

Report

3rd Plenary Assembly

National Congress of Chile

Valparaiso, Chile

April 1st – 3rd, 2004

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1. Introduction



At the kind invitation of the Chilean Congress, the 3rd Plenary Assembly of the Inter-Parliamentary Forum of the Americas (FIPA) was held on the 1st, 2nd and 3rd of April 2004 at the National Congress of Chile, in Valparaiso.

100 parliamentarians attended this important event as official delegates from 23 countries of the hemisphere and two regional parliaments (*see Annex 1 for a list of participating countries and delegates.*)

During the meeting, three working groups had the opportunity to discuss the role of parliamentarians in the fight against terrorism, the Free Trade Area of the Americas process, and the harmonization of hemispheric tax systems. The Group of Women Parliamentarians of the Americas also held its second working session.

2. Opening Ceremony

The 3rd Plenary Assembly of FIPA was officially opened with a special ceremony in the Honour Room of the Chilean National Congress on Thursday, April 1st 2004.

The Speaker of the Chilean Senate, Senator Hernán Larraín, welcomed participants and underscored his support for parliamentary integration initiatives in the Americas. He then declared the Plenary Assembly officially open.

The President of FIPA, Canadian Senator Céline Hervieux-Payette, then thanked the hosts of the Assembly for their hospitality and spoke about the importance of FIPA as a mechanism for parliamentary participation in the development of hemispheric multilateralism.

The second session of the ceremony, began with words from the Speaker of the Chilean Chamber of Deputies, Pablo Lorenzini, who welcomed the delegates once again and emphasized the importance of developing parliamentary diplomacy and dialogue between the hemisphere's legislatures.

The President of the Republic of Chile, his Excellency Mr. Ricardo Lagos, then expressed his support for the work of the Assembly, and spoke on each of the themes in the Agenda, emphasizing the need to support integration initiatives in the Americas.

(See Annex 2 for the texts of the Opening Ceremony Speeches.)



Finally, Ms. Soledad Alvear, the Chilean Minister of Foreign Affairs, brought the Opening Ceremony to a close with a presentation on the advances in the negotiations for a Free Trade Area of the Americas (*see Annex 3 for text of the Minister's speech.*)

3. First Session of the Plenary Assembly

The formal work of the 3rd Plenary Assembly began with the consideration of the agenda, which was presented by the FIPA President, Senator Hervieux-Payette, and was unanimously approved by the Plenary Assembly (*see Annex 4 for the text of the Plenary Assembly Agenda.*)

3.1 Election of the Chair of the 3rd Plenary Meeting

Senator Hervieux-Payette presided over the election of the Chair of the 3rd Plenary Assembly. On a motion by the Costa Rican delegation, seconded by the Guatemalan delegation, Chilean Senator Sergio Romero was elected by acclamation.



3.2 Report of the FIPA President

Senator Hervieux-Payette presented her annual report, summarizing the work of the Executive Committee and the permanent working groups. Among others items, the President reviewed the results of the first meeting of the Special Working Group on Terrorism, and reported on the participation of the Executive Committee in the VIII FTAA Ministerial Summit in Miami. She also highlighted the efforts currently underway for the parliamentary participation of FIPA in the FTAA process (*see Annex 5 for the text of the President's Report.*)

3.3 Establishment of the Working Groups

The Chair of the 3rd Plenary Assembly explained the composition and procedural rules of the working groups, which were constituted as follows:

Working Group 1 – The Fight Against Terrorism

- Chair:** Senator Raymundo Cárdenas (Mexico)
Facilitators: Dr. Rut Diamint (Torcuato Di Tella University & the Wilson Center, Argentina)
Lic. Jorge Calderón (Unit for the Promotion of Democracy/OAS)
Secretary: Ms. Nora Villavicencio (Committee Secretary, Chilean Senate)
Mr. Julián Saona (Committee Secretary, Chilean Senate)

Working Group 2 – The Free Trade Area of the Americas Process

Chair: Mr. Don Boudria, MP (Canada)
Facilitator: Ms. Verónica Silva (UN-ECLAC)
Secretary: Ms. Isabel Damilano (Committee Secretary, Chilean Senate)
Ms. Mariana George-Nascimento (Committee Secretary, Chilean Senate)

Working Group 3 – Tax Systems in the Americas

Chair: Deputy Luiz-Carlos Haully (Brazil)
Facilitator: Mr. Juan Cristobal Bonnefoy (UN-ILPES – ECLAC)
Secretary: Mr. Javier Rosselot Jaramillo (Committee Secretary, Chilean Chamber of Deputies)

Group of Women Parliamentarians of the Americas

Chair: Deputy Margarita Stolbizer (Argentina)
Facilitator: Ms. Sonia Montaña (Women and Development Unit, UN-ECLAC)
Ms. Patricia Silva (SERNAM - National Women's Service of Chile)
Secretary: Ms. Ana María Skoknic (Committee Secretary, Chilean Chamber of Deputies)

3.4 Other Business

During the first session of the Plenary, the Chair of the Assembly announced several events to take place during the final session, on the third day of the Assembly. He explained that, at that time, elections would be held for one half of the Executive Committee members (one from each of the four sub-regions,) and the site of the next Plenary Assembly would be determined.

Senator Romero also explained that, as the term of the current President was coming to an end, a new President of FIPA would also be elected during the final session.



4. Final Session of the Plenary Assembly

The final session of the 3rd Plenary Assembly of FIPA took place Saturday morning, April 3rd 2004 in the Chamber of Deputies of the National Congress of Chile.

4.1 Working Group Reports

The chairs of the Working Groups presented a summary of their deliberations and submitted their final reports and recommendations.

4.1.1 *Group of Women Parliamentarians of the Americas*



The second meeting of the Group of Women Parliamentarians of the Americas took place on April 2nd 2004, presided over by Congresswoman Margarita Stolbizer of Argentina.

Ms. Sonia Montaña, head of the Women and Development Unit of ECLAC, presented a talk about “Democratic Governance: Public Policy From a Gender Perspective--The Need to Incorporate Women and Men in Regional Development Strategies.”

On behalf of the Director of SERNAM, Ms. Patricia Silva Meléndez, head of the Department of Women and the Law, who spoke of the “Advances and Challenges in Equal Opportunity Policies for Women.”

Following discussion, the Group recommended, among other things, that FIPA member states include the criteria of gender and equity when advocating institutional and economic reforms in all areas of public policy formulation

(see Annex 6 for the text of the report and recommendations of the Group of Women Parliamentarians of the Americas.)

4.1.2 *Working Group 1 – The Fight Against Terrorism*

Mexican Senator Raymundo Cárdenas chaired Working Group 1, which was composed of 27 parliamentarians. The first session began with a presentation by guest speaker Dr. Rut Diamint entitled “Terrorism and Democracy in the Americas,” followed by the presentation of a progress report by Mr. Jorge Calderón on “Central American Legislative Efforts to Combat Terrorism;” a project of the OAS’s Unit for the Promotion of Democracy (UPD).



After the presentations, parliamentarians took the opportunity to discuss the ideas of the presenters and their own perspectives on the issue. Working Group members were in agreement that, among other things, international treaties to combat terrorism such as the Inter-American Convention Against Terrorism and the Convention for the Suppression of the Financing of Terrorism should be incorporated into the national legislation of member states

(see Annex 7 for the text of the report and recommendations of the Working Group on Terrorism.)

4.1.3 Working Group 2 – The Free Trade Area of the Americas Process

Working Group 2 was chaired by Canadian MP Don Boudria and enjoyed the participation of Ms. Verónica Silva, from ECLAC, who gave a presentation on “The FTAA: Debate and Negotiations,” based on the latest draft of the FTAA, released after the 8th Ministerial Summit in Miami in November 2003.

Following the presentation parliamentarians discussed the issue and agreed on a number of recommendations, such as official parliamentary participation in the FTAA process, the inclusion of the citizenry in FTAA discussions, and a call for United States parliamentarians to join with their colleagues throughout the Americas in calling for greater parliamentary involvement in the FTAA process



(see Annex 8 for the text of the report and recommendations of the FTAA Working Group.)

4.1.4 Working Group 3 – Tax Systems in the Americas



Working Group 3 was chaired by Brazilian Congressman Luiz-Carlos Hauly and included a presentation by Mr. Juan Cristóbal Bonnefoy, of the Latin American Institute for Economic and Social Planning (ILPES-ECLAC), on the subject of “Tax Systems of the Americas.”

Following the presentation, parliamentarians discussed the issue and recognized, among other things, the importance for FIPA countries of greater

harmonization of tax mechanisms and systems in the broader context of regional cooperation

(see Annex 9 for the text of the report and recommendations of the Working Group on Fiscal Systems.)

After presentations by the chair of each working group, the chair of the Plenary tabled the reports of the working groups, and their recommendations, for consideration by the Plenary Assembly. The reports were unanimously approved, following comments by the assembled parliamentarians.

4.2 Approval of Executive Committee Resolutions

The 3rd Plenary Assembly approved the following FIPA Executive Committee Resolutions:

4.2.1 Resolution 1 – For the Official Inclusion of National Legislatures in FIPA

The first resolution adopted by the Plenary Assembly sought to officially incorporate the legislatures of FIPA member countries into the FIPA organization, and at the same time recommended the creation of national-level FIPA organizations to help follow up on the work and recommendations of Plenary Assemblies.

Resolution 1 also added provisions on financing to FIPA regulations and incorporated the contribution scheme proposed by the Executive Committee for 2004-2005.

The Plenary Assembly approved Resolution 1 unanimously.

(see Annex 10 for the text of Resolution 1)

4.2.2 Resolution 2 – To Reaffirm FIPA’s Commitment to Democratic Values in the Americas

The second resolution adopted by the Plenary Assembly reaffirmed FIPA's commitment to promoting democratic values and principles. At the same time it reiterated the support of FIPA for free and open elections and rejected any attempts to curtail the rights of parliamentarians in the exercise of their duties.

After discussion and a number of modifications, the Plenary Assembly approved Resolution 2 unanimously, while acknowledging at the same time the proviso of the Cuban Delegation.

(see Annex 11 for the text of Resolution 2)

4.3 Election of Members of the Executive Committee for 2004 – 2006

The Plenary Assembly elected one half of the members of the Executive Committee for 2004-2006. Representatives from each of the four sub-regions were elected as follows:

On a motion by the Mexican Delegation, Canada (represented by Mr. Don Boudria, M.P.) was re-elected representative for North America.

On a motion by the Jamaican Delegation, Barbados (represented by Senator Sandra Husbands) was elected representative for the Caribbean.

On a motion by the Costa Rican Delegation, Honduras (represented by Deputy Jack Arévalo) was elected representative for Central America.

On a motion by the Argentine Delegation, Paraguay (represented by Senator Alejandro Velásquez) was elected representative for South America.

4.4 Election of the President of FIPA

On a motion by the Argentine Delegation, seconded by the Colombian Delegation, Canadian Senator Céline Hervieux-Payette was nominated for re-election as President of FIPA. The Plenary Assembly re-elected Senator Hervieux-Payette by acclamation as President of FIPA for 2004 – 2006.



4.5 Election of a Site for the Next Plenary Assembly

The Chilean Delegation nominated the Brazilian Congress as the site of the 2005 FIPA Plenary Assembly.

