

Report:

Second Plenary Meeting

Challenges & Opportunities for Hemispheric Integration

Panama City, Panama

February 20 and 21, 2003

Foro Interparlamentario de las Américas
Fórum Interparlamentar das Américas



Forum interparlementaire des Amériques
Inter-Parliamentary Forum of the Americas



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1. Introduction

The Second Plenary Meeting of the Inter-Parliamentary Forum of the Americas (FIPA) was held on February 20 and 21, 2003, in Panama City, at the kind invitation of the Legislative Assembly of the Republic of Panama. Ninety parliamentarians from the national legislatures of 18 countries in the Americas participated in this important event (*see the list of delegates in Annex 1*).

The main theme for discussion was “Challenges and Opportunities for Hemispheric Integration”, which was broached from different angles in three working groups.

The agenda was complemented by presentations from six special guests on subjects of interest to the parliamentarians, i.e. the Summit of the Americas process, the importance of the International Criminal Court, the process of negotiating the FTAA, international cooperation to combat terrorism, the work of the OAS in consolidating the democratic process in the Americas and the scope of the Inter-American Democratic Charter.

2. Opening Ceremony

The Second Plenary Meeting of FIPA was officially opened at a special ceremony held at the El Panama Hotel, the venue of the event, on Thursday, February 20, 2003.

Legislator Marco Ameglio of Panama, Chair of the Second Plenary Meeting, Senator Céline Hervieux-Payette of Canada, Chair of FIPA, Legislator Alcibiades Vásquez, Speaker of the Legislative Assembly of Panama, and Her Excellency Mireya Moscoso, President of the Republic of Panama, spoke at the opening ceremony (*see the texts of the addresses in Annex 2*).

The ceremony was attended by delegates from the different countries, members of the diplomatic corps accredited to Panama, representatives from international organizations, prominent politicians and other special guests.

3. Presentations to the Plenary Meeting

3.1 *Presentations at the Opening Session*

After the opening ceremony, three guest speakers made presentations to the plenary meeting. The first was the Canadian Ambassador to the Organization of American States (OAS), His Excellency Paul Durand, who informed the FIPA parliamentarians about the progress made in the Process of the Summit of the Americas (*see the text in Annex 3*).

Next, Senator Jimmy Chamorro of Colombia talked about the establishment of the International Criminal Court and the importance of ratifying the Rome Statute (*see the text in Annex 4*).



Last, Ms. Nivia Rossana Castrellón, Legislator Minister of Foreign Affairs of Panama gave a presentation on the process of trade integration under the Free Trade Area of the Americas (FTAA). Ms. Castrellón stressed aspects such as the impact of the FTAA on the Latin American economies, the importance of parliamentary participation in the process and the establishment of a hemispheric cooperation program (*see the text in Annex 5*).

3.2 Guest Speakers

During the noon breaks, three background speakers complemented the working agenda of the plenary meeting. First, Senator Germán Várgas of Colombia discussed the subject of international cooperation in the fight against terrorism.

Second, Ms. Elizabeth Spehar, Executive Coordinator of the Unit for the Promotion of Democracy (UPD) of the OAS, presented an account of the efforts made by the organization to consolidate the democratic process in the Americas, through initiatives such as FIPA and the Inter-American Forum on Political Parties. (*see the full text in Annex 6*).

The third speaker was His Excellency Juan Manuel Castulovich, Panamanian Ambassador to the OAS, who spoke about the Inter-American Democratic Charter.

4. First Session of the Plenary Meeting

After the presentations at the opening session, the work of the meeting got under way. The Chair of FIPA, Senator Hervieux-Payette, submitted the working agenda to the meeting for consideration, which was approved unanimously (*see the working agenda in Annex 7*).

4.1 Election of the Chair of the Plenary Meeting

Senator Hervieux-Payette presided over the election of the Chair of the plenary meeting. On a motion by the Mexican delegation, seconded by the Canadian delegation, Legislator Marco Ameglio of Panama was unanimously elected Chair of the Second Plenary Meeting of FIPA.

4.2 Report by the Chair of FIPA

The Chair of FIPA, Senator Hervieux-Payette, presented the annual report on activities to the plenary, summarizing the work done by the Executive Committee and the efforts made to consolidate the institution (*see the text in Annex 8*).

4.3 Establishment of Working Groups

The Chair of the meeting explained the make-up of the working groups, which were established as follows:



Working Group No. 1 – The interaction of tax policy and trade, economic growth and social development

Chair: Senator Silvia Hernández (Mexico)
Facilitators: Dr. Alberto Barreix (Inter-American Development Bank – IDB)
Dr. Claudino Pita (Inter-American Centre of Tax Administrations – CIAT)
Rapporteur: Mr. Steve Griner (Organization of American States – OAS)

Working Group No. 2 – The impact of economic and financial crises in the region

Chair: Congressman Marcelo Stubrin (Argentina)
Facilitators: Dr. Roberto Frenkel (Government and Social Studies Centre – CEDES)
Rapporteur: Mr. Jorge Calderón (Organization of American States – OAS)

Working Group No. 3 – Free Trade Area of the Americas negotiations

Chair: MP John Godfrey (Canada)
Facilitators: Dr. Peter E. Kirby (Fasken-Martineau Dumoulin, Montreal)
Rapporteur: Mr. Cesar Parga (Organization of American States – OAS)

5. Establishment of the Group of Women Parliamentarians of the Americas

On Friday, February 21, the women parliamentarians of FIPA held a working breakfast to discuss the motion presented by the Argentine delegation on the creation of a Group of Women Parliamentarians of the Americas. The meeting was chaired by Argentine Congresswoman Margarita Stolbizer and was attended by the Chair of FIPA, Senator Hervieux-Payette, 25 women parliamentarians from different member countries of the Forum and the Director of the Unit for the Promotion of Democracy of the OAS, Elizabeth Spehar.

As a result of the meeting, a proposed resolution was drafted to be presented to the plenary for approval to establish a group of women parliamentarians of the Americas, which would be coordinated by two parliamentarians from each of the subregions (North America, Central America, the Caribbean and South America), as a permanent action group under FIPA (*see the executive summary of the meeting in Annex 9*).

6. Recognition of the Secretary General of the OAS

During the special ceremony held on Friday, February 21, the Chair of FIPA presented a resolution whereby the parliamentarians of the Americans recognized the fundamental role played by the General Secretariat of the OAS in launching a process that culminated in the establishment of FIPA. The resolution also contained express recognition of His Excellency César Gaviria Trujillo for his contribution to strengthening the role of the legislative branch in democracies in the Americas.



Ms. Elizabeth Spehar received the resolution, signed by the members of the Executive Committee of FIPA, on behalf of the Secretary General of the (*see the resolution in Annex 10*).

7. Final Session of the Plenary Meeting

After the deliberations of the working groups, the Second Plenary Meeting held its final session in the afternoon of Friday, February 21, 2003. The following business was dealt with.

7.1 Presentation on the Virtual Parliament of the Americas Project

Mr. Shady Kanfi, representative of Bellanet International, made a presentation summarizing progress in the project on the Virtual Parliament of the Americas. He discussed the work to update FIPA's web site, which includes all of the Forum's documentation and institutional memory. He presented the virtual workspace, created to support the work of FIPA's Executive Committee, which can be used for all communications by the committee's members, including the circulation of documents and discussion of proposals, etc. He also reported on the virtual meeting held by several members of the Executive Committee, through the chat module, which had simultaneous translation in three languages to allow for a discussion of topics on the FIPA agenda.

Lastly, he stressed the importance of participation by FIPA members in the development of this tool, which will provide continuity for the work of the forum through the Internet, serve as a portal for access to useful information and facilitate on-line discussions by parliamentarians, etc.

7.2 Motion by the Colombian Delegation to Establish a Working Group on Terrorism

Colombian Congresswoman Nancy Patricia Gutiérrez proposed a motion to the plenary meeting recommending the establishment of a working group on terrorism. The group's main objectives would be to follow up on collective mechanisms for the fight against terrorism and promote compliance with international hemispheric commitments made in this field.

After discussion, the motion was unanimously approved (*see the text of the motion in Annex 11*).

7.3 Resolution on the Establishment of the Group of Women Parliamentarians of the Americas

Argentine Congresswoman Margarita Stolbizer presented a resolution for consideration by the plenary on the establishment of the Group of Women Parliamentarians of the Americas, under FIPA. The resolution was unanimously approved (*see the text of the motion in Annex 12*).



7.4 Resolution on the Crisis in Iraq

MP John Godfrey of Canada presented a proposed resolution to the plenary regarding the Iraq crisis, in which the parliamentarians of the Americas expressed their concern over the threat to world peace posed by the crisis.

The parliamentarians discussed the wording of the text, and after the debate, the resolution was unanimously approved (*see the text of the motion in Annex 13*).

7.5 Presentation of the Reports of the Working Groups

The chairs of the working groups summarized the deliberations of their groups and presented the final reports to the plenary. All the working groups had documents prepared by the guest experts to use as the basis for discussion, which were available at FIPA's web site (www.e-FIPA.org).

Working Group 1 – The interaction of tax policy and trade, economic growth and social development

Senator Silvia Hernández of Mexico chaired Working Group 1. At its first session two presentations were made by the guest experts: "Harmonization and tax systems in the Americas" by Dr. Claudino Pita, and "The challenges of tax policy related to regional economic integration" by Dr. Alberto Barreix.

At the second session, the parliamentarians presented their views, asked the experts questions and established group positions on this topic. The parliamentarians agreed on the importance of keeping tax aspects in mind in the process of trade integration and the need for legislatures to participate actively in that process.

(See the text of the report and the recommendations of Working Group 1 in Annex 14.)

Working Group 2 – The impact of economic and financial crises in the region

Working Group 2 was chaired by Congressman Marcelo Stubrin of Argentina, with Dr. Roberto Frenkel as the guest expert, who made a presentation entitled "Globalization and financial crises in Latin America".

After the presentation, the parliamentarians expressed their views on this subject and agreed on several recommendations related to seeking solutions to the problems presented.

(See the text of the report and the recommendations of Working Group 2 in Annex 15.)



Working Group 3 – The Free Trade Area of the Americas (FTAA) negotiations

MP John Godfrey of Canada chaired Working Group 3, with Mr. Peter Kirby presenting an update on the FTAA process, including the most recent developments in the negotiations.

Aside from reiterating the recommendations made by FIPA in the two earlier plenaries, the group formulated recommendations on the FTAA negotiation process. It also suggested various initiatives to the Executive Committee with respect to following up on those recommendations.

(See the text of the report and the recommendations of Working Group 3 in Annex 16.)

7.6 Election of the Members of the Executive Committee for the Period 2002 – 2004

The plenary proceeded to elect the members of the Executive Committee for the period 2002 to 2004. The four subregions elected their Executive Committee Members as follows:

On a motion by the Canadian delegation, **Senator Silvia Hernández of Mexico** was re-elected as the Executive Committee Member for **North America**.

For **Central America**, **Congressman Mario Calderón of Costa Rica** was elected on a motion by the Salvadoran delegation, seconded by the Guatemalan delegation.

For the **Caribbean**, **Congressman Urick Saint-Cyr of Haiti** was elected on a motion by Jamaica.

On a motion by the Brazilian delegation, seconded by the delegations of Chile, Peru, Colombia and Ecuador, **Congressman Marcelo Stubrin of Argentina** was re-elected as the Executive Committee Member for **South America**.

(See the membership of the Executive Committee in Annex 17.)

7.7 Host Country for the Next Plenary Meeting

The Argentine delegation proposed Chile as the host of the Third Plenary Meeting of FIPA, a motion that was seconded by the Peruvian delegation. In addition to backing the Argentine proposal, the Brazilian delegation proposed its own country to host the plenary meeting in 2005.

Chile was chosen by acclamation as the host for the next Plenary Meeting and, pursuant to Article 2.3(b) of the FIPA Regulations, as host country, Chile will have a parliamentarian on the Executive Committee for one year.

7.8 Close of the Second Plenary Meeting

The Chair of the meeting thanked all the delegates for their participation and their contributions to the deliberations. Senator Hervieux-Payette thanked Legislator Marco Ameglio and the members of the Executive Committee for their contributions to the organization of the meeting and the administrative staff of Panama for organizing the event. The Chair then declared the Second Plenary Meeting of FIPA closed.

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8. Annexes

8.1 *Annex 1 – Countries and delegates in attendance*

Argentina

Congresswoman Margarita Stolbizer
Congressman Marcelo Stubrin

Brazil

Deputy Luiz Carlos Hauly
Deputy Maria Jose Maninha
Deputy Paes Ladim

Canada

John Godfrey, M.P.
Senator John Lynch-Staunton
Eleni Bakopanos, M.P.
Senator Michel Biron
John Williams, M.P.
Yves Rocheleau, M.P.

