural resources and one that promotes actions that have a favorable impact on the environment.
  - **What is the role of public-private alliances in reaching these goals?**  
These alliances must help consolidate those areas of action in which each of the participants promotes actions to protect the environment. These actions become opportunities to generate positive impacts.
  - **What must the timeframe be for reaching this goal?**  
The search for these goals must begin as soon as possible so that they can be sustainable over time and show in greater results.

See Annex 3 for list of FECAMCO Members.

### **Annex 3**

#### List of Members of FECAMCO

Cámara de Comercio de Costa Rica  
Cámara de Comercio de Cortés  
Cámara de Comercio e Industria de El Salvador  
Cámara de Comercio de Guatemala  
Cámara de Comercio e Industria de Tegucigalpa  
Cámara de Comercio de Nicaragua  
Cámara de Comercio de Belice  
Cámara de Comercio de Bogotá  
Cámara de Comercio, Industria y Agricultura de Panamá  
Cámara de Comercio de Colón  
Cámara de Comercio y Producción de Santo Domingo