Brazil was elected host of the next Plenary Assembly by acclamation. In accordance with FIPA regulation 2.3(b), Brazil, as a host country, will have a member on the Executive Committee for one year.

Furthermore, the Plenary Assembly approved the Colombian Congress as the site for the 2006 FIPA Plenary Assembly.

4.6 Declaration Rejecting Violence Against Parliamentarians

The Plenary Assembly gave its unwavering support to the Jamaican delegate's emphatic rejection of kidnapping and personal attacks on parliamentarians as a strategy for applying political pressure and intimidation. The Assembly also expressed its solidarity with parliamentarians who are currently being held hostage and whose lives are in danger.

4.7 Closing Ceremony

The President formally thanked the delegates for their participation, along with all those persons and institutions who worked together to organize 3rd Plenary Assembly of FIPA and make it a success. Special thanks were extended to the President of the Republic of Chile, who participated in the Opening Ceremony; the Minister of Foreign Affairs; SERNAM; ECLAC; and the Organization of American States for their support.

Senator Hervieux-Payette personally thanked Deputy Waldo Mora and Senator Sergio Romero of Chile for their hospitality and dedication in organizing the Plenary Assembly. Thanks were also extended to the staff of the Chilean Congress for their work in supporting and facilitating the event.

The President of the Assembly then declared the 3rd Plenary Assembly of FIPA officially adjourned

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5. Annexes

5.1 Annex 1 – Participating Countries and Delegates

President of FIPA

Senator Céline Hervieux-Payette

Argentina

Senator Daniel Scioli (Speaker of Senate)

Senator Antonio Cafiero

Senator Silvia Gallego

Senator Mario Lozada

Senator José Zavalía

Senator Celso Jaque

Congressman Luis Molinari

Congresswoman Margarita Stolbizer

Barbados

Senator Sandra Husbands

Louis Tull, MP

Belize

Dave Burgos, MP

Bolivia

Senator Leopoldo Fernández

Senator Hugo Carvajal

Brazil

Congressman Luiz-Carlos Haully

Congressman Joao Paulo Gomes da Silva

Canada

Mr. Don Boudria, MP

Senator Madeleine Plamondon

Senator Michel Biron

Senator Mac Harb

Mr. Roy Bailey, MP

Mr. Philip Mayfield, MP

Chile

Senator Sergio Romero
Senator Juan Antonio Coloma
Congressman Waldo Mora
Congressman Juan Masferrer
Congressman Jorge Burgos
Congressman Carlos Ignacio Kuschel
Congressman Carlos Hidalgo
Congresswoman Ximena Vidal
Congresswoman Alejandra Sepúlveda

Colombia

Senator Juan Carlos Restrepo
Senator Gabriel Zapata Correa
Congressman Sergio Díaz-Granados
Congresswoman Nancy Patricia Gutiérrez

Costa Rica

Congressman Mario Calderón

Cuba

Congressman Tubal Paez

Ecuador

Congressman Edgar Ortiz

El Salvador

Congressman Ernesto Castellanos
Congressman Elizardo González

Grenada

Congressman Chester A. Humphrey

Guatemala

Congressman Carlos Santiago Nájera
Congressman Víctor Gutiérrez
Congressman Salvador González
Congressman Lester Reyna
Congressman Juan Ramón Alvarado
Congressman Juan Cifuentes
Congressman Carlos Morales
Congresswoman Virna Ileana López

Honduras

Congressman Nedis Adrián Licona
Congressman Jack Arévalo
Congressman Eliseo Vallecillo

Jamaica

Senator Anthony Jonson

Mexico

Senator Raymundo Cárdenas
Senator Sara Castellanos
Congressman Rogelio Flores
Congressman Luis Eduardo Espinoza
Congressman Jesús Martínez
Congressman Francisco Monarrez
Deputy Armando Leyson Castro
Deputy Blanca Gamez

Paraguay

Senator Alejandro Velásquez
Senator Ana María Figueredo
Senator Adriana Franco de Fernández
Senator Ada Solalinde de Romero
Senator Ada Fátima Jolalinach
Senator Alfredo Jaeggli
Congressman Teodoro Rivarola
Congressman Simón Benítez Ortiz
Congressman Oscar Ismael Silvero
Congressman Oscar Fernando Mercado
Congressman Miguel Rojas
Congressman Fernando Oreggini
Congressman Edgar Venialgo
Congressman Carlos Samudio

Peru

Congressman Antero Flóres-Araoz

Dominican Republic

Senator José Tomás Pérez
Senator Germán Castro

Surinam

Congresswoman Ruth Wijdenbosch
Congressman Mahawat Khan
Congressman Hubert Asmamiredje

Uruguay

Congressman Alvaro Alonso

Venezuela

Congressman Ricardo Gutiérrez
Congressman Pedro Pablo Alcántara
Congressman Danilo Pérez Monagas
Congresswoman Tania D' Amelio

Andean Parliament

Senator Enrique Urquidi Hodgkinson (President)
Congresswoman Jhannett Madriz
Congressman Freddy Ehlers
Congresswoman Juana Vallejo

Latin American Parliament

Senator Jorge Pizarro (President)
Congressman Walter Gavidia
Congresswoman Norexa Pinto
Congressman Nerio Rauseo

UPD / OAS

Ms. Elizabeth Spehar
Mr. Jorge Calderón

FIPA Secretariat

Mr. Mateo Barney
Ms. Sabra Ripley

5.2 *Annex2 – Opening Ceremony Speeches*

5.2.1 *Speech of the Speaker of the Chilean Senate*

Speech of the Honourable Senator Hernán Larraín, Speaker of the Senate of Chile

Original: Spanish



As Speaker of the Senate of the Republic of Chile, I would like to extend to all of you a very cordial welcome to this opening ceremony of the 3rd Plenary Meeting of the Inter-Parliamentary Forum of the Americas, and would like to greet the parliamentarians in attendance from our own National Congress.

In extending this welcome, I would like to emphasize the importance of promoting international relationships between the parliaments and parliamentarians of our respective countries in the Americas.

On behalf of the Chilean Senate, I would like to express our great appreciation for the work of the organizing committees of the upper and lower chambers of this Congress, as well as the work of the Executive Committee of the Inter-Parliamentary Forum of the Americas.

One of our priorities at this Meeting should be the strengthening and deepening of these relationships. Even though progress has been significant and hopeful in this area, we should concentrate on the institutionalization and systematization of these relationships.

By way of example, I would like to share with you my recent experience in visiting the European Parliament in Brussels.

The European Parliament is a symbol of the level of agreement and cooperation that a disparate group of countries may achieve when working to a set of common principles and objectives. Seeing all these countries united together, I cannot help but express my own hope that in the not too distant future we may achieve a similar success for the countries of the Americas.

We can create the necessary foundation for such a future through better and more complete free trade agreements, through greater harmonization of internal legislation, and, above all, by providing for the deeper cultural development of our people. Strengthening connections in all these areas will inevitably bring about the need for a legislative body to regulate the development of such an integrated hemispheric system.

In this task of providing for greater institutionalization of the relationships between countries of the Americas—and, why not say it, for a Parliament of the Americas—legislators will play a fundamental role. Our special role as representatives of civil society, and our role as both cooperators with, and watchdogs of, the Executive Branch of government, makes us the most

genuine expression of our country's democracy. We are presently in the best of all possible situations for creating the necessary structures for achieving the consensus and agreement upon which a future efficient and viable institutionalization of the relationships among countries of the Americas can be built.

Once we set out a firm, common basis for economic, political and cultural policy, the Parliament of the Americas will emerge as the absolutely necessary vehicle for greater exchange and cooperation between our countries, and the only possible response to our common problems.

The three Working Groups forming part of this 3rd Plenary Meeting—on terrorism, the FTAA and tax legislation—all speak to this objective. How democracy confronts terrorism, the way in which FIPA will actively participate in FTAA negotiations, and the creation of agreements leading to harmonization of our national tax legislation – all are elements forming the basis for integration.

This objective will most likely not be achieved in a short time. But international parliamentary gatherings such as this are the heralds of a real revolution in the political organization of our hemisphere.

I would ask that all parliamentarians, other national representatives and the representatives of international organizations here present work towards a consensus for building the necessary economic, institutional and cultural basis for achieving one of the major aims of the integration process, namely, the creation of a Parliament of the Americas

Thank you.

5.2.2 Speech of the President of FIPA

**Speech of the Honourable Céline Hervieux-Payette
Senator of Canada
President of FIPA**

Original: English – Spanish



It is a real pleasure for me to be here once again in this wonderful country. I would like to begin by thanking our hosts for organizing this event and most of all for their warm hospitality. I also want to acknowledge the work of our Chilean colleagues who put partisan differences aside to help organize this Meeting. In doing so, they have made an important contribution to the development of FIPA and to the Meeting's success. These colleagues are Senator Sergio Romero, a founding member of FIPA, and Deputy Waldo Mora, Chile's representative on the Executive Committee.

Back in 2001 we were here in Valparaíso at the organizational meeting preparing for the very first FIPA Plenary Meeting. Since then, FIPA meetings have made the rounds throughout the hemisphere, with Plenary Meetings in Ottawa, Mexico City, Panama City, and now Valparaíso.

And there have been Executive Committee meetings in Querétaro, Bridgetown (Barbados), Buenos Aires, Panama and Miami. Our Internet Website allows all parliamentarians in every country to participate and contribute ideas in their own language.

So, although this network of parliamentarians has been growing for only a few years, it is now taking shape and producing results. For example, this past November the FIPA Executive Committee attended the ministerial trade summit in Miami, where it laid down the basis for parliamentary participation in the FTAA process. During the Miami meeting we were able to meet with representatives of civil society organizations, spokespersons for the private sector, and ministers of foreign trade. The dialogue was frank and open and we got to know their positions and exchange ideas on the FTAA process.

However, even though our participation in the Miami summit was well received by all those involved in the FTAA negotiating process, FIPA's participation has yet to be officially recognized. We are looking for support from your respective governments in this initiative so that we may be seen as acting together as a joint parliamentary endeavour.

In any case, our participation in the Miami summit is a good example of the way we parliamentarians can build bridges between the various sectors of our communities. It is congressmen, deputies and senators who are in direct contact with their citizens and should be responding to their constituents' questions and demands in each electoral district. To do this, parliamentarians should not only be well-informed about what their governments are doing and the processes they are involved in, but should also make constructive contributions to the process itself.

What is clear is that parliamentarians have been summoned to play an active role in the development of multilateralism. Parliamentary diplomacy as a concept should evolve in the direction that sees the elected representatives of citizens participating actively in the processes which will ultimately affect, directly or indirectly, those who have elected them.

Parliamentary participation in the multilateral process is not intended to be a hindrance to the work of governments as they develop their international policies, nor is it intended as an appropriation of jurisdictions that are the exclusive domain of the Executive Branch of government. On the contrary, the aim is for parliamentarians to assist constructively in bringing such work to completion by allowing them to contribute to making agreements politically viable, and by allowing them to provide the necessary democratic support for the application and implementation of such agreements. Another reason for such participation is that the development of multilateralism should normally be accompanied by the preparation of internal legislation, since the ratification and implementation of agreements and conventions usually entails the adaptation of existing standards and the creation of complementary legislation.