Chile

Senator José García
Congressman Waldo Mora
Congressman Pedro Muñoz
Congressman Jaime Rocha
Congressman Germán Becker
Congressman Esteban Valenzuela

Colombia

Senator Jimmy Chamorro
Senator Germán Vargas
Congresswoman Adriana Gutiérrez
Congresswoman P. Gutiérrez

Costa Rica

Congresswoman Ligia Zúñiga
Congresswoman Kyra De la Rosa
Congresswoman Rocio Ulloa
Congresswoman María L. Ocampo
Congressman Mario Calderón

Cuba

Deputy Jaime Crombet Hernández
Deputy Tubal Páez



Ecuador

Congressman Edgar G. Ortiz
Congressman Ramiro Rivera

El Salvador

Congressman Ciro C. Zepeda
Congressman Julio Moreno

Guatemala

Congressman Carlos S. Nájera

Haiti

Congressman Ulrick Saint-Cyr
Congressman Géthro Pierre
Congressman Dufort Milord
Congressman Phélito Doran
Congressman Pierre P. Leclair
Senator Jean C. Delice
Senator Evalliere Beauplan
Senator Martineau Guerrier
Senator Fabienne Jean-Pierre
Senator Norma F. Jean-Claude
Senator Bazile Immacula

Jamaica

Senator Anthony Johnson

Mexico

Senator Silvia Hernández
Senator César Camacho
Senator Raymundo Cárdenas
Congressman Gustavo Carvajal
Congressman Tarcisio Navarrete
Congressman Francisco Vasquez
Congresswoman Julieta Prieto
Congresswoman María Elena Alvarez
Congresswoman Celita Alamilla
Congresswoman Rosalía Peredo
Congresswoman Silvia Alvarez
Congressman Raúl Cervantes
Congressman Francisco Patiño

Nicaragua

Congressman Nathán Sevilla



Panama

Legislator Marco Ameglio (Chair of the Plenary Meeting)
Legislator Alcibíades Vásquez
Legislator Gloria Young
Legislator Elías Castillo
Legislator Hedí Londoño
Legislator Teresita Yaniz
Legislator Lilia E. Broce
Legislator Noriel Salerno
Legislator Samuel Binns
Legislator Jose I. Blandón
Legislator Balbina Herrera
Legislator Ismael Herrera
Legislator Marcos González
Legislator Francisco Alemán
Legislator Francisco Reyes
Legislator José Muñoz
Legislator Héctor Alemán
Legislator José Carreño
Legislator Elpidio González
Legislator Haydeé Milanés
Legislator Julio C. Castillo
Legislator Edwin Aizpurúa
Legislator Olgalina de Quijada

Peru

Congressman J. Humberto Requena
Congressman Héctor H. Chávez
Congressman Carlos M. Chávez

Surinam

Congressman Radjkoemar Randjietsingh
Congressman Winston Jessurun

Uruguay

Senator Carlos J. Pereyra

Special Observers

Parliamentary Confederation of the Americas – COPA
Congresswoman Ileana Roger (El Salvador)

Latin-American Parliament
Legislator Felipe Cano (Panama)



8.2 Annex 2 – Remarks at the opening ceremonies

**Remarks by the Honourable Marco Ameglio
Legislator from Panama
Chair of the Second Plenary Meeting of FIPA**

Original: Spanish

International society is engaged in a dizzying debate in the midst of deep technological, political and economic change. The challenge is to adapt our culture to a free economy that does away with monopolies and guarantees access to markets governed by simple, clear and fair rules.

I extend to you all a warm welcome to our country, to the same place that Simon Bolivar chose for his Amphictyonic Congress in 1826, since he was aware of our country's strategic importance. Panama, as he knew, is the beating heart of the Americas, and its Canal is now the main artery of prosperity in the hemisphere. But the continent is not as vigorous and strong today as Bolivar dreamed. On the contrary, it is showing signs of disease. The acute economic and financial crisis that affects the region, the recent acts of terrorism, and the uneasiness felt by its people with regard to the imbalances of globalization are real problems we have to face.

The process of world integration does not condition nations to gaily open up their economies, without limits or reciprocity. As parliamentarians, we must act responsibly; we cannot ignore the challenges in a world that is willing to leave those who do not adjust to the new dynamics behind. No one in their right mind can oppose regional or world integration processes or globalization per se., but free trade and the FTAA, in particular, cannot be an instrument that distributes poverty instead of multiplying and distributing wealth.

The Second Plenary Meeting of the Inter-Parliamentary Forum of the Americas (FIPA) being held here, also in commemoration of the centennial of the foundation of the Republic of Panama, will produce fruits, strengthening an independent network of national legislatures capable of moving all our societies to reflection, so that, as a single voice, we peoples of the Americas can think about and act on what we want to be and how we will achieve it.

It is fitting today, in this forum, to emphasize Panama's interest in working to make sure that our country will continue to be the ideal meeting place of the Americas and, because of that, we reiterate to you all our unwavering hope that the permanent headquarters of the FTAA will be established here in 2005.

All of us want to see prosperity and the elimination of poverty in our countries. But we must be aware that we need to lay the groundwork and provide the security that will make this possible.

Without security, the creation of wealth is only an illusion. After the tragedy of September 11, the whole world understood this. I would like to hold up the security issues in my country as an example since we have two birthrights that are fully Panamanian, but that have made and continue to make an immense contribution to the hemisphere and to humanity as a whole and could at some point become a target: the Panama Canal, whose economic importance is incalculable for all of the Americas, and the Darien jungle along the border with Colombia, a



lung of the planet and a sources of biodiversity, whose potential is unknown to many. In my country, those who pretend not to see the problem, using the ostrich's classic strategy, waiting for the threat to disappear, are making a mistake. Although Darien is a brake on development, it is also becoming a freeway for trafficking in arms and drugs, and for terrorists who finance themselves through this business. We must not think that we are immune to the effects of these forces. If we do not plan our development, if we do not protect the Darien jungle and if we are not concerned about the welfare and security of its inhabitants, we will doubtless pay the price later.

If Panama were like Colombia, my hands, like those of my colleague here, Senator German Vargas Lleras, victim of an attack just last December, would bear an indelible scar, a scar that represents the pain of Colombians over the violence that besets them, which should lead all of us on this continent to act together to eradicate terrorism and all its forms of violence, since they represent a threat to the peace and tranquillity that are essential if our region is to move forward under economic integration plans that will result in authentic well-being for our people.

The government of President Moscoso has made enormous efforts to strengthen our public forces, citizen security and the fight against terrorism. The solidarity expressed by this government with President Uribe of Colombia in the fight against the terrorists who have killed so many innocent people and who, unfortunately, have also penetrated our territory in recent years, is a brave decision. But, how long can the Panamanian people shoulder the full cost of defending this birthright, whose benefits are enjoyed by the whole planet? For this reason, I want to make a concrete proposal here: the time is very close when we must study the possibility of establishing a multinational peace force, which guarantees border security and protects the Canal against the threat of terrorism.

The fight against terrorism must be coupled with real growth potential for the developing countries. Accordingly, the free trade option is necessary in order to consolidate a fairer economic system.

We are convinced that establishing the FTAA will contribute to growth, job creation, a better standard of living, the creation of better opportunities and the reduction of poverty everywhere in the Americas, through the expansion of trade flows, the liberalization of trade, and investment.

However, recognition must be accorded to the importance of agriculture for the region's economies. It is no secret that the subsidies paid by the developed countries to their agricultural producers are beating down farmers in the third world, and the Americas are no exception. An onion producer in Panama cannot sell his produce on the local market, because the subsidized onions imported from the United States are cheaper, even after the shipping costs are factored in. We cannot continue to tolerate the practices of third countries that distort the new world trade order by flooding the market with subsidized agricultural products, while demanding that we open up our markets and leave our own producers with no protection.

Some people limit themselves to angry complaints. At this meeting of parliamentarians I underline the fact that, as politicians of this continent, we cannot afford the luxury of waiting until the developed countries get around to fixing the problem. Other people use this situation as justification for becoming enemies of free trade, defending old interests with political influence in backward-looking schemes in their countries – sectors that are afraid of free competition and the challenges it implies. I therefore repeat that the time has come to restrict imports of subsidized agricultural products that attack our people's interests. Globalization cannot be



propelled headlong, leaving the most humble people of our countries, especially our farmers, to pay the cost.

We are presently the headquarters of the *pro tempore* secretariat of the Free Trade Area of the Americas, and, as we have said, we hope to become the permanent secretariat in the year 2005. We do this out of the conviction that Panama is moving firmly in the right direction, facing the transcendental issues of the new millennium, modernizing our education system, developing our rural sector, and designing a new industrial strategy, with tools that allow us to compete in the international markets on the basis of price and quality.

The FTAA has made progress and we must continue to act, despite the deterioration in our economies and the worsening of international tensions, with the threat of a war that could generate a crisis in oil prices. We are also concerned over the prolonged world recession, marked by the decline in the international trade and investment flows.

For this reason, we parliamentarians cannot remain indifferent. We have to make a serious wager on free trade, but with equality and justice. We have in FIPA a broad radius of action to contribute to the building of a new international order based on a spirit of reciprocity.

This means that the FTAA must be consistent with the differences in development levels and sizes of the hemisphere's economies, with the purpose of ensuring the full participation of those economies in the benefits that result from the agreement, and in the creation of opportunities for small countries like Panama, and the Central American and Caribbean countries.

The recommendations we make should be tuned to the same frequency in environmental and trade liberalization policies and, above all, they should promote the hemisphere's sustainable development. I believe we should continue to encourage the promotion of financial policies that lead to growth in trade and investment in the continent. Only in this way will we be able to seriously tackle the foreign debt problem of some countries in the hemisphere.

Last, the challenge that lies ahead is, without a doubt, an exciting one. I hope that the deliberations at this second plenary meeting of FIPA serve to set us firmly on the path toward the future.

I reiterate my warmest welcome, in the hope that our road to integration leads us to the destiny of greatness that has eluded us until now and to an economic development model with social equity that accommodates the demands of globalization.



Remarks by the Honourable Céline Hervieux-Payette
Senator from Canada
Chair of the Inter-Parliamentary Forum of the Americas

Almost one year ago, you honoured me by electing me chair of the Inter-Parliamentary Forum of the Americas. I would like to thank you again for your trust. The challenge of leading a new parliamentary organization in such a vast and complex region makes the task both demanding and fascinating.

All the members of the executive, which comprises parliamentarians of the four regions of the Americas, namely South America, North America, Central America and the Caribbean, have offered me tremendous support, without which FIPA would not have been able to grow.

I cannot say enough about the commitment and skill of those who assisted me in my duties, namely the team at the parliamentary centre, staff at foreign affairs, especially our devoted ambassadors, Bellanet, the office of the institute for connectivity in the Americas, the team at the UPD, the Canadian international development agency and, lastly, all our collaborators at the hemispheric level.

I also want to underline the excellent work accomplished by the staff of the legislative assembly of Panama. I offer you my most sincere congratulations for the terrific organization of this second plenary meeting.

As we enter our third year, I am confident that in this, the second year of my term, we will be able to consolidate our organization and meet one of the forum's key objectives; that is, to establish ties for communication and an understanding of the political issues affecting our continents, in order to better serve the interests of our populations.

Later, I will have an opportunity to present a detailed report on the activities of the past year. I would like to begin this annual general assembly by explaining the objectives that we set for ourselves for this meeting.

First, you will note that our dynamic executive complied with the Argentine MP's request, Mrs. Margarita Stolbizer, to organize a breakfast meeting for women parliamentarians outside our official meetings. I would like to invite all those in attendance to join us at this meeting in order to identify the group's work orientations. This will be an informal event and men are welcome to attend. However, please be sure to register, so that we know the number of participants.

The workshop topics are directly related to our common concerns, namely:

- The relationship between countries' fiscal policies and their commercial competitiveness, economic growth and social development;
- The impact of the economic and financial crises in the region;
- The progress of the current FTAA negotiations, emphasizing trade distortions and dispute settlement.

The experts who prepared the work documents for the workshops have done some remarkable and very useful research to help us understand the issues at stake for our respective countries.



They are available to answer any questions we may have and to facilitate our discussions. I am certain that, despite the complexity and aridity of the topics of our meeting and based on the rules we have established as an organization of parliamentarians, we will be able to identify possible solutions for our respective parliaments and formulate recommendations for our governments.

Delegates can and will be able to continue reflecting on these topics after the meeting, and FIPA will encourage further discussion on its internet site, which is currently in its trial phase and should be operational in several countries by the end of the year. FIPA is entering a period of consolidation. As our organization refines its identity, a growing number of parliamentarians will be calling on this network to identify common solutions to the problems before us.

Last year was difficult for many of us. The solidarity of parliaments is essential for ensuring the advance of our economic, political and social policies. Only dialogue can unite us; only understanding can help us to surmount the barriers of fear and ignorance; and only trust in each other will strengthen our determination to overcome the obstacles inherent in a more complex, more dynamic world. This is the challenge that I invite you to consider over the next two days.

**Remarks by the Honourable Alcibiades Vásquez
Legislator from Panama
First Deputy-Speaker of the Legislative Assembly of Panama**

Original: Spanish

The Legislative Assembly of Panama is privileged to host this Second Plenary Meeting of the Inter-Parliamentary Forum of the Americas. I welcome you all warmly and hope that your visit to our country is both pleasant and useful.

It is a great honour to host this meeting, which is the largest parliamentary conclave that Panama has ever seen. We are extremely pleased that you have come to Panama to meet in the year we are celebrating the 100th anniversary of the founding of the Republic. We view the presence here of parliamentarians from friendly countries as an incentive for continuing to forge the free, independent, sovereign and prosperous homeland that our forefathers dreamed of.

We are particularly pleased to be able to contribute, from Panama, to the strengthening of this forum, which was born with the noble purpose of being a vehicle to enable parliamentarians from the region to participate in developing the inter-American agenda, contributing a necessary parliamentary dimension to the process of consolidating democracy, seeking economic prosperity, social stability and hemispheric security.

The leading role played by parliamentarians from the region in defining the political changes that the continent has experienced in recent times has been widely recognized. However, parliaments are not nearly as involved as they should be in designing the important economic changes that affect the continent, particularly the negotiations on the Free Trade Area of the Americas – the FTAA. We are very pleased that this subject is a high priority on FIPA's agenda



and that it has made a statement underlining the need for active and effective participation by national parliamentarians in the process of creating the FTAA.