The work of the Executive Branch of government at the international level always ends up being complemented by legislative work. We all know that laws cannot be static, but must evolve in tandem with their country's social, economic and political development. This is especially true at present when improvements in communications, international trade and regional integration demand that we be up-to-date on all fronts. In the end, those with the greatest chance to succeed will not be the biggest or the strongest, nor the smartest or cleverest; rather it will be those who have the greatest capacity to adapt to new conditions.

Colleague Parliamentarians:

Our governments should be aware that, in this new world order, parliamentary participation in the development of international policy is now more relevant than ever before. Therefore, they should be looking to the creation of spaces that will guarantee such participation.

At the same time, however, we parliamentarians must understand that such participation should be responsible and constructive. The real motive force behind our work should be the search for the collective well-being of our people.

Therefore, I encourage all of us to continue with our development of this joint FIPA initiative as a mechanism for guaranteeing that the work of parliaments, from Canada to Argentina, will be coordinated, that experiences and knowledge will be shared and that the benefits of multilateralism will be enjoyed by all.

Two years ago I had the honour of being elected president of FIPA, an organization which is now beginning to yield concrete results. Recently, the members of the Executive Committee asked if I would continue in my position with FIPA. Although I had no plans to do so, I am prepared to serve one more term if the members of this Plenary Meeting so decide, and if I can count on your continued support and active participation in developing FIPA.

FIPA initiatives are not the exclusive responsibility of its president or a few members of its Executive Committee. FIPA is a joint endeavour of the parliamentary representatives of the legislative branch of government from 31 of the 35 sovereign states in the Americas. To date, all those present at the Plenary Meetings have expressed their support in developing the FIPA initiative. We have also benefited by representation from regional parliamentary organizations who, as observers, have been able to share their experiences with us in our discussions. I hope this participation continues and that we will be able to multiply the links between our organizations to achieve common goals by coordinating our efforts.

This year's Plenary Meeting has been extended by one day in order to allow more time for discussion and delegate participation.

Sometimes our opinions differ and we have divergent points of view. But this should not prevent us from being friends, for in the end we have something which connects us all: our interest in working for the greater development of our people and their well-being.

To end, then, attaining FIPA's goals will be the product of a collective effort that will involve the active participation of all.

This is neither out of the ordinary nor impossible. If other people in other parts of the world have been doing this for years now, why can't we do the same thing in the Americas? In our times, we mustn't be fixated on wanting to be the strongest or wanting to appear the cleverest. Our priority should be to work together so that our societies can adapt in a positive way to changes in the modern world.

I want to thank you all for being here today. Your recognition of this organization and its work is the clearest indication to me that we are on the right path.

Thank you very much.

5.2.3 *Speech of the Speaker of the Chilean Chamber of Deputies*

Speech of the Honourable Congressman Pablo Lorenzini Speaker of the Chamber of Deputies

Original: Spanish



Firstly, President Lagos, on behalf of everyone here at the opening ceremony of the 3rd Plenary Meeting of the Inter-Parliamentary Forum of the Americas, I would like to thank you for the trouble you took to be here with us today. Your presence is an example of the support you have given to international parliamentary activity.

It is a privilege and an honor to extend a sincere welcome to all distinguished colleagues from parliaments in our hemisphere attending this 3rd Plenary Meeting of the Inter-Parliamentary Forum of the Americas. This will be an excellent occasion to exchange ideas and discuss issues of common interest. Such discussion is particularly relevant when carried out by the legitimate representatives of the people of the Americas and is a vital exercise in democracy.

We are at a crossroads in history, and this Meeting is taking place at the beginning of a new millennium and a time of epochal change. It is an appropriate time to begin a discussion of great issues of mutual interest to all our nations.

We live in a world that is becoming more and more interdependent, and no event leaves us untouched. We are compelled to seek workable and efficient social, economic and political policies in response to the demands of society, especially of the poor. The opportunities and challenges involved are common to all of us, and our efforts must be directed at creating a dignified life for our citizens, a life too long postponed in a social environment of unfulfilled dreams and bitter frustration.

I want to underscore the importance of parliamentary diplomacy. This is a very powerful instrument for facilitating an exchange of opinions and ideas, as well as being an instrument for cooperation between our nations.

Governments of both North and South have made significant advances in political and economic integration, in harmonizing legislation and in creating systems which permit a smooth exchange of persons, goods and capital, all in order to provide our people with a higher standard of living. However, I would like to comment on an issue appearing in the Agenda that I cannot let pass by without remark.

In an increasingly integrated world, the terrorist attacks of 11 September 2001 in New York, and the recent attack on 11 March in Madrid, and the event that took place only a few days ago in the Bolivian Congress, all bring us face-to-face with a scenario never before faced in human history. The principal features of this scenario are extreme cruelty and the extermination of a large number of human beings. The choice of targets, the magnitude of the damages and the selection of the time have all allowed the perpetrators to secure the world as their stage for their

horrible deeds. Their sole objective can be summed up in one word: terror.

The magnitude of the events involved has forced governments and parastatal institutions to confront an enormous challenge in the areas of security and defense, and, too, in the area of multilateral cooperation, of which this Meeting is a distinguished example. The increasingly common and world-wide threat posed by terrorism, and its desire to bring down democratic governments, requires a firm and categorical response: only democracy and an unwavering respect for the rights of persons and the rule of law can guarantee better days for those who elected us to legislate, assess government policy and represent them.

I am convinced that a common faith in the values of liberty and democracy is itself the justification for institutionalizing contacts between our countries through an exchange of experiences. The strengthening of dialogue and the exploration of issues of common interest will all contribute significantly to our common goal of integration, and will lead to more efficient and productive cooperation.

Inspired by the principles and purposes of the Organization of American States, Chilean parliamentarians share with our other colleagues from the Americas the idea that FIPA could be the venue for strengthening the role and power of the legislative branch of government in its pursuit of democratic development and the promotion and defense of human rights within the hemisphere. We have already seen, and have ratified this morning, the contribution that FIPA can make to sustainable development through regional integration.

It is a source of satisfaction that these important objectives, which led us to support the creation of FIPA in the first place, have a central place in the Agenda of this 3rd Plenary Meeting.

Esteemed colleagues, I am certain that the discussions about to be entered into by our distinguished women parliamentarians concerning democratic governance and incorporation of women and men into regional development strategies, by the working group discussing FTAA negotiations—the Minister of Foreign Affairs is here—and by the working groups discussing terrorism and tax harmonization in the Americas, will all result in resolutions that will eventually be adopted by government administrations and parliamentarians making decisions in these areas. Ladies and gentlemen, I now declare the 3rd Plenary Meeting of the Inter-Parliamentary Forum of the Americas officially open: may our deliberations and conclusions be worthy of the hopes our people have vested in us.

The doors of the Congress of Chile are now open.

I would like to extend to you all a very sincere welcome.

Thank you.

5.2.4 *Speech of the President of the Republic of Chile*

Speech of his Excellency Ricardo Lagos President of the Republic of Chile

Original: Spanish



Firstly, I would like to extend to all a very warm welcome to Chile. Present at this Meeting are delegates from 23 countries in our hemisphere and the Speakers of the Senate of Argentina and the Andean Parliament, all of which points to the tremendous opportunity we now have for dialogue and creating a hemispheric agenda in accordance with our true interests.

Our parliaments are a symbol of the diversity of our countries. All of you attending this Meeting represent the pluralism characteristic of the Americas: different

languages, distinct cultures, and a multiplicity of races, religions and ways of approaching reality. You represent a diversity which enriches us all.

Our differences allow us to have our identities; but they also require that we enter into dialogue with each other, whether within our own countries or between nations. That is, in spite of our differences, there is a common identity derived from our pluralism, and it is this pluralism which preserves our particular identities.

Pluralism is the cornerstone of civilization. How, otherwise, are we to deal with our differences, our cultures, our different religions, all of which we want to preserve as the roots of who we are—which we seek to preserve while at the same time respecting the diversity of others?

I am speaking here of an identity without vetoes, an identity which is aware that our different realities share a common border. We sometimes forget this; but you who are present here know how to enter into dialogue. You know how to converse, to point out differences and to seek agreement. This is an essential part of the everyday workings of democracy. You parliamentarians of the Americas—qualified public servants—do indeed know how to dialogue amongst yourselves and with others. And there are three great issues which bring all of you together now.

As you know, you'll be addressing the issues of democracy and terrorism in our region of the world. These two activities belong to opposite poles. If democracy is based on the ability to recognize differences and enter into dialogue with others, then terrorism is the denial of any possibility of thinking differently. Instead of using dialogue, terrorism tries to defeat its opponents using fear and a denial of others.

In the end, terrorism is based on a vision that runs completely contrary to everything we have succeeded in achieving throughout human history. This vision has taken many forms: the state terrorism many of our countries endured in the '70s and 80's; and the attacks on the World

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Trade Center and in Madrid. Faced with these events, our hearts cry out, "Today, we are all New Yorkers; today we are all 'madrileños'". This is our way of expressing solidarity when confronted with brutality.

Our response to this should always be: how can we strengthen our democracies? Terrorism is fought not with less democracy, but more democracy. Not with less liberty, but more liberty. Not with less public participation, but with more public participation. Not with less human rights, but with more human rights. It is these ethical values which will, without doubt, enable us to confront the terrorist threat.

Our ability to resist the onslaught of terrorism is based on liberty, respect and social integration. To combat the scourge of terrorism, this integration must take place on many levels.

A second issue to be dealt with at this Meeting, the convergence of taxation policies, will be addressing the great variety of tax systems our governments use to collect the funds they require for financing democratically-chosen public policies. This is a long-standing issue.

What are the public goods that society wishes to guarantee for each of its children? How should these public goods be provided: through government taxation, or through the private sector? There's no single answer to all of this. But I do believe parliaments should have common criteria to deal with at least some of the central issues involved.

It often seems, nowadays, that at the global level we are all involved in a global contest to see who can provide the greatest tax breaks and so attract the most desired investors. Indeed, at times it seems as though everything were simply reduced to this focus.

How can you tax the private sector when you are dealing with activities involving natural resources belonging to society as a whole? The current debates taking place in Chile concerning royalties on natural resource extraction really speak to a much deeper issue. If we cannot immediately come to an agreement on this issue, can we at least have an exchange of ideas? I don't think we want to begin a discussion or formulate a position based on who can lower their tax revenues the quickest, simply in order to obtain a momentary advantage.

I don't mean to judge any country's internal policies, but I have in mind here those countries whose taxation policies allow for local or regional revenue collection. What sorts of examples should we have in mind when trying to assess which schemes provide the greatest possibilities? This is a complicated matter, but it's not as though we're trying to reinvent the wheel—others have dealt with these matters before. I believe it is important to determine how countries in the hemisphere can advance together on this issue, for progress in this area is indispensable if we are working towards integration and maintaining at least a minimum of convergence in our macroeconomic policies. If we cannot do this, international agreements mean little, nor do tariff reductions or other mechanisms of integration.

What is the good of tariff reductions when confronted by a 50, 80 or 100 percent currency devaluation? What happens to integration when this occurs? What sorts of dislocations does this produce?

We may want to move quickly to translate rhetoric into reality, but if we cannot agree on at least minimal convergence, a minimum set of basic undertakings—a small Maastricht Treaty for Latin America—then I really do believe we are going to end up with mere rhetoric. In this situation, when confronted with the simplest challenge, we will turn away to solve our own internal

problems, which always yields the most immediate political rewards. But if that is the case, then let's dispense with all this talk about integration.

That is no way to build a future—of this I am absolutely convinced. I also think that the issue of convergence for our taxation policies is a central one, and one that must be debated. How can one have different fiscal policies and yet a single monetary policy? Here I am thinking of Europe. I pointed out to European leaders, "You have different monetary policies and yet you have a single European Central Bank." To which they replied, "Well, if we don't have macroeconomic convergence, how else are we going to achieve our goal?"



We're a long way from this in the Americas. And it seems to me that if we fail to deal with these issues with the seriousness and depth that they merit, then it really is just all talk.

That is what I think is important.

Related to the taxation issue is that of, not how big government should be, but whether the government administers resources efficiently and whether it can devise policies which reflect the mandate given it by the citizenry. Clearly, any society which is growing and becoming wealthier eventually comes to understand that there is a set of basic goods and services that should be within the reach of all. Every society has come to understand this.

How many of these goods and services should be within the reach of each member of the community? This is a flexible concept and depends upon the country's level of growth. When you say, "compulsory education for four years", or "compulsory education for six years", you mean that the country can only support four or six years of public education and no more. When Chile says, as it does now, "compulsory education for 12 years", it is because we estimate that our economy can guarantee compulsory public education for this long.

And what are public goods in the area of health? What shall be public goods in the area of housing? And so on and so forth.

We may in fact be able to determine public goods in our own particular countries, but, in what forum are we supposed to discuss the public goods that are beginning to emerge on a planetary scale? Where am I supposed to go, as the president of Chile, to discuss the matter of Punta Arenas, where the ozone layer is being depleted by gases from the Northern Hemisphere, and where the effects of such depletion are being felt a mere two kilometers south of Valparaíso?

We live in a globalized world. I ask you parliamentarians—and of all people you should know the answer: how do we create at the global level a place for discussing problems which have their origin in one place but have their effects in another, and for which the idea of sovereignty means little?

So, when we each speak about public goods in our own country, we will have to make such goods compatible at the corresponding regional level, which in our case means the Americas. In so doing, we can share development experiences, social policy and macroeconomic management. Harmonizing our policies in such a forum would be a powerful tool for more

humane and inclusive development, and would create opportunities for all.

Embarking as we are on initiatives aimed at regional integration of the Americas, I come to the final item on this Meeting's Agenda, namely, the issue of free trade and how we are to understand it.

All of us believe that we should work towards integrating our various countries into a global society. But, we should also understand that we do so from the perspective of different realities and different interests, and that these different interests are the starting point for our mutual exploration of mechanisms of convergence. It makes a difference if a country is open, but small. In Chile, imports and exports represent more than 65 percent of its economic activity. In larger countries, imports and exports represent no more than 20 percent of economic activity. Thus, the interaction of a smaller country with the rest of the world by means of a free trade agreement will have a different impact than it will for countries having a larger population and larger markets. I am not saying here that such differences should prevent us from participating in free trade agreements—I think this is an important point to understand.

To make gains in this area we have to improve our competitiveness, improve our social cohesiveness and achieve better harmony in macroeconomic policy.

Nevertheless, it seems to me important to understand that a discussion of initiatives aimed at a free trade area for the Americas is not all there is to the debate about trade. Let's put it this way: free trade agreements do not take into account global needs in a world of growing trade. Why? Because in free trade agreements we have varying understandings of the matters at hand and simply avoid dealing with certain things. There is no free trade agreement which has changed the antidumping legislation of some countries. You may say, "That's because antidumping legislation will be discussed at the global level in the World Trade Organization, where members can confront each other to discuss the issue."

But what does this mean? This means that free trade agreements, however important they may be, do not take into account the need for regional agreements, for example an agreement covering the Americas. They also do not take into account the need to achieve understandings at the multilateral level in the World Trade Organization. Sometimes we think that bilateral agreements are the solution. They're not. They are step in the right direction, but not a solution.

When confronted with all these issues, the most prominent feature to emerge, from an institutional point of view, is that of having a decentralized foreign policy, a foreign policy more and more global in orientation, one that can be formulated by a number of participating players. This would be a foreign policy which, let us say in the area of urban policy, would advocate the twinning of cities, municipalities and townships. And, too, as my friend Pablo Lorenzini, Speaker of Chile's Chamber of Deputies, has said, this will be brought about by a diplomacy that is increasingly more parliamentary in character. Alongside the more common issues of the ratification of treaties by national legislatures and citizens asking for a voice in international affairs, there is the issue of parliamentary influence on foreign policy.

It is important that parliamentary contact and presence assist in creating more fluid international relations. When we speak of parliamentary diplomacy, we are speaking of parliamentarians having a hand in foreign-policy matters, in addition to having a relationship with their foreign counterparts. I welcome this collaboration—a collaboration so beautifully expressed by this Meeting and the issues it will deal with.

Perhaps more importantly, parliaments are, by definition, a type of meeting ground within our society. How can we make regional parliamentary meetings, such as this one, a meeting ground for dealing more effectively with our often disjointed foreign policies?

My hopes for this meeting are that it will deal with tax harmonization; that it will present different visions of how to approach the FTAA; and that it will cast light on how to confront the problem of terrorism, which has become such a different, and difficult, challenge for foreign policy. We normally understand foreign policy as dealing with the relationships between governments. But terrorism is not a relationship between governments. Terrorism is an activity of the like-minded who do not accept the civilized rules that obtain between governments. This presents us with a different challenge; a challenge that demands a single, common response. To improve our democracies, therefore, we must promote initiatives aimed at the integration of the Americas, for only in this way can we speak with relevance about a world ever more global in character.

In this, parliamentary diplomacy plays the central role, and I have a great deal of optimism regarding your deliberations at this 3rd Meeting, the product of many years of work. In previous inter-parliamentary forums, our northern friends, such as Canada, have played an important role. Our connections and understandings with Canada have formed an important part of our participation in international forums.

I will end by wishing you every possible success in discussing the various items on your Agenda, and I feel sure the outcome will bring us closer to integration of the Americas. In the end, this outcome will be determined by a common, shared vision regarding the value of democracy, respect for human rights, and the creation of spaces for greater liberty and a growing sense of equality in our countries. It is this vision, above all, that we share and which gives us the energy to continue our work.

Thank you.

5.3 Annex3 – Presentation on the FTAA by the Chilean Minister of Foreign Affairs

Presentation by Mrs. Soledad Alvear Minister of Foreign Affairs of Chile

Original: Spanish

First of all, I would like to repeat the President of Chile's welcome and say that we are pleased to have you here in Chile, especially in Valparaíso. You are all probably aware that Valparaíso has been named a World Heritage Site. I hope that, in addition to the productive discussions you will be having at this Meeting, you will be able to get to know this beautiful city and the surrounding area, and will have the opportunity to enjoy the hospitality of its people.



I am grateful for your invitation to speak about the FTAA negotiations and Chile's vision of the negotiating process. This hemisphere has always been the primary focus of our foreign policy, and from the very beginning our approach to the negotiations has been based on a perspective of regional integration and cooperation. We feel that the FTAA is the most far-reaching and ambitious plan yet devised for hemispheric integration; many countries in the hemisphere stand to benefit a good deal from it.

Chile has supported the FTAA process from the very first, when a free trade agreement for the Americas was first proposed at the Miami Summit. As with previous attempts at integration, the great diversity among our countries has meant that the going has not always been smooth. In fact, we are presently at a decisive moment in the negotiations, a moment which will demand all our energy, good will and flexibility to bring about a successful conclusion.

The main participants in the FTAA negotiations are the governments of 34 countries. Yet, given what the negotiations seek to bring about—a higher standard of living and increased equality of opportunity, improved distribution of resources and a consolidation of democracy—the active participation of other branches of government, and civil society in general, is absolutely necessary. That is why this Meeting is so important.

The parliaments of our hemisphere, represented here by their delegates, have played a crucial role in orienting the FTAA towards a promotion of democratic values and cooperation. This has contributed to increased understanding between the countries involved.

Parliaments are one of the clearest expressions of the sovereign will of the people. Parliaments have been able to act as a channel for the concerns of many social sectors, with the result that the integration process can be shaped by the public's desire for economic progress and social development.

Parliaments will also play a vital role when the negotiations have ended, since it is they who must review and approve the final agreement before it can come into effect.

Since the founding of the Inter-Parliamentary Forum of the Americas in 2001, the contribution of parliaments to the FTAA process has taken the more structured form of recommendations

emerging from the Plenary Meetings. These recommendations have been taken into account in the general process.

The Chilean government feels that broad public participation is an essential element of the negotiating process, and an essential element for bringing the negotiations to a successful conclusion.

The Chilean government has formulated a coherent government policy regarding the FTAA, just as we have for the other free trade agreements we have recently signed. Shortly before coming to this Meeting, the President of Chile, the South Korean ambassador to Chile and myself had the pleasure of announcing that a free trade agreement between our two countries was now in effect. A ceremony was taking place simultaneously in South Korea to emphasize the close relationship between Asia and Latin America. This is, indeed, the very first free trade agreement signed between a Latin American country and an Asian nation. We believe that the FTAA, like the Korean FTA and other trade agreements, will be the product of government initiatives. But, for such initiatives to get underway, the participation of civil society and parliaments cannot be limited to activities taking place at the end of the process. The support of each and every one of you in your respective countries, and the discussions you initiate between yourselves, will make a definite contribution to the very difficult process of creating the FTAA.

As I just mentioned, we are at a crucial stage in FTAA negotiations. We are currently engaged in bilateral talks with a number of countries in the hemisphere, talks which will no doubt transform regional trade activities.

Both these undertakings—the hemispheric negotiations for the FTAA and bilateral agreements with many countries in the region—are not without their difficulties. Here in the Americas, we often perceive a lack of trust and resistance to free trade by large sectors of the population, especially the weakest, who see it as a threat to their well-being

This popular feeling is no doubt based on what is perceived to have happened to many other countries in the region after having undergone a process of liberalization. The opening-up the economy, together with simultaneous privatization and deregulation, unfortunately has not resulted in increasing and stable growth rates. This has made it difficult to reduce unemployment and improve the distribution of wealth.

We believe that opening up the economy can improve social well-being, but we also believe that the experiences of many countries in the region, which have created this negative perception by many sectors of the population, is really caused by factors other than trade, and it is these non-trade factors that have prevented the liberalization process from taking its proper course. Some of the factors that come to mind here are the participation of civil society in the negotiating process, the difficulties associated with macroeconomic management, and a lack of policies which engender more social cohesion and allow citizens to feel that economic openness means an improvement in social well-being for all.

In addition to these difficulties, there are other cases in which public institutions are poorly adapted to the exigencies of trade liberalization, and yet other cases in which there has been little transparency.

With respect to all these issues, but especially with respect to institutional strengthening and greater transparency in government dealings, parliaments have a central role to play, namely, that of extending a higher standard of living to all people in the region. In an atmosphere of

broad opposition to free trade and a poor relationship between civil society and government, I believe that the task of parliamentarians is to continue to engage in informed discussion and to act as a bridge to civil society, so that the latter can participate in the formative stages of integration.