In the different international forums that I have attended recently, I have encountered criticism of the FTAA negotiations; but let there be no mistake, we are not against the FTAA. As legitimate interlocutors for our peoples and their interests and aspirations, we support all initiatives that will contribute to their real progress and well being, since we cannot remain indifferent to the desolating and tragic situation of millions of people in our hemisphere who live in abject poverty. However, it is our inescapable obligation to ensure that continental economic integration will not widen the gap between the rich and the poor, will not produce new social exclusion, or be the source of new frustrations for our people.

I would like to reiterate my conviction that active and effective participation by parliamentarians in creating the FTAA responds to demands for transparency and the responsible exercise of democracy. Parliamentary participation is also an essential factor for ensuring that continental integration will be – as we would wish – an inclusive and socially sustainable process, in which the benefits will be equitable for all countries, trade will be fair, dignified jobs will be created that truly raise the standard of living of our people, equity will be promoted and wealth will be better distributed, with respect for the environment and our cultural identity and full observance of human rights and freedoms.

A process of this kind will merit full support from all our countries, while a process with opposing characteristics could only result in widespread rejection.

Let us applaud the existence of this forum, where we can discuss these ideas democratically, reflect more deeply, make proposals, exchange ideas, suggest initiatives and build consensus that permit us to move toward our common objective of constructing prosperous and democratic societies where solidarity exists. Our people deserve such societies and we – their representatives – are under the obligation to bring them into being.

We hope that you will feel completely at home in our country.

Remarks by Her Excellency

Mireya Moscoso

President of Panama

Original: Spanish

On behalf of Panama, it is an honour for me to inaugurate this Second Plenary Meeting of the Inter-Parliamentary Forum of the Americas (FIPA), in the firm expectation that the regional integration we all support will be the cornerstone for the socioeconomic development of the countries we represent here. In Ottawa and Mexico, this forum has maintained open and decisive support for parliamentary participation in the promotion and defence of democracy and the observance of human rights. We are convinced that the full force of the rule of law will enable our governments to achieve economical development, provided we comply fully with the principles of respect for human dignity.



Panama, which acts as the FTAA's pro-tempore secretariat, has taken clear steps towards regional economic integration, as shown by its recent approval of the Free Trade Agreement with Central America and the Protocol with El Salvador, which constitute the legal foundation, to which other legislative instruments will undoubtedly be added, that will contribute to the economic progress of our sister countries in the region.

Tax policies and trade, economic growth with social equity, the impact of the economic and financial crisis in the region, and the negotiations to consolidate fair treatment within the framework of the FTAA initiative, and others, are subjects of great depth, whose discussion should focus on a more just economy and better trade relations for everyone.

It is of utmost importance for parliamentarians – senators and legislators – to be the main protagonists in these deliberations, since you know the situation in your respective electoral districts first hand, but with the understanding that your legislative duties are not limited to the local area, but involve the establishment of rules that support the solution of controversies, distortions and other concerns pertaining to global trade. Solving these problems is now a key component of all trade negotiations, including the FTAA. By promoting parliamentary participation in the inter-American system and in the discussion of the hemispheric trade agenda, we will be able to agree on rules that lead in the direction of regional economic development.

We should pay special attention to the need to establish transparent and effective mechanisms for resolving trade disputes expeditiously, basing ourselves on a study of other free trade agreements. Within the framework of challenges and opportunities of hemispheric integration, Panama hopes to be elected as the permanent headquarters of the trade negotiations in 2005, and I am asking for the full and sympathetic support that you have always given us, so that we can continue to be “the Bridge of the World and Heart of the Universe”.

Our country is persuaded that your presence here confers prestige on our Centenary celebrations, and that the comments and conclusions you reach will plant the seeds of a prosperous future and the human progress we all wish to see.

Thank you very much.



8.3 Annex 3 – Update on the Summit of the Americas process

Presentation to the Plenary Meeting by His Excellency Paul Durand, Canadian Ambassador to the OAS.

Original: English

It is a great pleasure for me to be in Panama, once again, where I had the honour of serving as Canadian ambassador for three very agreeable years. I am also very pleased to be here with you – parliamentarians and legislators of the Americas – at this Second Plenary Meeting of the Inter-Parliamentary Forum of the Americas (FIPA).

I would like to thank our host, Legislator Marco Ameglio, Chair of the Foreign Relations Committee, for inviting me to participate in this event, and for his tremendous contribution to the organization of this event.

I've been asked to talk about a number of different aspects of the Summits of the Americas. The Summit agenda is very comprehensive, so I'll focus on some of the leading issues: the promotion of democracy; the Free Trade Area of the Americas, and hemispheric security; also, a few words about hemispheric efforts to combat terrorism.

As you know, Canada hosted the last Summit, in Quebec City in 2001, and we still hold the chairmanship of the Summit process. This means that we are responsible for ensuring that the mandates issued by our leaders are carried out -- not an easy responsibility, by any means. Next June, we will hand over this chairmanship to Argentina, which will be the host of the next Summit, in 2005. But, in the meantime, Summit implementation continues.

It's impossible to overstate the importance of the role played by you, the parliamentarians, in making Summit follow-up a concrete reality. And this role -- your role -- is most obvious in promoting good governance and democratic institutions in the Americas.

In this respect, I'd like to point out the initiative of Canadian parliamentarian John Williams to tackle corruption through the organization of "Global Parliaments Against Corruption". I encourage you to speak to Mr. Williams during the course of this conference.

In democratic societies, parliamentarians are the primary conduit between citizens and their governments. They ensure that the concerns of the people are taken into consideration, that the rule of law is respected and that governments - the executive - are held accountable.

Parliamentarians play a key part in the development of domestic agendas, and their participation is crucial to the development of cohesive and constructive foreign policies. This is the cornerstone of Legislative democracy.

That's why this meeting is an important one, as we move forward with the hemispheric agenda. And that's why the title of your conference is so appropriate - "Challenges and Opportunities for



Hemispheric Integration". Unfortunately, we've found since the last Summit that there are a few more challenges than we had expected, and perhaps a few less opportunities.

But we are moving forward, and it is essential that parliamentarians be active participants in this great project -- the construction of an equitable, productive, community of the Americas.

I would like to congratulate the Executive Committee and the membership of FIPA for the advances made in establishing a Virtual Parliament of the Americas. This website will be a most useful tool to promote parliamentary dialogue. If you're going to work together with your colleagues in the hemisphere, to achieve common goals, you must communicate; the Virtual Parliament is an effective way to do that.

As you know, Connectivity was a cross cutting theme of the Quebec City Summit, where we saw the creation of the "Institute of Connectivity of the Americas". This was an initiative of the Canadian government, but one that is at the service of all of us in the Americas. I'm very pleased that the Institute has been a partner in the Virtual Parliament project, and I am sure that this partnership will flourish.

Nearly two years have now passed since the Third Summit of the Americas. During that time the countries of our region, individually and collectively, have delivered on many of the commitments made by Leaders in Quebec City in April 2001. And they have managed to do this while adjusting to a rapidly changing international context.

We have concluded hemispheric conventions and agreements and made progress on all major elements of the Summit agenda. Ministers have been meeting on a regular basis - ministers of health, environment, justice, trade and defence, to mention a few. These meetings are not social gatherings - they are the nuts and bolts of Summit implementation. Guided by the broad framework laid down by leaders - what to do - ministers then focus on the how. Together, they agree on types of programs to be established, how to implement them, and what legislation will be required. And that, of course, is where you the parliamentarians come in.

While working on Summit mandates, we've also learned to deal with the unexpected. The terrorist attacks in September 2001, for example, were a fundamental test of the durability of hemispheric cooperation. Many said that that would be the end of meaningful Summit engagement. But the region responded - quickly and positively - immediately invoking the Rio Treaty, pledging a common front against terrorism, and accelerating the development of new instruments to combat this new enemy.

The best example of this is the Inter-American Anti-Terrorism Convention, concluded last June at the OAS General Assembly in Barbados. This is a solid, practical response that allows all our governments to combat the scourge of terrorism. I encourage all of you to help your governments to ratify this Convention as soon as possible, so that it can enter into force and become a binding, legal instrument.

Support for democracy has been a central pillar of the Summit process, and in Quebec City, leaders endorsed a wide range of actions in this sector. One of the key outcomes was the instruction to Foreign Ministers to negotiate an Inter-American Democratic Charter, which was successfully adopted at the OAS Special Assembly in Lima on - precisely - September 11, 2001. The Charter has quickly become a key feature of the inter-American system; we this see on almost a daily basis in our deliberations in the OAS.



The Charter was invoked for the first time in April 2002, in response to the coup d'état in Venezuela.

Since then it has been cited a number of times, as we have seen recently in the cases of Bolivia and Colombia, who, in seeking the support of the OAS family, based their case on the Charter. Also in this context, the Government of Nicaragua should be commended for evoking the Charter in its fight against corruption.

The point is that the Charter has become a basic point of reference in all our discussions on governance.

FTAA: Status Of The Negotiations

Democracy underpins our approach to trade negotiations. Unmistakably, one of the most important Summit commitments our leaders made was that of forging a Free Trade Area of the Americas, the FTAA. I see that this subject figures prominently in your agenda. With a combined GDP of some \$13 trillion, the FTAA would constitute about 40% of the world's economic activity, the largest bloc anywhere.

This undertaking is a huge, incredibly complex challenge - however, despite all the negative views that appear in the international press - I am pleased to report that the negotiations are, as of this date, on track.

Overview Of The Quito Ministerial

Trade Ministers met most recently last November in Quito; it was a good meeting.

- They renewed their commitment to conclude the negotiations by January 2005. This is important - there has been no backsliding, on either the scope or the timeline;
- Ministers released the second draft consolidated text - this is an early draft of what an eventual agreement will look like; and
- They approved a Hemispheric Cooperation Program to assist the smaller economies with trade-related technical assistance and capacity-building measures.

This meeting was the completion of Ecuador's chairmanship of the FTAA negotiation process. Brazil and the United States have now begun their tenure as co-chairs, which will continue until the completion of the negotiations. This is, obviously, very significant, given the weight and importance of these two players.

At Quito, Trade Ministers also engaged with the delegates of the Americas Business Forum and a number of civil society groups. These are very worthwhile events that lend greater transparency and credibility to the FTAA negotiations.



The Lead-Up To The Next Ministerial

In the lead-up to the next ministerial, countries will be exchanging offers in goods, services, investment and government procurement; this will continue until June 15, 2003, the deadline for requesting improvements in the offers submitted.

Meanwhile, meetings of the various Negotiating Groups continue here in Panama, the current site of the negotiations. The groups are focussing on the elimination of bracketed text in the draft agreement.

In March - next month - the Administrative Secretariat will move from Panama to Puebla, Mexico, where it will stay until the conclusion of the negotiations.

The next Ministerial meeting will be held in Miami in November this year, and Brazil will host the next one in 2004.

Prognosis

And so, what's the prognosis? Although there is still a tremendous amount to do, the work of the FTAA is proceeding well. Technically, there are no insurmountable obstacles to concluding a deal. If the political will is there - a big "if", - the FTAA can become a reality by 2005.

Special Conference On Security

I'd like to say a few words about the Special Conference on Hemispheric Security that will take place in Mexico in just over two months, next May.

- It was a mandate of the 1998 Santiago Summit, reconfirmed at the Quebec City Summit.
- The objective is to revitalize and strengthen the inter-American security system, so that it can address new as well as traditional security threats and concerns.
- The Conference will acknowledge that there's been a shift in the hemisphere and the world from traditional notions of security – purely defence and military issues – to a broader approach involving both national and transnational threats – such as counterterrorism, narcotrafficking, small arms, landmines, human rights, and environmental issues.
- We expect the Special Conference to adopt a Declaration, which will pull together the different elements of hemispheric security into a coherent set of principles, relevant to all OAS member states.
- The Conference will also look at renewing existing hemispheric security mechanisms. Here I would emphasize the Inter-American Defence Board - which Canada has just joined - and the need to establish stronger linkages between the Summit process, the OAS and the meetings of Defence Ministers of the Americas.

This Conference is significant because it addresses what has, historically, been a very sensitive issue in this hemisphere. And it shows that we are now willing to work together, in the Summit context, even in areas that were once off limits.



To conclude, I would like to emphasize that the Summit process is working, even though progress on a continental level can appear slow and uneven at times. And we are dealing with a number of unforeseen difficulties, mainly resulting from a changed international economic environment.

Nothing like this has been attempted before - never on this scale, never with this amount of commitment. It's not a panacea for our problems, but it is a new way of tackling the challenges of our history, our geography and our future.

I believe that the Summits of the Americas, bringing our leaders together to provide a vision for the hemisphere, are essential to the integration process. And that process, to which you at this meeting are making a major contribution, is what will allow our region to emerge, eventually, as a powerful, unified presence on the world stage.

I wish you every success in your deliberations here, and look forward to seeing the results of your meeting.



8.4 Annex 4 – The International Criminal Court

Presentation to the Plenary Meeting by Senator Jimmy Chamorro, Republic of Colombia

Original: Spanish

I would like to begin by thanking the Executive Committee of FIPA for having included this subject, which is so important for the world as well as for our hemisphere and our continent, on the agenda. To start, I would like you to look at a 4 ½ minute video that we use in my country on the subject of the International Criminal Court. This video has been shown in some 60 universities (centres of higher education) in Colombia. (Video projection)

I would like to mention five very concrete and important steps that we should be aware of as parliamentarians, if we are to keep up to date with developments relating to the Rome Statute and the International Criminal Court.

The process of nominating and electing the 18 justices who will sit on the International Criminal Court was completed not long ago. The election was held from 3 to 7 February 2003. The magistrates were sworn in at the Hague on 11 March of this year. Seven of them are women and 11 are men and they are specialists in both criminal law and international law.