I am convinced that in doing so we face an educational challenge. And who better to take up this critical pedagogical challenge than you parliamentarians, the very persons who discuss these matters at meetings such as this. Just this past week in Santiago there was a seminar put on by the Central Bank of Chile and the World Bank which attempted to empirically analyze the effects of free trade in the Americas. I proposed to those assembled that the results and conclusions of the various studies before us be read out at the FTAA negotiations in order to correct the faulty perceptions that encourage so many to oppose this process.

I would like to see a discussion based on these studies take place in regional parliaments. I think this would provide useful information for the aforementioned educational project and would contribute to an understanding among parliamentarians of the sorts of resolutions they need to bring forward.

Now I would like to move on from these few introductory remarks to speak in some detail about Chile's particular position on the FTAA and where exactly we are at the present moment with regard to the negotiations.

As you know, Chile has free trade agreements with almost all the countries in the region. We are also a signatory to a free trade agreement with the European Union. And within a few days, the EU will be increasing by 10 countries and will thus constitute a trading bloc of 25 countries. A free trade agreement with EFTA countries has yet to be approved by the Chilean Congress, and we have, as I indicated just now, a free trade agreement with South Korea.

We have already signed free trade agreements with Canada, Mexico and Central America (the agreements with El Salvador and Costa Rica are already in effect). On a larger scale, the free trade agreement with the United States came into effect on 1 January of this year. We have complementary economic agreements with the other Latin American countries, some of which are currently undergoing revision. I was in Ecuador a few days ago, and there we agreed to move forward with a free trade agreement beginning with the service sector.

That is to say, we have been engaging in important work whose influence will be felt by other countries in the region.

Speaking with some of you just a few minutes ago, it was interesting to hear that a number of countries are beginning negotiations this year for a free trade agreement with the United States. In fact a number of Central American countries have already signed such an agreement. I was in Germany this week to be briefed on how negotiations were proceeding between MERCOSUR and the European Union, and to find out more about how Central American and Andean countries were proceeding with policy accords and cooperation with the EU.

I mention all of this to indicate some of the negotiations being carried out in parallel with the FTAA negotiations.

Given the array of trade agreements Chile has signed with other countries, we are often asked, "Why are you interested, then, in a free trade agreement for the Americas?" I would like to indicate very briefly the importance of such an agreement for Chile.

The FTAA is a priority item for our government, for we believe that a set of bilateral agreements cannot act as a substitute for a larger hemispheric agreement, especially and foremost for reasons of hemispheric solidarity, among others.

I mentioned that a number of countries are currently in bilateral negotiations. But there are other countries that are not pursuing such negotiations. This means that if we continue with just bilateral negotiations, some countries will be left on the sidelines by the bilateral process.

Moreover, FTAA countries figure in 45 percent of our foreign trade, about 70 percent of direct foreign investment in Chile and just about all Chile's foreign investments.

The agreements Chile has signed within the Americas region are not all the same, and one of our goals is to make our trade regulations and trade disciplines more uniform. Secondly, we want to deepen and broaden our existing free trade agreements with the United States, Canada and Mexico using equivalent standards.

With regard to services exports, Chilean foreign investments and access to government procurement markets, our competitive advantages are solidly anchored in this hemisphere. An important missing element in our internationalization strategy has been our inability to obtain market access and rigorous disciplinary regimes within the context of MERCOSUR and the Andean region. Even bilateral accords and the operations of MERCOSUR as a trading bloc have not been able to fill this gap. However, providing this missing element is precisely what we feel the FTAA could do.

It would be a good thing for the entire Americas region to be subject to high standards in the various areas under negotiation. Such standards would create a predictable and stable climate for exports and would attract investment. Especially favoured in this regard would be open economies such as our own; but, it would also benefit small to medium sized countries which, lacking transparent rules, will find it difficult to attract the necessary investment for creating growth.

I have to be frank with you and say that the FTAA negotiations have been stalled for a few months now. In November of last year in Miami, we succeeded in producing a Declaration signed by the ministers of foreign affairs and ministers of trade of the 34 countries attending the Summit, the terms of which had been proposed by the two countries that are currently co-chairing the FTAA negotiations: the United States and Brazil.

This ministerial Declaration spoke about "a flexible vision for the FTAA", which meant the creation of a core of rights and obligations that would apply to all areas of negotiation, along with additional commitments between those countries willing to enter into them. Chile supported this formulation because we felt it was more realistic given the diverse levels of development among the countries of the Americas and given the current political economic situation in the region. This formulation also reflected the existing agreement between the FTAA co-chairs—the United States and Brazil—who would thus be allowed to maintain their core objectives.

The general instructions for negotiating groups at the FTAA ministerial meeting were, firstly, to create a common and equitable set of rights and obligations for all countries which would apply in all areas of negotiation: market access, agriculture, services, investment, government procurement, intellectual property, competition policy, subsidies, antidumping and compensation, and dispute settlement. Secondly, we were to create a set of procedures at the

multilateral level for those countries wishing to create additional trade disciplines and liberalization founded on the ground floor already in place.

What difficulties followed this ministerial level agreement, you might ask? Well, the source of the problem was that the core commitments and the possible additional disciplines referred to were never explicitly defined. Subsequent to the Miami meeting, in February last year, the deputy ministers met in Puebla, but, unfortunately, could not arrive at a consensus on the set of core obligations—the ground floor for all countries—for the nine areas under negotiation. Nor could they agree on the procedures for the additional multilateral negotiations. Both matters were postponed to at an extraordinary meeting in Puebla in April, that is to say, a few days hence.

Searching for a common floor of rights and obligations has been an exercise in political realism with regard to how to make the commitments achieved at the ministerial level in Miami more concrete. In the main, this has meant substantially reducing the original ambitions each country had for its special areas and merely trying to find a lowest common denominator.

We should note here that this more basic and practical endeavour has allowed countries with observer status during the multilateral phase of the negotiations to appreciate what is going on in the process more gradually. The countries involved in the negotiations will decide which areas to cover depending on what possibilities there are for negotiation. Countries having observer status and not participating actively in the negotiations can assess the lessons learned once negotiations have been concluded. So, then, the objective of the FTAA is that at some point, one of these years, we will all have a common basis for trade. We currently have a minimal basis made up of multilateral accords, and in certain cases, thanks to these accords, multilateral negotiations, all of which will hopefully end up with the FTAA as originally created.

Chile remains firmly committed to the FTAA, but it has also gone on record as saying that it is absolutely necessary to be flexible and to be ready to reconsider the ambitious goals concerning certain forms of treatment in certain areas so that all countries can be included in the process. Here's an example: Chile has an absolutely open government procurement system; that is to say, any Chilean or foreign enterprise can submit a bid over the Internet in response to a public tender for government purchases.

This is a very sensitive issue. We had no problem negotiating this item with the United States because it stood to be a significant gain for us. Before the Free Trade Agreement, Chilean businesses couldn't participate in public tenders in the United States, but now they can. Nonetheless, this area is extraordinarily complex and problematic for countries which are not yet ready to open up their government procurement markets. We have to determine when such countries will, in fact, be ready to do so.

There is in all this the opportunity—which doesn't exist at present—for government procurement at the lowest possible price. Nevertheless, because of its domestic policies, or other reasons, each country must deal with this issue in its own good time. From at least one perspective, I think we have achieved the flexibility Chile has been insisting on as its contribution to the negotiating process, and it seems to me that this is a realistic principle that will allow the domestic agenda of each country to adjust to the negotiating process.

We have proposed modest but realistic objectives in each of the areas under negotiation, all aimed at accommodating the sensitivities of the various countries involved. Specifically, we have felt it necessary to drastically reduce the ambitious goals in certain areas in order to

accommodate MERCOSUR countries, particularly with regard to investment, services, government procurement and intellectual property. The issues involved here are more complicated for full members of MERCOSUR (Argentina, Brazil, Uruguay and Paraguay), less so for associate members (Bolivia, Chile and, recently, Peru).

While the proposals brought forward by individual countries and by trading blocs have many common features, they still differ in important respects—for example, on the issue of whether the benefits of participation should be proportional to the obligations assumed, with a system of cross-incentives between the negotiating parties. What I mean is this: It seems obvious that if a country takes on a higher level of commitment, then the benefits it receives should be commensurate. This serves as an incentive to other parties to move quickly through multilateral negotiations to obtain the desired objective. This is a common feature of international trade negotiations.

Chile has made every effort to effect a convergence among the different positions in order to reach a common document as soon as possible. Creating positions amenable to consensus has been our first priority. We believe that regional integration only makes sense if the various countries involved feel comfortable with the agreed upon commitments and feel that the outcomes of the agreement are favourable to them.

As the FTAA moves forward in this new scheme of things, the principal focal point for participating countries has moved to the institutionalization of a process which will be conducive to future efforts directed at regional integration and whatever else may be achieved in the area of second-level additional commitments. Together with other countries in the Americas, we look forward to multilateral negotiations beginning as soon as possible, and to this end we have proposed a group of initial components to be included in such negotiations: services, investment, government procurement, access to additional markets for goods, competition policy, intellectual property, subsidies, antidumping (this was mentioned by the President) and compensation.

Participating in these negotiations will be voluntary and can be signed by all those wishing to negotiate additional rights and obligations at the common level.

For Chile, the “real” negotiations, that is to say, those conducted with the original objectives of the FTAA in mind, will take place at the multilateral level and will involve those countries that want to, or are in a position to, pursue them. The first step—common commitments—will be a general agreement that will allow the negotiating process, in a multilateral fashion, to move on to other issues.

In spite of the fact that this stage of the negotiations is complex and will not move forward without complete agreement, I would say that the differences do seem to be diminishing. At the basic level of negotiations, there are only a few features missing, albeit important ones. Some of these involve agriculture—an issue widely discussed in the Chilean Congress—while others involve services.

We feel that this process will have been all for the good if we succeed in preserving the spirit of a hemispheric free trade area with a set of common rules governing substantive types of trade, and the possibility of broadening such agreements in accordance with the intentions of each country.

So, then: What is the current situation?

After ten years of negotiations, we are now approaching the 2005 deadline set for the talks to end. This deadline coincides with the WTO multilateral rounds, in which the Doha development rounds are to set to expire this year. I want to be realistic about all this: it's a very difficult situation.

Although we may not be achieving what we set out to achieve at the start of the negotiations, I still think that the objectives we are proposing, though modest, are realistic and will allow for a greater accommodation of sensitivities.

I have already indicated Chile's specific interests in the FTAA, but I want to emphasize the importance of having a solid dispute settlement mechanism in place. I feel that this is something that has been sorely missing, stemming in the first instance from our participation in MERCOSUR, which has never been able to give permanent shape to a dispute settlement mechanism. It is absurd that every time we are faced with a trade problem between member countries we have to go running to the WTO! How can it be that we are incapable of creating a set of rules for improved dispute settlement? Making progress on this issue is of central importance.

This past March 2nd, there was a meeting in Buenos Aires of ministers and deputy ministers of the expanded MERCOSUR and the Andean Community. The purpose of this meeting was to assess the current state of the FTAA negotiations.

On March 9th and 10th, there was another, informal meeting of deputy ministers in Buenos Aires. Also in attendance were the co-chairs of the FTAA, which are, you will recall, the United States and Brazil, along with MERCOSUR, Ecuador (representing the Andean Community), Chile, the United States, Canada, Mexico, Costa Rica and the CARICOM (Caribbean Common Market) countries. The purpose of this meeting was to make progress in determining the common elements at the basic level and the procedures for multilateral negotiations, all of which had been left pending from the Puebla meeting.

Beginning yesterday, this same informal group is meeting once again in Buenos Aires and is hoping to make sufficient progress on the various positions to arrive in Puebla, in April, with results.

I am confident that we can come to an agreement on the FTAA basic level before the Puebla meeting. The FTAA was conceived as an integral process involving all areas and all countries, each with its own tempo. I have indicated this a number of times already. We recognize that the economic and trade interests of each country may be different, especially with regard to the size of their market, their level of development and how far they have progressed in opening up their economies. As I indicated at the beginning, the FTAA is not merely a matter of trade, but is the greatest integration project in the history of our hemisphere.

I am convinced that improved economic integration will be—must be—accompanied by greater integration in all areas. We are aware of the important steps taken within context of the Organization of American States. How can we forget, for example, that the Inter-American Democratic Charter was being signed on 11 September 2001 in Lima, Peru, exactly when the terrible events of the same morning were transpiring in New York? We, the ministers of foreign affairs, were all there in Lima when that event occurred, when Secretary of State Powell nevertheless remained at the meeting to ensure that the Charter was signed. One fights terrorism with more democracy—as demonstrated by this Meeting and all other forums, and

more recently as demonstrated by the Spanish. I believe progress will continue in this direction within the OAS, and if we can link these political developments with similar achievements in the economic sphere it would be a tremendous accomplishment.

In a few days, our Minister of Planning will host a meeting here in Chile of his counterparts from OAS member countries to discuss social policy. An exchange of experiences in this area is of the greatest importance, as is our progress in creating a vision for integration directed firmly towards the future.

For real progress in integration to take place, the participation of, and proper coordination between, social, political and economic actors is crucial. The active participation of parliaments—of yourselves—is the hinge that makes possible constructive interaction in government and civil society.

The remarks of Senator Payette from Canada, President of this Inter-Parliamentary Forum of the Americas, are especially apropos here. She indicated that there was a possibility that the FTAA Committee for Civil Society, chaired by Chile, would be open to an official liaison between FIPA and the FTAA negotiations. I think that the simultaneous opening of a dialogue between the parliaments of our countries and civil society is very important. I think progress in this direction would constitute a great contribution by our parliaments.

I would like to point out to our own parliamentarians that the Chairs of the Committees on Foreign Relations of the Senate and the Chamber of Deputies—both of whom are present here—are very interested in generating a discussion on all aspects of foreign policy, but also on the foregoing. I believe that keeping this vision in mind and, as I mentioned before, furthering education in this area will allow us to move beyond just words. You no doubt know of the study in which our citizens were asked what the FTAA was all about: for some, it was a bicycle brand; for others, the name of a shampoo. And yet, they take to the streets to protest against the FTAA. I believe it is the responsibility of all public servants—and *the* responsibility of parliamentarians—to educate the public about the current situation and whether they have a realistic understanding of the current state of our countries. It will be a tremendous leap forward when, eventually, at some point in the future, we advance together as an entire hemisphere.

I've just returned from Germany. My goodness, how the member countries of the European Union, and Europe in general, are discussing security problems! And terrorism, too—which is one of our issues here. It is just incredible that they see this region, especially Latin America, as a place which is happily—happily!— free of the concerns of other regions!

We have different problems: often problems of governance, social cohesiveness and social dialogue. But, then again, we don't have other sorts of problems.

It is of the utmost importance, then, that we create a dialogue with our citizenry, to inform them about processes currently underway. Moreover, it is essential that all nations progress towards more complete integration as we enter this, the 21st, century.

In this, I believe we are well on our way. And although the results may be found wanting by many, I think we can appreciate it as the first step in a gradual broadening and deepening of a process that will lead to increased well-being for all the peoples of our hemisphere.

For a successful discussion, an acceptable outcome and its subsequent implementation, all those involved, men and women, need to meet and debate the issues, especially the

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parliamentarians of the Americas. I am very grateful to have had the opportunity to be present here this morning to brief you on the current situation. We are making every effort to achieve our goal, within a context of the very different realities of our various countries.

Chile is always ready to respond to bilateral requests to share our experiences. This is always useful: a two-way discussion is the basis for an appropriate exchange of views.

We are at a crucial juncture: I am convinced that the work you are about to undertake at this Meeting can make a significant contribution to government efforts towards doing what must be done in the months ahead, a period which will determine whether there will be an FTAA, or not. This will also be a decisive period for moving forward with the multilateral rounds within the World Trade Organization.

All these things are central to the process of liberalization. But even more important is to remember what was proposed at the Doha Summit: the creation of development rounds; the possibility that African countries could have access to cotton; the possibility of discussing the three pillars of agriculture forming Article 13 of that Summit; the possibility of finishing the negotiations on all those issues which none of the countries here present have been able to complete bilaterally. We can only accomplish all this if the multilateral rounds at the WTO are fruitful and productive.

I want to thank you all very much for your kind invitation, and I await the results of your discussions, which for me, truthfully, will be a fundamental input for the work we have to accomplish in the coming months.

Thank you very much.

5.4 Annex 4 – Agenda for the 3rd Plenary Assembly

Agenda 3rd Plenary Meeting of FIPA Valparaíso, Chile, April 1-3, 2004

Wednesday, March 31

Delegates arrive.
18:00 – 22:00 Delegate registration, document distribution – Official hotels
Executive Committee meeting and dinner

Thursday, April 1st

09:00 – 10:30 Delegate registration, document distribution

10:30 – 11:50 Opening Ceremony (Salón de Honor at the Chilean National Congress)

- Speaker of the Senate, Chile
Senator Hernán Larraín
- President of FIPA,
Senator Céline Hervieux-Payette
- Approval of the Agenda
- Election of 3rd Plenary Meeting Chair
- FIPA President Annual Report
- Other Business

11:50 – 12:00 Break

12:00 – 12:30 Opening Ceremony Resumes

- Speaker of the Chamber of Deputies, Chile
Congressman Pablo Lorenzini
- President of the Republic of Chile
President Ricardo Lagos

12:30 – 12:40 Break

12:40 – 13:15 Presentation: Update on the FTAA Process

- Minister of Foreign Affairs, Chile
María Soledad Alvear

13:15 – 14:45 Lunch
Hosted by the 2004 Chilean Organizing Committee
National Congress of Chile – Senate Dining Room (15th Floor)

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- 15:00 – 18:00 Working Group Sessions
- Group 1 – Terrorism (Eyzaguirre Room, Senate)
 - Group 2 – FTAA (Session Chamber, Senate)
 - Group 3 – Tax Systems (Session Chamber, Deputies)
- 20:00 – 22:00 Reception
Hosted by the President of FIPA, Senator Céline Hervieux-Payette, and the Canadian Ambassador to Chile, Bernard Giroux, in honour of the 3rd Plenary Meeting delegates

Friday, April 2nd

- 08:30 – 10:00 2nd Meeting of the Women Parliamentarians of the Americas Group
- 10:00 – 13:00 Working Group Sessions
- Discussion
 - Formulate Recommendations
- 13:00 – 13:30 Executive Committee Press Conference
- National Congress of Chile (O’Higgins Room)
- 13:30 – 15:00 Lunch
Hosted by the 2004 Chilean Organizing Committee
National Congress of Chile – Senate Dining Room (15th Floor)
- 15:00 – 18:00 Working Group Sessions
- Recommendations finalized
 - Approval of report to be presented to the Plenary Meeting
- 20:00 – 22:00 Reception
Hosted by the 2004 Chilean Organizing Committee
Palacio Vergara

Saturday, April 3rd

- 10:00 – 12:30 Plenary Meeting (Session Chamber, Deputies)
- Presentation of Working Group reports
 - FIPA Resolutions and administrative matters
 - Executive Committee elections
 - Election of the President of FIPA
 - Selection of the next Plenary Meeting site
 - Closing Ceremony
- 12:30 – 15:00 Lunch at the Quillota Cavalry School –
Equestrian presentation by the Advanced Cavalry School

5.5 Annex 5 – Annual Report of the FIPA President

Annual Report to the Plenary Assembly by the President of FIPA The Honourable Senator Céline Hervieux-Payette Thursday, April 1st, 2004

Original Speech: English

Dear Fellow Parliamentarians

Since our last Plenary Assembly, in Panama City February 2003, there have been many developments in FIPA. The Executive Committee and the Working Groups have worked hard to develop our parliamentary forum and advance projects of importance to us all. Though some of you may already be familiar with our most recent achievements, I would like to take a moment to update the rest of the group.

In 2003 the Executive Committee met twice, to support the work of the FTAA Working Group and to coordinate the preparations for this Plenary Assembly.

This year the Executive Committee held its first videoconference meeting in October of 2003. Seven of the nine member countries of the Executive Committee participated in the meeting, which was organized with the cooperation of the World Bank, through its Global Development Learning Network (GDLN).

The main objective of the videoconference was to discuss participation by the members of the committee in the Miami Trade Ministerial Summit and to prepare for the current Plenary Assembly.

Although we still have to do some fine tuning regarding the simultaneous translation, members were satisfied with the meeting and approved of the new means of communication, which provides a strong alternative when it is not possible to organize a face-to-face meeting.

The second meeting of the FIPA Executive took place November 18th and 19th in Miami, and was held in parallel to that of the Ministerial Summit of the Free Trade Area of the Americas (FTAA). At this meeting, members worked out preliminary arrangements and working group subjects for this Plenary Assembly, discussed the establishment of the FIPA secretariat and reaffirmed their support to the establishment of the FIPA secretariat in Ottawa. Furthermore, the members discussed the financing of the organization and decided on the contributions scheme, which we will discuss later in this meeting. The committee also agreed on the need to reform the regulations of the Forum and recommended that a reviewed version of the regulations be presented at the Plenary in 2005.

Also during this meeting, Executive Committee Members followed up on the recommendations made at the previous Plenary Assembly, by participating in the FTAA Trade Ministerial Summit. The Executive members met with the various players involved in the FTAA process in order to learn their positions and pass on the recommendations made by the parliamentarians of the Americas at FIPA Plenary Assemblies.

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The Executive first met with members of various nongovernmental organizations attending the Americas Trade and Sustainable Development Forum. This meeting was characterized by open dialogue and gave the representatives of these organizations an opportunity to express their concerns about the process of trade integration, especially the need for greater transparency in the negotiations. As well, they recognized the importance of the participation of legislators in that process as the elected representatives of the citizens.

Following this, the trade ministers of Canada and Costa Rica met with the Executive Committee members to discuss the FTAA trade integration process. The ministers explained their countries' general position with respect to the FTAA and reported on the progress of the negotiations. They also explained their views on the benefits of trade integration and responded to the parliamentarians' concerns in this regard.

The President of FIPA delivered a document containing the recommendations on the subject of the FTAA made by the parliamentarians of the Americas at the FIPA Plenary Assemblies. She also proposed that a formal mechanism be put in place so as to enable parliamentarians of the Americas to participate actively in the process of trade integration, as the elected representatives of the citizens. The response of the ministers to the recommendations was positive and they recognized the importance of parliamentary participation in the FTAA process.

Finally, a representative from the Americas Business Forum summarized the involvement of the business sector in the FTAA process and answered questions from parliamentarians on the various positions of business people with respect to trade integration. He too endorsed the idea of including parliamentarians as players in the FTAA process.