Our hemisphere had the opportunity to nominate some very serious contenders, five of whom were elected. I would like to congratulate the Canadian delegation on the election of its nominee, Phillippe Kirsh, which was undoubtedly a triumph, since Canada worked very hard to establish the International Criminal Court. Canada was one of the countries that led the struggle for many years and we congratulate it on the election of Justice Kirsch.

Elizabeth Odio Benítez from Costa Rica was elected to represent Central America. Trinidad and Tobago, which proposed the creation of an international criminal court in 1989, are also fortunate to have a representative on the court, Mr. Justice Kall Hudson Phillips. South America is represented by Justice René Blackman, from Bolivia, and Justice Silvia de Figueros Estaines, from Brazil, and I would like to congratulate the parliamentarians from those countries on their election.

Thus, our continent has five representatives on this first permanent International Criminal Court.

An important challenge awaits us, which is the election of the court prosecutor. The nominations open on 24 March and close on 4 April of this year. The election will follow almost immediately, on 21 to 23 April 2003.

The second point is the ratification process. Afghanistan has just deposited its instrument of accession to the International Criminal Court, as required in the statute, and therefore 89 countries have ratified the international treaty, bringing the number very close to 100. Ratification has come quickly and expectations have been surpassed with ease.

Out of the 19 Latin American countries, 12 have ratified the agreement. I would urge the parliamentarians from the countries that have not yet done so, in the spirit of cooperation that should exist between the different branches of government, to entreat their executive branch and head of state to ratify this international instrument as quickly as possible.



In third place comes the implementation process. This process is important because although the treaty binds countries to recognize the jurisdiction of the International Criminal Court, there must be an internal process, which should take the form of legislation, for example, a law on cooperation with the International Criminal Court, which each country needs to pass. There is one important example of implementation, the example of Germany, which is naturally subject to debate and discussion and I only mention it in passing. Countries such as Germany have already issued a code of international criminal law, which is virtually a mirror image of the Rome Statute.

Significant headway is being made in domestic criminal legislation, which is being amended to adapt to international legislation. And it is our duty and obligation as parliamentarians to keep up to date in this area. Some concrete steps have been taken. I have received information via e-mail from Argentine parliamentarians who are here today about what they are doing to raise awareness and to have the day that Argentina ratified the Rome Statute commemorated, for the purpose of carrying out an information campaign. Education campaigns are undoubtedly important, but the role that congress plays in each of our countries is crucial for the work of the fledgling International Criminal Court.

Fourth, the integrity of the letter and spirit of the Rome Statute should be stressed. At present, our governments are being pressured to sign bilateral agreements, for example with the United States; bilateral agreements on immunity for American citizens, not just for that country's military, but for American citizens in general who, for one reason or another, are in the territory of another country.

It is important here to stress the role that is played by congresses, since in most of our countries, for a bilateral treaty to have legal effect, congress must pass it into law. Accordingly, it is here that legislatures have the vitally important task of studying bilateral agreements of this kind very carefully, since they are detrimental, from all standpoints, to the integrity – i.e. to the letter and the spirit – of the Rome Statute.

I would like to mention some concrete events relating to the Rome Statute that took place in Colombia's congress. Congress took the lead from the start, pressuring the executive branch to support the Rome Statute and have it adopted as quickly as possible. It was congress that took the initiative. After much discussion, the executive branch agreed. At once, the executive presented a bilateral agreement to our country's Ministry of External Affairs for consideration. Congress called on the executive branch to engage in a debate on political control, stating its views. And the External Affairs Committee debated the pros and cons of our position on bilateral agreements.

Colombia was one of the countries that signed the declaration, making use of Article 124 of the Statute, to the effect that Colombia would exempt itself from the jurisdiction of the court over war crimes for seven years. At present, thanks to pressure from different parliamentary groups in our country, President Uribe is considering the possibility of withdrawing the safeguard declaration, so that the court will not be limited to hearing, in a complementary or subsidiary manner, crimes of genocide and crimes against humanity, but will also be able to try war crimes committed in our territory.

The fifth point has to do with future parliamentary events and the International Criminal Court. Since July we have been working to hold the next event in Colombia, in May or June of this



year. But we have already confirmed that the Parliamentary Meeting to follow up on the International Criminal Court will be held in September in New York City.

Lastly, I would like to make very brief mention of some aspects having to do with the importance of the International Criminal Court. Who wins with the creation of the court? Even more than countries, all the world's human beings win, justice wins, humanity wins.

Therefore, the International Criminal Court is not the response of a few states; it is the response of all human beings and we cannot ignore this call by humanity, or the humiliation it has felt so often when it sees that authors of the worst and most heinous crimes against human beings and groups are able to go into retirement, clasping the most infamous of trophies, which is impunity.

I am certain that my next point, which has to do with respect for the International Criminal Court and peace, has been thoroughly debated in many countries.

Much has been said regarding the subject of peace and the International Criminal Court. Some believe that the Rome Statute could demoralize people who would like to obtain a pardon for having committed certain crimes, since although they might receive an amnesty from the State they could still be subject to prosecution by the International Criminal Court.

There are those who maintain that this possibility discourages people who would like to rejoin civil society and take part in the peace process through dialogue.

There are five reasons why that is not true, which I would like to touch on very briefly. First, one of the pillars of the Statute is the principle of non-retroactivity. In other words, the court will only try crimes that are committed after the Statute has come into force, which was on 1 July, when 60 countries had ratified it, and on later dates for countries that acceded to it afterwards.

To think that countries would not agree to an International Criminal Court because they are planning to commit crimes against humanity, because in future, they are planning to commit war crimes and assail human beings, is an unacceptable argument. The principle of non-retroactivity, on the contrary, opens the door and is a clarion call that should rapidly lead everyone to respect the rules and principles of international humanitarian law.

Second, regardless of whether criminals are judged subsidiarily or complementarily because nation states fail to do so, the responsibility does not lie with civil society, with the Rome Statute or with the countries that ratify the treaty; it lies precisely with the authors of the most heinous crimes.

In other words, they are the ones who impose obligations on us all and no human being and no country can shirk them. Thus, even if we had no International Criminal Court, the rules and principles of international humanitarian law, which forms the backbone of the Rome Statute, are binding and must be complied with.

Third, international humanitarian law is not negotiable; it is binding on everyone and is a commitment that no one can escape.

Fourth, unfortunately, many peace processes that took place in the past were not built on a solid foundation; and a solid foundation cannot be established by the people sitting on both sides of the table; that solid foundation on which to build a peace process calls for respect for humanity, for the rules and principles of international humanitarian law.



When peace is not built on that foundation, the process will degenerate, leading to mistrust and ultimately to failure. That is why the International Criminal Court is a support and a cornerstone for future peace processes. A peace process that is negotiated through dialogue can last for a long time, but only if there is respect for the civilian population, citizens, and human beings over that long period of time. We will continue to believe in the peace process, provided that one premise is complied with – that peace is not negotiable by any of the parties.

Fifth and last, humanity must wager on peace, not as an illusion, not rhetorically, but with concrete actions. And the news that 89 countries around the globe have ratified the Rome Statute, means that most of humanity has wagered on peace.

In conclusion, I would like to mention two key elements. First, we must understand that the Rome Statute and the International Criminal Court are not a negation of war; rather, they provide a framework in which war, as an inevitable tool of policy, may leave its pathetic irrationality behind, in favour of human dignity, the dignity of human beings who have the inalienable right to not become involved in war.

The evil of a few men led humanity to propose the International Criminal Court. The goodness of the majority has made it possible.

Finally, I would like you to know that there is information available on this subject. Outside, you can obtain a copy of the “International Criminal Court Monitor”, which brings us up to date on the process in each country and provides news about the status of the International Criminal Court in the world. Those of you who are interested in learning more about the processes that are going on in some countries, particularly Colombia, including the video we presented today, can take away a copy of this CD and send us your comments.

My thanks to the Executive Committee of FIPA for placing this event on its agenda at this Second Plenary Meeting.



8.5 Annex 5 – The process of trade integration under the FTAA

Presentation to the Plenary Meeting by Nivia R. Castellón Deputy Minister of External Affairs of Panama

Original: Spanish

It is a great pleasure for us to have you here, since we hold legislative meetings in high regard. Seeing you here at a gathering point such as Panama, in the same place where Bolivar called his Amphictyonic Congress in 1826, conveys a sense of history and responsibility.

Today, we are going to talk about a highly interesting subject – the FTAA and its impact on the Latin American economy.

The FTAA is a process that seeks continental integration, based on the concept of free trade and investment. It is a concept that started with a political commitment by the Heads of State and Government of 34 countries who, meeting at the First Summit of the Americas, called for a free trade area for the continent, with very special features. The first feature is that once established, it will be the largest free trade area in the world, with 34 countries and a potential market of 800 million consumers.

Progress so far includes three Summits of the Americas, seven ministerial meetings – the most recent was held in Quito, Ecuador – 12 meetings of the Trade Negotiations Committee and many meetings, 145 actually, of the negotiating committees.

What has been achieved? First, the timetable for negotiations has been strictly complied with to date, despite the tragic events of September 11th. The participating countries have made a commitment to reach an agreement based on rules of the game that are very clear and whose main concept is consensus.

What does consensus mean in practice? That the negotiations are much more complex, but once completed, they will make the agreement sustainable. It also means that even the smallest country has the right to negotiate, which has a major impact, since we must make an effort to ensure that the rules are obeyed. Another fundamental concept is that “nothing is negotiated until everything is negotiated”, in other words, a package. Economic imbalances must be taken into account. The Chair of our Foreign Relations Committee (Marco Ameglio) put it very well, when he began his remarks by saying that the imbalances in economies, their degree of development and sizes must be kept in mind. Are there differences? Yes. Do they have to be considered? Yes, and they must be considered transparently. This is one of the most important aspects of the FTAA and I encourage you to consult its web site, where you can find the complete negotiating text.

What kind of progress has been made? I would like to tell you about the Seventh Ministerial Meeting that I had the opportunity of attending last November. First, a rectification was made to the effect that the agreement should be comprehensive, balanced and consistent with the rules of discipline of the World Trade Organization. In other words, the other major set of world negotiations has to be kept in mind. It should also be recalled that this commitment should include the rights and obligations agreed on by all the member countries and that bilateral and subregional agreements exist as well.



I should mention something important, of interest to us all, which is the fact that during the ministerial summit, there was agreement on the importance of agriculture. This was a triumph for the economies of the Latin American countries and for their inclusive and non-discriminatory treatment in the negotiations. The declaration also included a reaffirmation of the hemispheric commitment to eliminate export subsidies that affect trade in farm products in the hemisphere. This was a very delicate subject, but now an agreement has been reached on which there is a continental consensus.

It is also important to note that agreement was reached to deal with the differences in development levels and the sizes of economies. This was stressed because the countries of the Caribbean, particularly the CARICOM group, have serious doubts and objections in this regard. Reaching a formal agreement gives the negotiating groups a mandate to consider this aspect in the different areas and reassures the countries that have serious problems in certain sectors, such as agriculture. Also, and this is where you parliamentarians come in, a program of hemispheric cooperation was approved. I believe that one of your responsibilities is to monitor the program to ensure that it is applied in practice, as a priority of all the governments.

One of the objectives of this hemispheric cooperation program is to strengthen the capacity to negotiate and implement trade commitments.

The agreement can be very well negotiated, but in practice, being able to implement it is one of the greatest challenges, and a costly one. This means that we must make provision to ensure that all countries can play under equal conditions and consider themselves winners in this hemispheric wager on the FTAA.

The second objective of the program, as I have just said, is to address the challenge of integration and raise the benefits of that integration to the maximum, in terms of the region's competitiveness and productive capacity. We must get ready to compete. Competition is not achieved simply by reaching an agreement, but by training our human resources and gearing up our productive capacity. It also means establishing a mechanism to develop national and subregional strategies to capture trade that define, prioritize and articulate needs. The idea is to identify sources of financial and non-financial support, something that poses a challenge for countries, societies and the productive sectors that go beyond simply negotiating an agreement.

What are the most favourable general implications for Latin America? The first is that the richest markets in the region (United States and Canada) are going to open up their doors and we must ensure that this actually comes true. It is vital to include agricultural products, textiles and manufactures that face tariff and non-tariff barriers today in the northern markets. This is fundamental for obtaining the agreement we need to build, which will truly be a tool for the progress and development of our people.

We believe that it can be an excellent motor for implementing economic development policies in technical negotiations. Obviously the forms of production, the ways of organizing productive activities are going to change and this is a consequence that could be far-reaching, in parallel with efforts to expand domestic markets in the countries. We also want the agreement to promote and create jobs, improving the terms of trade among the countries of the Americas.

We must give people the opportunity, through the accumulation of human capital and its density, to participate in development and move from being spectators to players. We must ready ourselves if we are to achieve this, which is one of the most important messages. Apart



from being good negotiators, we must ready ourselves through core elements, since it is people who make the difference.

More access will be promoted to productive capital, which will increase fixed-capital formation, improving the conditions for growth in production. What does this mean? Investments will come from outside the continent, since it is obvious that it will be more advantageous to set up in the Americas under the type of agreement to be concluded. I am talking about investments that should come from other areas, which will make it possible to finance development through foreign direct investment. We should be aware that this could happen and seek to ensure that it will occur under the best possible conditions.

What are the challenges? Because there are challenges and they are not easy! If it were an easy matter, an agreement would have been reached long ago, since, as I said at the start, Bolivar was already talking about one back in 1826. The first challenge is to harmonize the economic imbalances among the nations of this continent, since there are great differences among countries. The guiding thread in the agreement should be that differences should be given consideration, treated and managed with stable and consistent policies.