Following the meeting in Miami a proposal was sent to the FTAA negotiation Chairs and the FTAA Committee on the Participation of Civil Society. The proposal calls for the establishment of a mechanism that will allow formal interaction between FIPA and the Trade Negotiations Committee during the negotiations and, following the successful conclusion of negotiations, with the FTAA Secretariat.

Though we have made it clear that FIPA recognizes the legitimate role of the executive branch in the negotiation of treaties, and do not request "a seat at the negotiating table," we do, however, propose a role that allows for an official exchange of information and ideas between parliamentarians and FTAA negotiators. Such a relationship would help parliamentarians to remain informed and play a more constructive role in engaging citizens, advising officials, enacting provisions, and overseeing implementation related to the FTAA.

Initial reaction to these actions has also been favourable, however, we are expecting to hear an official response to the proposal soon.

One final word about the advances of the FTAA Working Group: The FTAA group is currently negotiating an agreement with Carleton University, in Ottawa, Canada, to create a training program on the FTAA negotiations for Parliamentarians. This project will work to enable parliamentarians to participate more effectively in the FTAA process through a framework of education and information-sharing programs that will be responsive to the needs of parliamentarians through the Americas. As well as providing technical information on trade issues, this program will assist parliamentarians to analyze the broader social, economic, and political implications of adopting liberalized trading arrangements.

The FIPA Working Group on Terrorism has also been active over the past year. The First Meeting of the Special Group on Terrorism of FIPA was held at Mexico's Senate on May 21st, 2003, attended by 16 parliamentarians from 13 countries, representing the hemisphere's four sub-regions. The meeting was convened pursuant to a proposal by the Colombian delegation to establish a working group on terrorism, which was approved in a resolution of the Plenary Assembly of FIPA in Panama on February 2003.

Senator Silvia Hernandez of Mexico kindly hosted this first meeting and was elected Chair of the working group. Framing the issue in the context of hemispheric security, participants emphasized their commitment to identify concrete actions that can be taken by legislators in their fight against terrorism and agreed:

1. To express their solidarity with the Colombian people and government, recognizing their efforts in the fight against terrorism and condemning the recent acts of violence perpetrated by illegal groups. The participants decided to adopt an official declaration reflecting this position.
2. To support and promote ratification of the Inter-American Convention Against Terrorism through joint parliamentary activity, led by the members of the group, with the aim of speeding up the process in countries that had not yet ratified it.
3. To perform a study of the international legal instruments that were available in the fight against terrorism, in order to evaluate their scope and whether they were in effect, and to promote facilitation of the formalities related to instruments that had not yet been ratified.
4. To carry out consultations with parliamentarians of the hemisphere, with a view to preparing recommendations for the OAS Special Conference on Security.

Recommendations resulting from this meeting and the subsequent consultation will be presented to the OAS so that they can be taken into account in the future when discussing the issue of terrorism.

In deed, an online consultation on terrorism is already available on the FIPA web site and I encourage you to take advantage of it. The service will enable parliamentarians of the Americas to voice their ideas and concerns, so that FIPA can produce a document for the OAS outlining the primary concerns of parliamentarians on this issue.

As you may have already seen when registering online or downloading documents for this meeting, the FIPA Website has many new features. In fact, since we last met the FIPA Virtual Parliament of the Americas has seen a complete over haul.

The new version is available in the 4 official languages of FIPA and includes a more user friendly set up, and greater depth of information. All reports and documents from past meetings are available, regular updates on FIPA activities are provided and information is provided on the activities and themes of each of the working groups. The FTAA Working Group, for example, provides information, documents and links to sites about the FTAA negotiations that are of value to parliamentarians, while the Working Group on Terrorism offers the first online consultation of parliamentarians addressing the issue of terrorism and hemispheric security. An online workspace also enables parliamentarians to post documents and engage in online discussion for each of the 3 major working groups.

It is hoped that the new website and online workspaces will facilitate the creation of an active network of parliamentarians interested in working together on issues such as the FTAA negotiations, the fight against terrorism and the role of women parliamentarians.

With regards to the promotion of FIPA, two important missions have been carried out over the past year. The first of these took place in May of 2003 when I was invited to participate in the 3rd meeting of the Legislative Network of the Americas, which was organized by the Inter-American Dialogue and took place in Gramado, Brazil. At this meeting, which included the participation of Enrique Iglesias, President of the Inter-American Development Bank, I had the opportunity to discuss the work we are carrying out at FIPA and to invite them to participate in our organization. At the invitation of our friend and colleague Deputy Luiz Haully, member of the Executive Committee from Brazil, I also had the opportunity to visit Brasilia, following the meeting in Gramado, where I met with authorities from the Senate and the House of Deputies who expressed their support to FIPA and our endeavours.

The second project for the promotion of FIPA entailed a visit by John Godfrey, M.P. and myself to Washington where we met with 10 members of the American Congress and with his Excellency César Gaviria, Secretary General of the OAS. The purpose of this mission was to establish ties between FIPA and United States Congressmen, and several friendships were created as a result.

A further mission of FIPA this year was in relation to the situation in Haiti. Following our trip to Washington and the Executive Committee meeting in Miami, a mission to Haiti was organized for December 13th-16th, in collaboration with American Congressman Cass Ballenger. Parliamentarians from Canada and the Caribbean planned to accompany a delegation of Congressmen from the United States on a visit to Haiti, in order to meet the various groups involved in the political situation, demonstrate international concern over the state of affairs and support the efforts of the OAS in that country. Unfortunately, due to escalating violence, the mission was cancelled at the last minute.

Despite this unfortunate turn of events, however, FIPA remains committed to this issue and will continue to monitor the situation in the hopes of finding a time when we might once again have the opportunity to make a positive contribution to the situation.

Last, though certainly not least, I would like to announce another significant event for FIPA: The establishment of the Technical Secretariat as a legal entity. Under Canadian law, the Secretariat is now registered as a legal entity, which will be administered through the Parliamentary Centre, a Canadian non-governmental organization, and will likely be housed in offices provided by the Parliament of Canada. This will enable member countries to contribute funds to the organization, alleviating the burden on the Canadian government, which has been extremely generous thus far. We are all pleased to see FIPA take this important and significant step.

So, now that you have been brought up to speed regarding FIPA's activities over the past year, let us look to this New Year and the Work Group topics for the 3rd Plenary Assembly of FIPA.

The First Working Group will follow up on the important work of the First Meeting of the FIPA Working Group on Terrorism. This group will analyze the conclusions of the OAS Special

Conference on Security, and discuss roles that could be played by parliamentarians in tackling terrorism, focusing on the role of parliamentarians in Confronting the threat of terrorism.

The Second Working Group will deal with one of the main objectives of FIPA: to become a means by which legislators in the Americas can participate in the FTAA process. We have made much progress towards this goal over the past year, but much remains to be done. In the interest of advancing this goal, therefore, the discussion of the Second Working Group of FIPA will be means of Formalizing parliamentary involvement in the FTAA negotiations.

The Third Working Group will build on the discussions held at the last Plenary Assembly and will endeavor to familiarize parliamentarians with the various tax systems in the Americas. The need for reform, in order to enable all countries to benefit from increased hemispheric integration, will also be analyzed in this work group, entitled: Fiscal systems in the Americas: Assessing the need for coordinated tax reforms.

Finally, the Working Group of Women Parliamentarians will also meet again this year. This group will hold a short meeting to discuss issues such as the question of gender in development strategies, and will endeavor to create a strategy for the coming year so that it to can begin to move forwards as the other working groups have begun to do.

I invite you, therefore, to distribute yourselves among the various working groups so that you can make the most of the discussions as we, parliamentarians of the Americas, work to improve the quality of life for all citizens of our region.

5.6 *Annex 6 – Women Parliamentarians Group: Report and Recommendations*

Report of the Second Meeting of the Group of Women Parliamentarians of the Americas



The Group of Women Parliamentarians of the Americas met at the National Congress of Chile, host legislature of the Third Plenary Meeting of the Inter-Parliamentarian Forum of the Americas, on Friday, April 2, 2004, from 8:30 to 10:15 a.m. The meeting was chaired by Congresswoman Margarita Stolbizer of the Republic of Argentina.

The meeting was attended by the 16 delegates whose names are listed in Annex 1.

The main theme of the meeting, presented by the Chief of the Division of Women and Development of ECLAC, Ms. Sonia Montaña, was entitled “Democratic Governance: Public Policies with a Gender Perspective. The Need to Include Men and Women in Regional Development Strategies.”

Representing the Minister-Director of the National Women’s Service of Chile, the Head of the Department on the Legal Status of Women, Ms. Patricia Silva Meléndez, spoke on “Progress and Challenges in Policies of Equal Opportunities for Women.”

Presentations by the Guest Speakers

Ms. Sonia Montaña (Chief of the Women and Development Unit of ECLAC) said that the return to democratic institutions in many Latin American countries means that women’s development has chiefly been identified with the exercise of the fundamental rights and freedoms enshrined in constitutions. She highlighted the role of women in the return to those institutions but said that, in practice, the rules that guarantee equality for women are often not enforced, or at least not completely.

She maintained that governance in Latin America is based on political pacts that keep women from equal access to elected office, which is particularly important considering the crisis in governance affecting some Latin American countries, where economic and institutional reforms have been made without considering equity and gender parameters.

She also affirmed that without women’s economic contributions, poverty would increase in Latin America by 10%. The work of women in the home offsets government shortcomings in the social area (care economy). On average, 40% of women are in the workforce and, apart from their jobs, they are responsible for most housework. She went on to explain the main aspects of pro-woman policies in Sweden, the Netherlands, and the United States.

Ms. Patricia Silva Meléndez, Head of the Department on the Legal Status of Women (SERNAM), described the main features of Chile’s National Women’s Service. She explained that the agency was created after the return to democracy in the country and is headed by a

director with the status of Minister of State. She pointed out that SERNAM has the following main functions: to propose and coordinate public policies to combat poverty among women; to design and implement projects on public awareness of women's rights; to study domestic legislation in order to propose reforms from a gender and equity perspective; and to promote participation by women in political and social fields.

She underlined the existence of a ministerial committee on equality of opportunity as part of the ministerial management improvement program, which includes a program to improve gender management.

She pointed out that there are still great challenges remaining for SERNAM, especially regarding the wage gap between women and men, and participation by women in politics, among other issues.

Recommendations

After a brief discussion – given the time constraints – in which the women parliamentarians expressed their views on the main theme of the meeting, conclusions and recommendations were drawn up by the officers.

Considering that:

- 1) Statistics indicate that women account for about 50% of the population of the Americas and that approximately 35% of them participate actively in the wage-earning workforce.
- 2) Democracy is the only possible space and framework for the development of the peoples, including women, in conditions of equity and equality.
- 3) The high percentage of women who are heads of households in Latin American countries and responsible for the economic, educational and emotional support of their families, has – as a result of the lack of initial economic independence in family relationships – caused women to be more likely to fall into poverty, which in turn increases the gap between poor men and women.
- 4) In the economically active population – according to data from ECLAC – women generally have more years of schooling than men, which suggests that women are adequately prepared for playing relevant roles in the labour, economic and cultural fields, at local and national levels.
- 5) In spite of statistics from public surveys, which show that people are now more willing to vote for women candidates for public positions and trust women executives, women are under-represented in elected positions of power or responsibility and in government, financial, and economic activities.