The second challenge is to promote knowledge and a full understanding of the FTAA and its scope among the region's citizens. We have made a great effort, talking to different stakeholders who are called upon to play a significant role, a role that is committed to this effort. Leading the negotiations to a successful conclusion is not the responsibility of a ministry of trade or a ministry of foreign affairs; it is a responsibility that is shared by the citizenry.

Another of the main challenges is to promote real access to markets on a reciprocal basis, with equity and a win-win approach. There should be no winners and losers here, and we must take care to ensure that this is so.

What other advantages and opportunities do we see in all this? The countries that negotiate this agreement have the opportunity to establish common tariffs, standardize the rules of the game and facilitate regional movements and trade. This will mean, as I have explained, facilitating investment in the hemisphere. There will be movements of capital and changes in the ways in which goods are produced, marketed and distributed. Trade will be promoted as a tool for the progress and development of the countries of the hemisphere. Companies are called upon to make a great effort to use free trade agreements such as the FTAA as tools, since in the end, it is the productive sectors that must appropriate them.

The first advantage I can see is market access. It improves our capacity to compete, because it expands the possibility of producing more efficiently and of standardizing the rules of the game. There will be greater capacity for trade on the continent, since we will start doing business with each other, with greater advantages in hemispheric trade and with the possibility of establishing extra-regional tariffs in future. This has a strategic value, since other parts of the world have been able to organize extremely well.

The entrepreneurial sector is more aware of the situation. The Business Network for Hemispheric Integration is an important interlocutor in the entire process. Like FIPA is to government, the network is the interlocutor for the private sector. It brings together 400 business organizations and meets in parallel to the ministerial meetings, and its concrete recommendations are given consideration in the negotiating processes.



What conclusions can be drawn? We believe that the FTAA is an essential tool for promoting hemispheric development and prosperity. It is indispensable for the continent's medium and long-term competitiveness. Other parts of the world are becoming well organized. We must learn from them so that we can build on our strength. Once we understand what the common threads are that unite the continent, we may well find that, as Bolivar said, "our homeland is the Americas".

It is important to bring prosperity to the region through trade. Why? Because we believe that it promotes a climate of preventive security in the area. Countries that enjoy equal access to opportunities, possibilities for the future and for equity in market access are not the breeding ground for lawlessness or terrorism.

Real market access with reciprocity is what we must insist on. The situation of the different economies in the region must be taken into account, including the extent of their development and the size of their economies.

We believe that the opportunity is there but, like all opportunities, it depends on people. In other words, we can decide whether to grasp it or let it pass by. We have historical responsibilities in this regard. And one of them is to turn this opportunity or this challenge into a real tool for change, so that the future of our people will be prosperity and development.

Panama, as you know, is a candidate for being the permanent headquarters of the FTAA, but, as you will also have seen, our interests do not stop with this objective. We are interested in achieving an agreement with equity, an agreement that will really be a tool for progress, development and prosperity for all the countries. There are historical and commercial reasons for our candidacy, apart from the fact that we have given indisputable evidence of our capacity during the time we have acted as temporary headquarters.

Further, this would turn Bolivar's dream – when he said in his Jamaican letter of 1815, that if the world had to choose a capital, it would undoubtedly choose the Isthmus of Panama since it lies in the centre of the globe – into a reality. As our President has told you, she shares this view.



8.6 Annex 6 – Presentation by Ms. Elizabeth Spehar

Presentation to the Plenary Meeting by Elizabeth Spehar, Executive Coordinator of the OAS Unit for the Promotion of Democracy.

Original: Spanish

I would like to begin by saying how pleased I am, as Executive Coordinator of the OAS Unit for the Promotion of Democracy, to be able to take part in this 2nd Plenary Meeting of the Inter-Parliamentary Forum of the Americas. Secretary General César Gaviria has asked me to extend his regrets at not having been able to personally attend this meeting, which is without question an event of the greatest importance to the OAS. He has also asked me to express his personal and deepest thanks to FIPA and to the Panamanian Government and Congress for this tribute you have paid to him and to the OAS (for the support role they have played in the establishment and strengthening of this Forum as an American inter-parliamentary forum par excellence).

I would like to begin these brief remarks by thanking the Panamanian Government and Congress for their offer to host this meeting and for the marvellously warm reception they have extended to me. I would also like to thank the Canadian Government and Parliament, especially current Minister of Foreign Affairs and International Trade and former FIPA Chair Bill Graham and Senator Céline Hervieux-Payette, who have worked tirelessly to give this idea the strength it needed to become the reality that brings us together today. We also wish to thank the members of the Congresses present here and those that participated in past meetings for having taken part in this very important effort towards the integration of the Americas and for the strengthening of all democracies in the hemisphere.

Fellow parliamentarians,

FIPA is the first and only official inter-parliamentary cooperation body to bring together all the national legislative branches in the Americas, thereby introducing the parliamentary dimension in discussions on the hemispheric agenda. It also constitutes an important instrument for strengthening the role of the legislative branches in the region.

Since those first informal meetings held barely four years ago in Washington, at which the idea of establishing this forum was first discussed, to the date of this meeting, FIPA has, like no other inter-parliamentary institution, attained various significant achievements. Noteworthy among them are its outstanding participation at the Summit of the Americas in Quebec City, Canada, in the year 2001; the institutional recognition of FIPA in the Declaration of the Presidents of the Americas on that same occasion; the effort at this meeting to establish a Group of Women Parliamentarians of the Americas, which was the subject of a working breakfast this morning; and the timely discussion, since its earliest meetings, of topics fundamental to hemispheric progress in economic, political and social matters.

Continued strengthening of FIPA as the main forum for parliamentary exchange in the Americas will require reinforced technical and financial support for the achievement of its objectives in addition to the political impetus and commitment of the parliaments of the member States



In fact, the mandates of the presidential summits and of the OAS General Assembly that guide the work of our organization point to the need to improve inter-American dialogue and cooperation between parliamentarians in a spirit of cooperation and solidarity as important elements for strengthening democracy. To that end, they call for exchanges of experiences and optimal practices between national parliamentarians from the hemisphere, while respecting the separation and balance of powers through bilateral, subregional and hemisphere mechanisms such as the Inter-Parliamentary Forum of the Americas. These mandates constitute recognition at the highest level that the existence of deliberative, legitimate and strong parliaments in all the nations of the hemisphere is a necessary condition for strengthening democracy in our countries, and for keeping up the pace at which inter-American integration is progressing.

To fulfill those mandates, the Unit for the Promotion of Democracy has been carrying out a Support Program for the Strengthening of Legislative Institutions since 1996, working in close cooperation with national legislatures, regional parliaments and academic institutions specializing in this area on the promotion of inter-parliamentary dialogue and on parliamentary reform and modernization.

It is in this context that the Forum, in addition to the specific organs created in its regulations, has asked the OAS, through its Unit for the Promotion of Democracy, to continue supporting the institutional development of FIPA with its experience and knowledge on a permanent basis. That support, together with the adequate resources, could consist, as it has to date, of substantive and logistical technical assistance for the plenary meetings and for meetings of the FIPA Executive Committee, as well as a series of activities such as identification of topics on the inter-American agenda that might require legislative discussion; advice to Congresses with respect to their legislative needs in matters related to FIPA activities; support for the FIPA working groups and monitoring of their agreements and tasks, including the development of subregional forums to give continuity to their efforts; and support for the maintenance of the FIPA institutional memory, among others.

Fellow parliamentarians:

We are facing some enormous challenges in our hemisphere, and even serious threats, in some cases, to economic stability, social equilibrium and democratic governability itself. Democratic institutions, including the parliaments of our nations, are undervalued and even scorned in many countries. There are urgent challenges in the realm of concerted action and the search for minimum consensuses, joint efforts at overcoming social and economic difficulties, and the fight against the scourges of corruption and terrorism, to mention but a few. Congresses must be strengthened to become the main stage upon which to seek basis consensuses and to discuss and deal with these problems.

We view as false the common dichotomy arising from the suggestion that the “formal” institutions of democracy, such as parties and congresses, have been exhausted and that democracy in the Americas must therefore be strengthened through civil society to the detriment of the channels represented by the former institutions. It is true that in the Americas we require an organized and strengthened civil society that supervises the work of governments and that contributes to discussions on matters of public policy, but it is also true that only with considerable strengthening and modernization of legislative branches and of the political parties of which they are constituted can we strengthen democracy and address our common problems with a view to fulfilling the objectives of equality, integration and development.



For that reason, this forum represents a gigantic step forward in creating the notion of a hemisphere that is unified in the struggle for the defence of citizens' rights and achievement of greater prosperity for our peoples. I would also like to take advantage of this opportunity to let you know of another initiative launched two years ago by the OAS in response to mandates arising from the last Summit of the Americas and the Inter-American Charter of which the distinguished Panamanian ambassador to the OAS, Juan Manuel Castulovich, is to speak, namely the Inter-American Forum on Political Parties. The main objective of that forum, which brings together various sectors in the region, including, in the first place, representatives of a very broad and plural range of political parties, electoral bodies, academics and representatives of organized civil society, is to serve as a collective space and mechanism for promoting discussion and action on the challenges relating to the reform and modernization of party systems and political parties in the region. I would like to invite the parliamentarians present here to join in our efforts under the framework of this other forum and to respectfully propose that FIPA consider a strategic alliance with this new inter-American mechanism in the political sphere.

Distinguished parliamentarians and honoured guests:

We must ensure that legislative bodies contribute more effectively and deliberately to the major purposes that drive multilateral concertation policies on the priority topics of the hemispheric agenda, however, this must necessarily involve the commitment and action of parliamentarians themselves.

The Inter-Parliamentary Forum of the Americas is, and will be more so in the future, a crucial instrument for achieving the decided and concerted action of parliamentarians from the hemisphere in this sense.

I must repeat that there are various topics that must be dealt with on an urgent basis by the congresses in the hemisphere. Therefore, topics such as the fight against terrorism and against corruption, as well as the free trade agreement, could constitute an important agenda to be carried out by FIPA with the support of national parliaments and of other bodies with the OAS. That effort will require, among other actions, ratification of international agreement and treaties, as well as their incorporation into the national legal frameworks to achieve comparable legislations. Our hemisphere's ability to keep abreast of these and other topics will be highly dependent on the legislative branch.

May I also suggest that the appropriate role of parliament in our democracies, as well as its role in overcoming the weaknesses or crises in democratic governability that have become evident in our hemisphere, should also be considered topics of direct and preferred concern to this noble Forum.

In conclusion, I would like to once again repeat our willingness to work for the cause of the Americas and to continue supporting the efforts of FIPA, combining our efforts to build a fairer, more prosperous and more peaceful hemisphere. We hope that the discussions to be held here and the conclusions to be drawn will be fruitful and help our governments form new mandates or guidelines to adequately take on the new and considerable historical tasks that lie ahead.

Thank you very much.



8.7 Annex 7 – Working Agenda for the Second Plenary Meeting

Working Agenda

2nd Plenary Meeting of FIPA

“The Challenges and Opportunities of Hemispheric Integration”

Panama City, February 19-22, 2003

Wednesday, February 19, 2003

Arrival of delegates

10:00 – 18:00 Registration of delegates and distribution of information kits - Hotel El Panama

18:00 – 19:00 Welcome cocktail hosted by the Hon. Marco Ameglio

19:00 – 22:00 Dinner – Meeting of the Executive Committee

Thursday, February 20, 2003

8:00 – 9:00 Registration of delegates and distribution of information kits

9:00 – 9:45 Opening session (Bella Vista Room)

- Remarks by the Honourable Legislator Marco Ameglio, Chair of the Foreign Relations Committee of the Legislative Assembly of Panama
- Remarks by the Honourable Senator Céline Hervieux-Payette, Chair of FIPA
- Remarks by the Honourable Legislator Alcibíades Vásquez, Speaker of the Legislative Assembly of Panama
- Remarks by the Most Excellent Mireya Moscoso, President of the Republic of Panama

- Break (10 minutes)

10:00 – 10:20 Presentation: Update on the Summit of the Americas

His Excellency Paul Durand

Ambassador of Canada to the Organization of American States

10:20 – 10:40 Presentation: The Importance of the International Criminal Court

Hon. Jimmy Chamorro Cruz

Senator of the Republic of Colombia



10:40 – 11:00 Presentation: The FTAA Trade Integration Process
Mrs. Nivia Roxana Castrellón
Deputy Minister of External Relations of Panama

- Break (20 minutes)

11:30 – 12:30 First Session of the 2nd Plenary Meeting

- Approval of the working agenda
- Election of the Chair for the 2nd Plenary Meeting
- Report by the Office of the FIPA Chair to the Plenary

12:30 – 13:30 First Session of the Working Groups

- Establishment of the Working Groups
- Introduction of experts

13:30 – 15:30 Lunch hosted by the Speaker of the Legislative Assembly of Panama,
Honourable Legislator Alcibíades Vásquez
Guest speaker: H. Germán Vargas Lleras, Senator of Colombia
Presentation: International cooperation against terrorism.

16:00 – 18:30 Second Session of the Working Groups

19:00 – 21:00 Reception hosted by the FIPA Chair and the Canadian Ambassador to Panama
in honour of the FIPA delegates

Friday, February 21, 2003

8:00 – 9:00 Creation of the Women Parliamentarians Group of the Americas
Working Breakfast



9:00 – 13:00 Session of the Working Groups

- Continuation of discussions
- Drafting of recommendations and reports

13:30 – 14:30 Press conference by the Executive Committee on progress made by the Plenary Meeting of FIPA (Esmeralda Room)

14:30 – 16:00 Lunch hosted by the Legislative Assembly of Panama in honour of His Excellency César Gaviria Trujillo, Secretary General of the OAS.

Tribute in recognition of his contribution to FIPA and of his work as the head of the OAS. (Bella Vista Room)

16:30 – 19:00 Plenary Meeting (Cristal Room)

- Presentation of reports by the Working Groups
- Update on the Virtual Parliament Project
- Election of new members of the Executive Committee
- Selection of the site for the next Plenary Meeting
- Closing session

20:00 – 22:00 Cocktail hosted by His Excellency Harmodio Arias, Minister of Foreign Relations of Panama.

Saturday, March 16, 2002

09:00 - 10:30 Breakfast – Meeting of the new Executive Committee of FIPA

Departure of delegates



8.8 Annex 8 – Annual Report by the Chair of FIPA

**Annual report to the Plenary Meeting by the Chair of FIPA,
Honourable Senator Céline Hervieux-Payette
Thursday, February 20, 2003**

Dear Fellow Parliamentarians:

Since the Plenary Assembly last met, in Mexico City in March 2002, the members of the Executive Committee have continued to work to strengthen and develop this important parliamentary forum, which brings together national parliamentarians from each and every sovereign state of our hemisphere.

I am pleased to present below a summary of the main activities of FIPA in the past year.

Executive Committee Meetings

In 2002, the Executive Committee met twice, not only to coordinate preparations for this Plenary Assembly but also to discuss our organization's future.

The first of these meetings was held in August in Buenos Aires, at the kind invitation of our colleague and friend Marcelo Stubrin. On that occasion, members had the opportunity to decide the topics for discussion at the Plenary Assembly. They also discussed the International Criminal Court and decided to include it on the agenda of the Plenary.

The members discussed the organization's priorities and agreed that FIPA must be fully involved in the issues of the inter-American system and permanently follow up the hemispheric cooperation initiative as part of the Summit of the Americas process. In this regard, it was decided that the Executive Committee must speak out on issues affecting member countries and act as an institution to mobilize parliamentarians and public opinion for action in special situations. Thus, it was agreed that FIPA should work to harmonize legislation by promoting inter-parliamentary dialogue in the hemisphere and become the vehicle used by parliamentarians in the Americas to continuously monitor the FTAA negotiation process.

A new corporate image was chosen for the Forum as part of a communication strategy to better promote FIPA in the hemisphere. The graphic elements of the logo include a map of the Americas, the globe spread out on a golden background, the abbreviation "FIPA" in the centre and the full text in the four official languages on the top and bottom.

Members of the Executive Committee approved two statements on economic events in countries in the region. The first of these statements, moved by Brazilian representative Luiz Carlos Hauly, expressed the members' concern over the subjective criteria used by private risk assessment agencies to raise the risk rating of some countries in our Americas. In the second



statement, moved by the host member, Marcelo Stubrin, members expressed their solidarity with the Argentine people in the present economic crisis facing their country. They also called on hemispheric solidarity to take immediate action to reinforce political, economic and social stability in the region. *(see full text at the end of annex 8)*

The second meeting of the Committee took place right here in Panama City in early December 2002. On that occasion we finalized the details of the agenda and program for the Plenary Assembly, and had a report on the state of preparations by the organizing committee.

Members of the Committee supported the initiative of the Argentine delegation to form the Group of Women Parliamentarians of the Americas. It was agreed to hold a preparatory meeting as part of the Plenary Assembly; at this meeting, the objectives and action plan for this group would be defined. This meeting will be chaired by Margarita Stolbizer, a member of the Argentine parliament, author of the proposal, and will take place on Friday morning at 8:00 a.m.

The Committee issued two pronouncements. In the first, it expressed its concern about the intensified armed conflict in Colombia, declared its support for Colombia's democratic institutions and condemned violence and kidnapping in that country. In the second pronouncement, the Committee expressed its support for the efforts of the Office of the Secretary General of the Organization of American States (OAS) to find a peaceful solution for the crisis in Venezuela. *(see full text at the end of annex 8)*

Visit to Colombia

After the Executive Committee met in Panama, I went for a two-day visit to Bogotá, Colombia, where I had the opportunity to officially present FIPA's statement of support issued in Panama. Both the Speaker of the Senate, Dr. Luis Alfredo Ramos, and the Speaker of the Chamber of Representatives, Dr. William Velez, were moved by this statement and stressed the importance that the Colombian government attaches to international support in its effort to achieve peace.

The Deputy Minister of External Relations, Dr. Clemencia Forero, received the statement positively and on behalf of her government thanked parliamentarians in the Americas for their concern for the welfare of the Colombian people.

I would like to take this opportunity to express my most heartfelt condolences to the families of the victims of the recent terrorist attacks in Colombia. The people of Colombia do not deserve to be the victims of such violence and bloodshed because, if I noticed anything on my visit to that country, it is the widespread desire for peace among Colombians.

Creation of the Permanent Technical Secretariat of FIPA

Members of the Executive Committee agreed on the need to create a permanent secretariat for FIPA that would act not only as an administrative body for the Forum but also follow up decisions and recommendations of the Plenary Assembly and Executive Committee. It would



prepare for meetings of the Plenary Assembly by preparing and releasing working documents, distributing invitations and coordinating logistics, among other things.

This secretariat will be part of a legally constituted entity based in Ottawa, Canada, for as long as members wish it to remain there. It will be established gradually, to meet the immediate needs of the organization while a permanent institution is consolidated. For this, the members of the Executive Committee have agreed that, at first, the services of employees are to be donated by FIPA member countries that decide to do so. Thus, the administrative operations will be financed by voluntary contributions from members.

In this regard, the Brazilian representative, Luiz Carlos Hauly, offered to ask his parliament to donate the services of a permanent employee in Ottawa. Senator Silvia Hernández, for her part, reported that the Mexican parliament is willing to contribute funds for the initial financing. Legislator Marco Ameglio offered to approach his parliament for an annual contribution.

To finance this initiative, the Committee agreed that the funds must come from FIPA member parliaments. Therefore, starting next year, members will be asked to contribute an annual fee, which will be set on a regional basis.

Progress on the Virtual Parliament of the Americas Project

Tomorrow we will have a detailed presentation on the status of the Virtual Parliament of the Americas project, but I would like to highlight some important achievements made since the initiative was presented at the meeting in Mexico in March 2002.

The first part of the project, the design of FIPA's Web site, was carried out successfully in the middle of last year, and since then the site has been updated twice. In the coming weeks it will be updated again to include the results of this Plenary Assembly, thus ensuring that all of FIPA's institutional information is available for permanent reference.

The first pilot of the Virtual Parliament project was to create a tool to support the work of the Executive Committee and to share information and documents efficiently. This working space on the network was announced at the meeting in Buenos Aires and served members wishing to share information on the meeting in Panama.

On January 29, 2003, a virtual meeting of the Committee was held through the Virtual Parliament; it took place as a "chat" with simultaneous translation in three languages. I chaired this meeting from Canada and Senator Silvia Hernández from Mexico, Deputy Luiz Carlos Hauly from Brazil, John Godfrey, M.P., and Executive Secretary Mateo Barney, both from Canada, participated. Unfortunately, due to technical problems, some members of the Committee could not make contact at the scheduled time.

Despite the setbacks, this first experiment can be considered the beginning of a new instrument for inter-parliamentary dialogue, using technology at our disposal. It also shows how this idea,



proposed by the Mexican delegation at the inaugural meeting of FIPA in Ottawa has taken shape and is a reality today.

Topics for the Plenary Assembly

As was mentioned earlier, one of the main objectives of FIPA is to become a means by which parliamentarians in the Americas can participate in the FTAA process. For this, parliamentarians must become familiar with the various aspects of the negotiations and thus see the subtleties of the process. Therefore, the purpose of our discussions this year will be to analyze some of the *challenges and opportunities associated with hemispheric integration* as seen from three different perspectives.

The first working group will consider the various tax systems in the Americas and evaluate the relationship between countries' fiscal policies and their commercial competitiveness, economic growth and social development. This group will be chaired by Senator Silvia Hernández of Mexico, with the participation of Alberto Barreix of the Inter-American Development Bank and Claudino Pita of the Inter-American Centre for Tax Administrators.

The second working group, chaired by Marcelo Stubrin, a member of the Argentine parliament, will discuss the impact of the economic and financial crises in the region. The speaker invited by this working group is Dr. Roberto Frenkel, senior researcher of the Centre for the Study of State and Society (CEDES) and professor at the University of Buenos Aires.

The third working group will discuss the progress of the current FTAA negotiations, emphasizing trade distortions and dispute settlement. This group will be chaired by John Godfrey, a member of the Parliament of Canada, with the participation of Dr. Peter Kirby, senior partner and president of the international trade group of Fasken Martineau.

I invite you therefore to distribute yourselves among the various working groups so that you can make the most of the discussions to liberalize markets, establish social justice and improve the quality of life for all citizens of the Americas.



Declaration of FIPA's Executive Committee concerning the criteria for risk rating of some countries in the Americas

Buenos Aires, Argentina, August 10, 2002.

The Executive Committee of the Inter-Parliamentary Forum of the Americas (FIPA) gathered in Buenos Aires, Argentina, expresses its concern for the subjective criteria used by private bond rating agencies, which have increased the risk rating of certain developing countries of the Americas, ignoring the real economic situation in each of them with grave consequences for their financial stability, while generating additional poverty and undermining governance.

* * * * *



Declaration of FIPA's Executive Committee concerning the economic crisis in the region

Buenos Aires, Argentina, August 10, 2002.

The members of the Executive Committee of the Inter-Parliamentary Forum of the Americas (FIPA) gathered at Buenos Aires, Argentina, declare as follows:

- We have seen with great concern the political, economic and social crisis taking place in the Argentine Republic. The country's current unemployment rate, its four-year-long recession and the resulting difficulties in meeting the increased social demands resulting from this situation, along with the breaching of contractual relations due to the inability of the financial system to repay the deposits of Argentine savers, pose a real threat to the continuity of republican institutions as well as endangering social peace.
- Under the present circumstances, we cannot ignore the fragile condition of the South American context and therefore call upon all countries to make a commitment to true hemispheric solidarity including immediate action aimed at strengthening political, economic and social stability in the region.
- We must point out that the Argentine situation is in no way an isolated case. Rather, it is part of a series of crises in which it is now South America's turn to show the volatility of its markets as a consequence of maladjustments in the international financial system that even the World Bank and IMF were unable to anticipate and correct on time.
- Beyond the seriousness of the Argentine situation today, and the negative impact it has on the standard of living of its people, we can see a gleam of hope in the fact that Argentines have decided to solve their problems within the democratic system.
- Conditions already exist which, once the financial system has been rebuilt, will enable Argentina to rapidly mobilize its natural and human resources, and to both generate and distribute wealth, hence breaking the vicious circle of recession and beginning a new period of economic growth and stability.

Therefore, we will undertake to ask of our respective governments that they take joint action in cooperation with the international credit agencies, with the aim of responding to the needs of the peoples and the democracies of South America.



Declaration of support for democratic institutions in Colombia

Observing with concern that the intensification of violence in Colombia poses a serious threat to the country's social, political and economic stability and that it could affect other countries in the area;

Underlining that protection of Colombia's civilian population should always be an overriding concern for all parties involved in the conflict;

Recognizing the efforts made by the Colombian Government to guarantee the preservation of its democratic institutions and strengthen the rule of law; and

Stressing the importance of parliament in strengthening democratic values and the conditions for the development and well being of the Colombian people;

The members of the Executive Committee of the Inter-Parliamentary Forum of the Americas (FIPA), meeting in Panama City on the 6th and 7th of December, 2002:

Express our support for the democratic values being promoted in Colombia and reiterate the importance of continuing to protect those values through parliamentary institutions;

Call for the immediate release of all persons held hostage in that country, including several members of Congress, members of the public forces and a former presidential candidate;

Enjoin all the parties in the conflict to respect international humanitarian law, taking steps that lead to peace to achieve a secure future for all Colombians;

Applaud the commitment made by the Colombian Government to seek international assistance in finding a way out of the armed conflict;

Urge the Colombian Government to continue working to establish mechanisms to strengthen its institutions, guaranteeing governmental transparency and good management; and

Express FIPA's interest in making a positive contribution to the quest for peace in Colombia through solidarity and cooperation by the countries of the Americas.



Declaration on the events in Venezuela

Observing with concern the recent events that threaten social, political and economic stability in Venezuela;

Recognizing the efforts being made by the General Secretariat of the Organization of American States (OAS) in seeking a negotiated end to the special situation affecting the Venezuelan people today;

The members of the Executive Committee of the Inter-Parliamentary Forum of the Americas (FIPA), meeting in Panama City on 6 and 7 December 2002:

Support the work being done by the General Secretariat of the OAS in seeking to re-establish stability and peace in Venezuela.



8.9 Annex 9 – Meeting of the Group of Women Parliamentarians of the Americas

Original: Spanish

Executive Summary of the working meeting for the establishment of the Group of Women Parliamentarians of the Americas

Within the framework of the 2nd Plenary Meeting of FIPA, the women parliamentarians in attendance held a working meeting chaired by Argentine Congresswoman Margarita Stolbizer for the purpose of discussing the motion brought by the Argentine delegation for the creation of the “Group of Women Parliamentarians of the Americas”.

On behalf of the host country, Panamanian legislator Gloria Young welcomed the group and introduced the chair for the meeting. Congresswoman Stolbizer called the meeting to order and presented the working agenda, structured as follows:

1. Welcoming remarks.
2. Presentation of the proposed motion for the creation of the “Group of Women Parliamentarians of the Americas”.
3. Establishment of the Group.
4. Definition of the group’s objectives.
5. Identification of lines of action.
6. Approval of the report and recommendations to be submitted at the Plenary Meeting.

The proposed motion for the creation of the Group is based on Chapter III (Organization and Functioning), number 2, clause a) of the FIPA Regulations, which specifically states that “delegations [...] should have female participation”.

Congresswoman Stolbizer emphasized that FIPA’s main challenges are strengthening democracies in the region and distributing the benefits of globalization. There are also efforts to create lines of action that promote greater equilibrium between peoples and help eliminate the polarization within each country as well as between strong and weak countries.

Also analyzed was the status of women in the workplace and the serious employment discrimination to which they are subject, specifically with respect to their entry into the work force, as they are vulnerable from the start due to pay inequity. Furthermore, women sometimes fall short in the area of retirement contributions as compared to men, as a direct result of the differentiated impact and adjustment policies of globalization on the various vulnerable groups, in particular women.



In addition, a high percentage of women in the Americas are household heads and are thus relegated to the informal economy, without the protection of legal remedies. As a result, their work tends to be invisible in the national economy and, on many occasions, women take on responsibilities proper to the State.

Congresswoman Stolbizer stressed that these are among the reasons justifying the inclusion of the subject of women and the gender perspective in the main discussions of FIPA. On the other hand, the discussion on strengthening of democracies must proceed in parallel to the promotion of women's political leadership. She concluded with the statement "freer women will mean freer nations".

Mexican legislator Silvia Álvarez opened the discussion by the women parliamentarians in attendance by stating her agreement with the motion and recommending that it be more actively presented to the Plenary.

FIPA Chair Céline Hervieux-Payette pointed out that historical and economic factors are obstacles to ongoing participation by women in these forums, since there are small countries that lack economic resources and do not have sufficient political representation by women in their parliaments. Ms. Elizabeth Spehar, representing the UPD, recommended strengthening the participation of women in the political arena.

Legislator Rebeca Saona of Panama declared her approval of the proposal put forth, and referred to the outstanding participation by Panamanian women in the cultural, political, social and educational fields. She also agreed with the remarks made by the FIPA Chair with respect to the need to increase the percentage of political participation by women in the Parliament.

Congresswoman Kyra De La Rosa from the Costa Rican delegation took the opportunity to report on the status of women in her country, pointing out that female representation in Parliament is 40%, and at the municipal level, 60%.

Eleni Bakopanos, Canadian Member of Parliament, pointed out the need to analyze the proposed document and determine how the Women's Group would operate, as well as the type of relations it would maintain with the Executive Committee. The meeting's chair clarified that the purpose of this meeting was only to discuss approval of the establishment of the Women's Group, its objectives and lines of action.

Panamanian legislator Haydee Milanés de Lay expressed the need to draft proposals to improve the economic status of women and to work in the region at eliminating barriers to political participation by women, many of which are caused by women themselves.

Nancy Patricia Gutiérrez, Colombian Congresswoman, recommended adding "Creation of mechanisms that promote women's participation in politics" to the general objectives in the original document. Her recommendation was approved.



Mexican Senator Silvia Hernández proposed that the Women's Group be composed of two representatives from each participating subregion, which represents a change to the original motion.

Lastly, FIPA Chair Céline Hervieux-Payette intervened to say that matters respecting the internal functioning of this Women's Group and its relations with the rest of the organization must be discussed after the creation of the group is approved by the Plenary. Each subregion would then assign its representatives.

After lengthy discussion and incorporation of the approved modifications, the participating women parliamentarians agreed to submit the document to the Plenary Meeting for discussion and approval.



8.10 Annex 10 – Resolution for recognition of the Secretary General of the OAS.

Recognizing the fundamental role of the Organization of American States (OAS), in particular of its Secretary General, in launching a process that culminated in the establishment of the Inter-Parliamentary Forum of the Americas (FIPA) as an institution that brings together parliamentarians from the countries of the Americas;

Recognizing the efforts made by the Secretary General of the OAS in the pursuit of peace and the strengthening of democracy in the hemisphere;

The representatives of the Legislative bodies of the Americas, meeting in Panama City under the framework of the 2nd Plenary Meeting of the Inter-Parliamentary Forum of the Americas (FIPA):

Hereby expressly recognize His Excellency César Gaviria Trujillo for his contribution to strengthening the role of the legislative branch in democracies in the Americas and extend their best wishes for success in his work at the head of the General Secretariat of the OAS.

Hon. Céline Hervieux-Payette
Senadora de Canadá
Presidenta del FIPA

Hon. Marco Ameglio
Legislador de Panamá
Presidente II Asamblea Plenaria del FIPA

Hon. Silvia Hernández
Senadora de México
Miembro del Comité Ejecutivo del FIPA

Hon. John Godfrey
Diputado de Canadá
Miembro del Comité Ejecutivo del FIPA

Hon. Carlos S. Nájera
Diputado de Guatemala
Miembro del Comité Ejecutivo del FIPA

Hon. Ciró C. Zepeda
Diputado de El Salvador
Miembro del Comité Ejecutivo del FIPA

Hon. Luiz Carlos Haufy
Diputado de Brasil
Miembro del Comité Ejecutivo del FIPA

Hon. Marcelo Stubrin
Diputado de Argentina
Miembro del Comité Ejecutivo del FIPA

Given in Panama City on the twenty-first day of February of the year 2003.



8.11 Annex 11 – Resolution for the creation of the Parliamentary Anti-Terrorism Group

Original: Spanish

Resolution for the creation of the Parliamentary Anti-Terrorism Group

(Presented by the Colombian delegation and approved by the 2nd Plenary Meeting)

1. *Observing* the risk that terrorism, to which several of our countries have fallen victim, represents for the world and especially for the Americas.
2. *Acknowledging* the importance of guaranteeing the preservation of democratic institutions, strengthening the state of law and respecting international humanitarian law.
3. *Understanding* the importance of taking immediate internal actions pursuant to regional and international commitments subscribed by the countries of the America to defeat terrorism, such as the Rome Statute of the International Criminal Court and the Inter-American Convention Against Terrorism.
4. *Aware* of the need to come together to fight terrorist violence, which means reinforcing international cooperation instruments in the countries of the Americas.

The members of the Inter-Parliamentary Forum of the Americas (FIPA), gathered at the 2nd Plenary Meeting in Panama City, recommend:

1. Establishing a working group that will meet periodically to follow-up on the collective mechanisms for fighting terrorism and to promote compliance with commitments in the Americas.
2. That this working group hold its first meeting in Colombia this coming April, prior to an OAS meeting on security to be held in Mexico City.



8.12 Annex 12 – Resolution for the creation of the Group of Women Parliamentarians of the Americas

Original: Spanish

Proposal for the Creation of the Group of Women Parliamentarians of the Americas
(Unanimously approved at the 2nd Plenary Meeting)

Considering the proposal put forth by the Argentine delegation for the creation of a Group of Women Parliamentarians of the Americas under the framework of FIPA;

Taking into account the results of the preparatory meeting of the FIPA women parliamentarians group chaired by Argentine Congresswoman Margarita Stolbizer and held in Panama City on the 21st of February 2003, under the framework of the 2nd Plenary Meeting of FIPA;

The members of the Inter-Parliamentary Forum of the Americas (FIPA), gathered in Panama City at its 2nd Plenary Meeting, resolve:

To *approve* the creation of the Group of Women Parliamentarians of the Americas, which is to operate as a permanent action group under the framework of FIPA.

To *agree* that this working group will be made up of two representatives from each of the subregions of the Americas (North, Central, South and Caribbean) and that it will have as its general objectives:

1. To strengthen the leadership of female politicians through ongoing regional exchange actions.
2. To promote the creation of conditions for equal opportunities, prioritizing the fight against poverty and the elimination of employment discrimination.
3. To strengthen democracies in the countries of the Americas in an effort to achieve respect for human rights and conditions that promote equitable and sustainable social development.
4. To promote the creation of mechanisms that encourage the participation of women in politics.
5. To strengthen the active participation by women at FIPA working meetings, incorporating the gender perspective into each of the topics analyzed by the organization.



To *support* the initial action plan proposed at the preparatory meeting, which seeks to:

1. Promote regional debate and exchanges of experience and legislative frameworks through ongoing interaction and the holding of regional and/or subregional meetings aimed at fulfilling the proposed objectives.
2. Raise awareness among women in the region by analyzing the challenges and opportunities of hemispheric integration, the main topics of the 2nd Plenary Meeting of FIPA held in Panama City.
3. Analyze the negative impact on women of the economic and financial crises in the region, and propose cooperation policies to address and resolve those crises.
4. Produce a participative assessment that helps illustrate the status of women in the region.



8.13 Annex 13 – Resolution on the Iraq crisis

Resolution on the Iraq crisis

(Unanimously approved at the 2nd Plenary Meeting)

Original: English

*We, Parliamentarians of the Americas, gathered at the Second Plenary Meeting of FIPA, concerned by the threat to world peace posed by the current **IRAQ** crisis, and*

WHEREAS:

The International Community is justly concerned and involved with the threat that weapons of mass destruction, atomic, biological and/or chemical may be used by a nation state or by non-state entities to attack the peace, security and well being of other people;

Such weapons of mass destruction should be limited in possession as much as possible in the International Community and in any event their possession should be made known and transparent to the International Community for the greater security of all;

The United Nations Security Council has since 1991 put in place economic sanctions against Iraq because of Iraq's unwillingness to disclose and destroy weapons of mass destruction;

Iraq has resisted all measures of the United Nations to inspect Iraq's potential for the use of weapons of mass destruction and has only recently permitted United Nations' inspection as a result of United Nations Security Council Resolution 1441;

RESOLVE:

To *grant* an unconditional endorsement to United Nations Security Council Resolution 1441;

To *urge* Iraq to comply fully and without reservation with an open and transparent inspection and presentment as required by Resolution 1441 and previous other Security Council Resolutions of the United Nations;

To *caution* Iraq against the possession of weapons of mass destruction in the interest of the security and stability of the world as a whole;

To *urge* that no member State or States of the United Nations carry out actions against Iraq outside an express Resolution of the Security Council of the United Nations;

To *support* the elimination of weapons of mass destruction and to consider a combined multi-lateral solution to the problem; and

To *support* the work of the International Atomic Energy Agency and the United Nations Inspectors.



8.14 Annex 14 – Report and Recommendations of Working Group I

Working Group I

The interaction of tax policy and trade, economic growth and social development

Chaired by Senator Silvia Hernandez of Mexico.

The first session began with presentations by Dr. Claudino Pita, Director of Planning and Strategies at the Inter-American Tax Administration Centre, followed by Dr. Albert Barreix of the Inter-American Development Bank.

Dr. Pita gave a lecture entitled “Harmonization and Tax Systems in America”, in which he presented the main facts and challenges in this area, including communications technology, the search for competitiveness, economic integration, interdependence, transfer price control, taxation and e-commerce, and tax harmonization.

He explained that the general characteristics of tax systems in the Americas are fairness, in the sense that the tax burden falls upon the taxpayers with greater means; neutrality, to the extent that taxes do not generate distortions that determine the location of production factors; and simplicity, which means that the systems are transparent, trustworthy and have legal certainty. The challenge at hand relates to obtaining sufficient revenues by combining these factors.

The new challenges have made changes to the tax systems necessary to avoid undesirable effects such as incentives that reduce the performance capacity of the State’s public policies. Along these lines, Dr. Pita concludes that future changes should aim to achieve sufficiency, fairness and neutrality.

The speaker pointed out that the need to harmonize the tax systems of countries in the Americas is based on the fact that today there is discrimination against goods from abroad and distortion in the conditions for competition conditions and in the localization of investment.

Dr. Alberto Barreix spoke on the topic of “The Challenges of Tax Policy Related to Regional Economic Integration”. He began his presentation by describing the fiscal crisis currently facing all countries in Latin America in the form of a fiscal deficit they cannot overcome. He explained that all fiscal policies consist of three components, namely revenues, expenditures and financing, if applicable.

With respect to trade liberalization, Dr. Barreix explained that this leads to reduction and uniformity of tariffs, which in turn limits industrial policy and revenues in the sheltered sectors. Another implicit aspect of this is the restriction of sectoral policies to tax incentive policies alone, as well as the comparison of products and raw materials at the international level.

The speaker stated that trade liberalization entails challenges that are present in integration, such as revenue losses due to lower tariffs. He also noted that subsidies or non-tariff barriers affect developing countries by artificially lowering the prices of subsidized products and hence the coffers of developed as well as developing nations (lost revenues).

Dr. Barreix likewise mentioned that harmonization of customs procedures is required to ensure adequate compliance with rules of origin and institutionalization with respect to dispute



resolution and mechanisms that reinforce the legal safety of investments and improve country risk rating.

Once the speakers' presentations had concluded, there was a question period for the parliamentarians, who were able to address arguments and questions to the speakers in the context of hemispheric integration.

One position put forth by the parliamentarians was the dissimilarity between Latin American tax systems and those of the FTAA and European Union, which led to a discussion as to whom to associate with. All of this points to the need for broad negotiations at the bilateral and multilateral levels.

One participating parliamentarian was of the opinion that speculative transactions (hot money) on the exchange market should be taxed—what is known as the Tobin tax—with the exception of those intended for export and import transactions for goods and services and for investments in productive assets, as in the case of direct foreign investments.

Some highly important issues were raised during the debate, namely:

1. How does tax harmonization affect the integration process?
2. Are the present tax models compatible with the integration to which we aspire?
3. Is administrative and tax decentralization compatible with integration, taking into account that this is a highly political decision?
4. How might developing economies be assisted in competing with the developed economies in a context of trade liberalization, taking into account the asymmetries that exist?

In general terms, the first day's session concluded with the following thoughts:

1. The question period began with the basic question "Do the parliamentarians want integration or not?" As the debate unfolded, however, the conclusion was reached that integration is unavoidable, the real question is how to do it. The task the parliamentarians have at hand is finding common ground on tax harmonization as well as on other integration issues.
2. Integration is not a goal in and of itself, but a means of achieving socioeconomic development for the hemisphere. One of the most important tools for achieving this goal is a fair, transparent and efficient tax system.
3. Integration seeks to achieve the harmonious development of member countries. Therefore, it is necessary to recognize the different relative situations. The unequal conditions in effect require compensation processes to make use of all the economic potential for the mutual benefit of the partners and to ensure equal opportunities. These compensations must be granted in the form of commercial or financial advantages.



4. In the countries where it applies, the decentralization process complements the economic integration process. Responsible fiscal decentralization that is carried out with economic efficiency criteria allows citizen control regarding the size of the public sector, which becomes supranational in the regional integration process.

The second day of sessions for Working Group No. 1 began with consideration of the text by the rapporteur, which was generally approved with very minor amendments. Dr. Claudino Pita then presented some reflections on integration experiences in America pertaining to the harmonization of tax systems. To this end, he explained the different regional integration agreements that were staged in the continent from the sixties through to the present.

When asked what model or experience could be used as a basis for undertaking the task of tax harmonization in the context of economic integration, Dr. Pita explained that the way to achieve that objective was to begin by standardizing the technical aspects of taxation, leaving the quantitative part pertaining to tax levels reflected in tax rates to each country's domestic tax policy decisions. He said, for example, that the value-added tax should have the same structure in all countries in the hemisphere, and that the difference would lie in the rates each country might choose to establish.

The need for adequate flexibility throughout this whole tax harmonization process was stressed, so that the effects it produces do not generate rigidity in national tax policy management, as long as advances in the integration process do not demand greater coordination of those policies. As a result, the concrete recommendation on this subject is to identify the technical models as reference points to obtain a harmonized tax structure that leaves room for each country to make political decisions to ensure social development and to facilitate the regional integration process.

Concern was expressed about the progress of the FTAA negotiations, given that a timely debate has not been encouraged in the national parliaments on domestic legislations, and that this topic affects aspects such as competitiveness and localization of investments as the hemispheric agreement begins to take effect.

Emphasis was also placed on the need to strike a balance between the harmonization of tax systems (which in some cases will mean reduced revenues) and the need to finance public spending on social investment.

The issue of exacerbated focalization of legal formalism and technicism was also addressed in the debate on tax reforms, which moves it away from the humanist perspective that views the human being as the main objective of all public policies.

One matter on which several parliamentarians agreed was the need to create a supranational parliament that deals correctly with decisions pertaining to integration agreements, as in the case of tax matters.

Another relevant aspect mentioned was the need to promptly address the impact of the informal economy in the countries and its effect on the integration process, as well as on tax harmonization. The parliamentarians acknowledged the density of the informal economy in our countries and its impact on the efficiency of tax management.



After the remarks by the parliamentarians, the chair turned the floor over to Dr. Alberto Barreix, who raised three issues:

- Fiscal and tax aspects. It was noted that this subject is not explicitly included in the hemispheric integration processes although it was an important aspect in the European Union and NAFTA.
- Institutional integration aspects. 1) The harmonization of customs processes to encourage trade; and 2) The resolution of international disputes to ensure legal security for investments. Without these aspects, integration would be difficult.
- Compensation between sectors and countries. It was noted that the European Union has tariffs and other taxes aimed at financing common policies and institutions.

The common objective in tax matters is to collect taxes fairly without affecting the countries' competitiveness.

Finally, it was stated that effective integration in Latin America will indefectibly require the consideration of tax matters.



8.15 Annex 15 – Report and recommendations of Working Group II

Working Group II

The impact of the economic and financial crises in the region

Chaired by Congressman Marcelo Stubrin of Argentina

Working Group II discussed the topic of “The Impact of the Economic and Financial Crises in the Region”. The discussion was based on Dr. Roberto Frenkel’s authoritative lecture entitled “Globalization and Financial Crises in Latin America”.

After hearing Dr. Frenkel’s lecture, the members of Working Group II proceeded to give their input by raising the following points:

Financial crises arise from a system that currently lacks rules to help forecast its behaviour, as demonstrated by the successive and recurrent appearance of episodes of this nature in different emerging markets, including countries once considered successful models of insertion in the global economy.

Societies whose political system is more democratic and transparent and whose public accounts are managed in an orderly fashion are less vulnerable to financial and economic crises. For this reason, one of the elements that must be taken into account when building solid and stable economic systems is the development and implementation of public policies to control corruption. Likewise, parliament plays a fundamental role in this area as a generator of appropriate and modern legal instruments, and supervisor of the correct behaviour of the authorities and institutions called upon to execute these policies.

Notwithstanding the foregoing, it was stated that multiple factors lie behind problems of this type. Elements such as the following would therefore have to be considered: foreign debt negotiation methods, sovereign risk determination that influences interest rates, as well as the lack of common guiding principles and unambiguous rules that strengthen legal security in this field. That is, solutions must take a multidisciplinary approach, as there are political considerations in addition to the economic implications of this subject.

Furthermore, it was determined that, in recent years, the net balance of capital flows in the region had been negative, though this did not entail a reduction in Latin America’s foreign debt. This points to the need to find mechanisms that promote a new international financial architecture.

The fact that financial crises have a heavier impact on society’s least protected sectors through budget adjustments is of great concern, as this weakens the credibility of the democratic system and, hence, the governments’ capacity for political action.

It is also clear that the smaller countries are more vulnerable to crises, and it is therefore necessary to take this into account and design economic policies consistent with this reality.

In light of this situation, it is important that our institutions and authorities act transparently within a framework of weights and balances in order to control corruption, and to establish an environment with unambiguous rules.

Without underestimating the serious economic and financial problem generated by corruption, it is important to emphasize that the international financial system functions in such a way as to



generate great instability, and because of this, it is necessary to create forms and rules that help increase certainty levels in international financial relations.

These innovative forms and rules could eventually involve delegating part of the nations' sovereignty to international institutions to reduce the risk inherent to international financial activity.

It is imperative for the international community to implement a new financial architecture. It must improve the interregional integration mechanisms and ask international financial institutions to review their economic policy proposals with a view to encouraging economic growth rather than becoming yet another element that promotes recessions.

Recommendations:

The role of inter-parliamentary institutions like FIPA must be geared towards stimulating horizontal cooperation, exchanging successful practices, standardizing regulations and generating appropriate forums for discussing and debating crucial and strategic topics for strengthening our economies.

It is therefore necessary for FIPA to create a Periodic Analysis Group to study the international financial situation, which could function by using the available virtual connectivity tools.

It is essential to strengthen the parliament's role of control and supervision, determining the policy and program goals of our governments and taking into account the principles of efficiency, effectiveness, economy and quality in the different public programs and services, as well as the indicators that may have been defined to measure the results of institutional management and achieve transparency in the rendering of accounts. This direction should serve to anticipate and avoid the consequences of financial crises.

It is also very important to move towards new legal forms that allow financial restructuring of the countries in an orderly environment, thus preventing foreign debt problems from being aggravated by strong recommendations that have an impact on sovereign risk determination.

It is necessary to improve the quality of integration in the region, including the coordination of macroeconomic policies, for the purpose of strengthening its negotiating position before the international financial institutions.



8.16 Annex 16 – Report and recommendations of Working Group III

Working Group III – The Free Trade Area of the Americas Negotiations

Chaired by John Godfrey, Canadian Member of Parliament

Mr. Peter E. Kirby participated as speaker and presented the document “Update on the Free Trade Area of the Americas (FTAA) process, including recent developments in the FTAA negotiations.” This document served as a basis for the discussions of the Working Group that covered a wide range of topics from the draft FTAA Agreement published after the Seventh Meeting of Ministers of Trade held in Quito in November 2002.

The Working Group reaffirmed the Recommendations on the FTAA agreed upon by FIPA at its Inaugural Meeting held in Ottawa in 2001 and at the 1st Plenary Meeting held in Mexico City in 2002. The Working Group drew particular attention to the following recommendations:

- That the Free Trade Area of the Americas be based on a convergence of political, economic and social values and effectively contribute to raising the standards of living of the people, ensuring equal opportunities, and improving the distribution of wealth and democracy;
- That Parliaments, as representatives of people in the Americas, play a key, effective and active role in the negotiations and signing of international trade agreements;
- That the development needs of countries be taken into account and made an integral part of the FTAA negotiations in Agriculture, including recognition of the particular vulnerability, sensitivity, and structural difficulties of the agricultural sectors in developing countries;
- The elimination of agricultural export subsidies and other trade-distorting practices for agricultural products affecting trade in the hemisphere;
- That the FTAA negotiations take into account the interest and concerns of different sectors of society, the need for a permanent commitment to transparency and to increasing and sustained communication with civil society;
- That the FTAA establish clear, transparent, and effective rules to address and prevent unilateral and/or protectionist trade practices under a rules-based trading system;
- That the FTAA negotiations take into account all the concerns of countries in issues of intellectual property related to access to genetic resources, indigenous and traditional knowledge, and the right of each country to protect public health and access to medicines for all;
- That differences in the level of development and size of the economies in the hemisphere are taken into account in the FTAA and that smaller economies receive the treatment that they require to ensure their full participation and benefit in the FTAA;

In addition to the oral recommendations and proposals introduced during the debate by different delegations, the Group took note of 6 written recommendations submitted by Congresswoman



Patricia Gutiérrez from Colombia, Senator Raymundo Cárdenas from Mexico, Congressman Nathan Jorge Sevilla Gómez from Nicaragua, Congressman Jaime Vázquez Castillo from Mexico and Congresswoman Silvia Álvarez and Congressman Francisco Patiño from Mexico.

RECOMENDATIONS CONCERNING PARLIAMENTARY PARTICIPATION IN THE FTAA PROCESS THROUGH FIPA

Aware that the final and critical phase of the FTAA negotiations has already started;

Concerned with the experiences and implementation of trade agreements that are in force in the Hemisphere;

Convinced of the need to build on the recommendations already adopted by FIPA and to follow up on these recommendations with specific actions,

We Parliamentarians of the Americas

Recommend that the Executive Committee of FIPA undertake the following initiatives:

- 1) Establish a section in the Virtual Parliament of the Americas web site to facilitate the exchange of information regarding the negotiation and implications of trade agreements. This web site should provide Parliamentarians with information, documents and links to Internet sites on the FTAA negotiations and to conduct discussions or informative sessions on issues relevant to the negotiations.
- 2) Prepare and distribute in advance of the next Plenary meeting of the FIPA a document to follow up on each of the previous recommendations on the FTAA and keep track on the results or any progress achieved on the issues agreed by the Parliamentarians.
- 3) Explore mechanisms to benefit from experiences and concerns arising from trade agreements that have already entered into force, such as NAFTA or other bilateral trade agreements existing in the Americas signed by Canada, Chile, Costa Rica and Mexico, among others.
- 4) Study the system adopted by the Brazilian Parliament as a model mechanism to monitor and actively participate in the FTAA negotiations at the national level and request that Heads of delegation of countries represented at this Second Plenary Meeting provide existing information or notify the Executive Committee of FIPA on the adoption in the future of similar mechanisms in their countries. Such information will then be posted on the new FTAA section of the Virtual Parliament web site.
- 5) Establish a mechanism for FIPA to interact formally with the Trade Ministers in the context of the FTAA process and keep track of the negotiations. The "Parliamentary Conference on the WTO" adopted by the Inter-Parliamentary Union (IPU) provides a useful model of how such interaction might work at the hemispheric level.



6) Submit a formal communication on behalf of FIPA directed to the FTAA Co-Chairmanship of Brazil and the United States to be considered by the FTAA negotiations covering the following issues:

- Indicate our concerns regarding the potential benefits and negative effects that the FTAA may have in our countries considering the difference in level of development and size of the economies and inequality prevailing in the Americas;
- Consider other integration arrangements models such as the European Union where Social Cohesion Funds were available to guarantee the effective participation and benefit of all FTAA countries;
- Address Agricultural issues in the FTAA negotiations taking into account the particular vulnerability and sensitivity of Agricultural issues for all FTAA countries and the need to eliminate agricultural subsidies and other trade distorting practices;
- Take into account the particular needs and conditions of all countries when setting deadlines for implementation of the FTAA Agreement.

7) Discuss with the FTAA Co-Chairs potential mechanisms to provide input from FIPA to the FTAA negotiations on the implementation and further development of the Hemispheric Cooperation Program (HCP) under the FTAA, in particular with respect to social adjustment funds for the agricultural and manufacturing sectors.

Further, recommend that the FTAA consider the creation of a special fund within the HCP for professional education, science and technology to provide developing countries with scientific and technological capabilities that will allow them to catch up with developed countries and effectively contribute to economic development and a better economic integration of the FTAA countries.



8.17 Annex 17 – Makeup of the FIPA Executive Committee

Representation	Parliamentarian	Country	Term on the Committee
Chair	Senator Céline Hervieux-Payette	Canada	2002 – 2004
North America	Senator Silvia Hernandez	Mexico	2003 – 2005
	Mr. John Godfrey, Member of Parliament	Canada	2002 – 2004
Central America	Deputy Mario Calderon	Costa Rica	2003 – 2005
	Deputy Carlos Santiago Najera	Guatemala	2002 – 2004
Caribbean	Deputy Ulrick Saint-Cyr	Haiti	2003 – 2005
	Senator Anthony Johnson	Jamaica	2002 – 2004
South America	Deputy Marcelo Stubrin	Argentina	2003 – 2005
	Deputy Luiz Carlos Haully	Brazil	2002 – 2004
Host Country	Deputy Waldo Mora	Chile	2003 – 2004

Secretary

Mr. Mateo Barney

Foro Interparlamentario de las Américas
Fórum Interparlamentar das Américas



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