The Group of Women Parliamentarians of FIPA recommends to:

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1. Urge the governments of the member states of FIPA to acknowledge, express and emphasize the important role played by women in the struggle for the return and maintenance of democratic institutions in the countries of the Americas, opening up spaces for power and decision-making in the different branches of government, in conditions of equity and equality.
2. Request the member states of FIPA to establish a high-level institution in each country to propose and coordinate public policies with a gender perspective; to develop communications strategies to combat discrimination against women; to propose legal reforms for the same purpose; to develop projects and programs to improve the quality of life of women and their participation in political and social life, among other measures.
3. Urge the member states of FIPA to make every effort to ensure that the domestic legal framework, which acknowledges and enshrines equality for women, is effectively enforced.
4. Urge the member states of FIPA to ratify and enforce the provisions of the United Nations Convention on the Elimination of All Forms of Discrimination against Women and the Optional Protocol and those of all other international treaties that pursue the same end.
5. Request the member states of FIPA to consider cultural criteria of equity and gender perspective in all institutional and economic reforms and all public policies. This would make it possible to reduce the wage gap between men and women, and introduce labour reforms that encourage and enable men to participate in family life, sharing the responsibilities inherent in it more equitably.
6. Urge the member states of FIPA and their civil societies to create the conditions necessary to increase participation by women in politics, which is indispensable for strengthening the stability of democratic institutions and governance in our countries.
7. Urge the member states of FIPA to create or further develop, where necessary, legal conditions to ensure egalitarian participation by women in elected positions. Likewise, to respect the legislation that establishes quotas of this kind, where such legislation exists.
8. Request FIPA, through the Group of Women Parliamentarians, to implement and develop a system to monitor progress in each member state regarding laws and public and private development policies related to women.
9. Request the Unit for the Promotion of Democracy of the Organization of American States (OAS) to provide technical assistance in general and, in particular, to cooperate in holding regional forums of the Group of Women Parliamentarians of FIPA to strengthen and promote women's leadership in politics and democracy.

Valparaiso, April 2, 2004

Margarita Stolbizer,

Congresswoman of Argentina

Chair of the Group of Women Parliamentarians of the Americas

Ana Maria Skoknic Secretary

Annex 1 – Participants in the Group of Women Parliamentarians

Senator Silvia Gallego	Argentina
Congresswoman Margarita Stolbizer	Argentina
Senator Sandra Husbands	Barbados
Senator Madeleine Plamondon	Canada
Senator Celine Hervieux-Payette	Canada
Congresswoman Ximena Vidal	Chile
Congresswoman Alejandra Sepúlveda	Chile
Congresswoman Juana Vallejo	Ecuador –Andean Parliament
Congresswoman Virna Ileana López	Guatemala
Congresswoman Blanca Gamez	Mexico
Senator Ana María Figueredo	Paraguay
Senator Adriana Franco de Fernández	Paraguay
Senator Ada Solalinde de Romero	Paraguay
Congresswoman Ruth Wijdenbosch	Surinam
Congresswoman Tania D' Amelio	Venezuela
Congresswoman Jhannett Madríz Sotillo	Venezuela – Andean Parliament
Ms. Elizabeth Spehar	UPD / OAS
Mr. Jorge Calderón	UPD / OAS

5.7 *Annex 7 – Working Group 1 (Terrorism): Report and Recommendations*

Report of Working Group I The Fight Against Terrorism

The Special Group on terrorism that worked during the Third Plenary Meeting of FIPA met at the Chilean National Congress in the City of Valparaiso on April 1 and 2, 2004.

A list of participants and the countries they represent is presented in Annex 1.

In the first session, the Working Group elected Senator Raymundo Cárdenas, the Mexican representative, as its chair.



Immediately afterwards, the Working Group listened to presentations by Ms Rut Diamint and Mr. Jorge Calderón, who are international experts in this field.

Special Working Group discussion

During the Group's sessions, there was an extensive exchange of ideas and proposals by the members.

The above-mentioned presentations centered principally on the points that are summarized below.

One of the main challenges for this meeting was to define what the governments of the different nations can do together to combat terrorism. It is indispensable necessary to combine the individual capacities of the different States to fashion a unified response to this scourge.

In this respect, it was suggested that a first effort should be based on initiating a tradition of debate on security. Until recently, the subject was reserved almost exclusively for the Armed Forces, which were viewed as guarantors of national security. Nevertheless, history has shown that this matter should be dealt with from different perspectives and, especially, that the legislatures have a preponderant role to play in establishing adequate conditions for the preservation of security and the fight against terrorism.

Although it is necessary to avoid militarized responses to the threat of terrorism, it is also necessary to avoid unilateral reactions on the part of the different nations, even though it is understandable that each State must address such threats with individual measures and with the mechanisms that its domestic laws provide.

However, it was noted that terrorism has become deterritorialized and that it no longer recognizes national borders. Consequently, it was considered necessary to create an international political community capable of constructing common responses.

Concerns were voiced that the war on terrorism could unleash repression, restrictions on civil and political rights, and weaken democracy. A warning was sounded about the risk posed by the intervention of great powers in the internal affairs of other nations, with the purported goal of combating terrorism.

For this reason, the importance of the role of parliaments was affirmed, precisely to sustain legality and to avoid taking such risks. It is parliaments that can generate this shared framework of rules.

This shared legal regulatory framework should deal with institutional solutions, intelligence mechanisms, regulation of migratory processes, control of customs systems, repression of financial flows for the purpose of money laundering, and strengthen exchanges of information. With regard to migration, it was emphasized that the object is not to inhibit it but to establish regulations, mechanisms and instruments that will make it secure and protect migrant registration systems.

It was advisable to legally define concepts such “terrorism” itself, “economic terrorism,” and “transnational organized crime.” Any act intended to create public disorder and alter the peace should be defined as terrorist. It was maintained that it is not necessary for such acts to have material results because sometimes a simple threat or demonstration of the vulnerability of security systems will be enough to destabilize peaceful social coexistence.

At bottom, the war on terrorism was intended to ensure respect for the law and not just to fight terrorism.

In this context, other important tasks that emerge for the Congresses are the supervision of intelligence agencies and the development of parliamentary diplomacy.

As for the first, members of congress have responsibilities and should shoulder them, breaking with negative traditions. This is a duty that requires the protection and strengthening of the democratic system so as to effectively control intelligence communities, eliminate military prerogatives and police abuse, uproot old practices and democratize the methods used.

As for parliamentary diplomacy, it must be an active, involved and even risk-taking reality, so that it can form the backbone of integration processes and be the leader in the search for solutions to the problems that societies face.

Consequently, this parliamentary effort should lead to solutions that respond to criteria of effectiveness, of international cooperation, at least at the regional level, and consistency with democratic values.

What has been said points to the usefulness of this meeting, in which it is possible for parliamentarians from different countries to discuss and search for common and effective solutions.

As for the attitude of society towards terrorists, they should be treated as criminals and not as glamorous political adversaries who support minority rights.

From another standpoint, in a democracy minorities should express themselves through the channels that the democratic system legitimately provides. Therefore, greater social justice, more cosmopolitanism, more respect for all human beings and for the values of divergence and tolerance should go hand-in-hand with globalization.

Representatives of some countries, including Paraguay and Chile, reported on the advances that have taken place in their countries with regard to passing new laws or debating proposed legislation.

There was a consensus regarding the advisability of incorporating major international treaties, such as the Inter-American Convention against Terrorism and the Convention for the Suppression of the Financing of Terrorism, into domestic law. As for the Rome Statute that created the International Court of Justice, it was felt that, although this tribunal is subsidiary to domestic courts and it does not have the war on terrorism as its central objective, it constitutes a very effective tool to the extent that it legally characterizes relevant criminal offences and makes it possible to establish common criminal jurisprudence.

Legislators from Mexico and Paraguay provided lists of the main international agreements on terrorism that their respective countries had signed.

Finally, the cooperation that international organizations such as the United Nations and the Organization of American States provide in promoting greater involvement by legislatures in the war on terrorism was examined, whose results were highly valued.

Guiding Principles for the Recommendations of the Working Group

After the Special Working Group concluded its deliberations, it agreed to put on record the principles that lie behind the actions it proposes.

They are:

- I. Security in the hemisphere is founded on respect for the principles established in the Charters of the United Nations and the Organization of the American States;
- II. It is the sovereign right of each State to identify its own national priorities for security and to define the strategies, plans, and actions needed to face threats to it, in accordance with its judicial system and full respect for international law;
- III. The new threats, concerns, and other challenges to hemispheric security are intersectoral or cross-cutting and require multiple responses by different national organizations and, in some cases, partnerships between governments, the private sector, and civil society, acting in accordance with democratic principles and the constitutional rules of each State, and
- IV. Full respect for the sovereignty, for the political independence of each State in the region and its territorial integrity is the fundamental basis for peaceful coexistence and security in the hemisphere. Also, the inherent right of all the States to legitimate individual or collective defence and their obligation to abstain from the threat or use of force against the territorial integrity or political independence of other States, or in any other form incompatible with the charters of the United Nations or the OAS, also form part of that foundation.

Recommendations

The parliamentarians who participated in this Special Working Group on Terrorism agreed on the need to present the following recommendations to the plenary of FIPA:

1. To condemn terrorism in all its forms and energetically repudiate the reprehensible terrorist acts that have taken place recently in different countries;
2. To reiterate the appeal to those countries that have not as yet ratified international instruments that constitute important tools in the war against terrorism to do so promptly, for example the Inter-American Convention against Terrorism, the Convention for the Suppression of the Financing of Terrorism and the Rome Statute creating the International Court of Justice.
3. To promote, in the different countries, the promulgation of domestic laws that respond to the intention to have, at the international level, an effective regulatory framework for the war on terrorism. For example, it is recommended that measures be adopted that streamline and speed up extradition in cases involving terrorism.
4. To urge that domestic legislation be adapted to bring international treaties concerning the war against terrorism into force.
5. To combat the mechanisms that finance terrorism. Regulations need to be established in the markets to prevent and punish money laundering. Also, other criminal activities that are often associated with the financing of terrorism, such as kidnapping, arms trafficking, piracy and drug trafficking need to be defined and punished.
6. To ensure that institutions involved in intelligence work have control mechanisms that are characteristic of a democratic system and that their behaviour is guided by democratic principles and, particularly, by respect for constitutional guarantees.
7. To urge national parliaments to regulate the phenomenon of migration, adopting measures to establish conditions which, without inhibiting those flows, provide an adequate level of security for the entry and exit of persons and protect migrant registration systems.
8. To support the efforts that international organizations are making in the war against terrorism, avoiding unnecessary duplication of efforts in this endeavour.
9. To advance in the study of legislative definitions that could be useful for the application of national and international rules, for example the concept of "terrorism" itself and of others such as "transnational organized crime" and "economic terrorism".
10. To promote cooperation projects among parliamentarians of different nations and offer them information on the adoption of efficient legislative measures in the war on terrorism.
11. To request the support of the Unit for the Promotion of Democracy of the Organization of American States in assisting FIPA's Special Group on Terrorism in the design, implementation and follow up on a specific plan of work to produce concrete results quickly, so that they can be presented at the next Plenary Meeting of this Forum, and
12. To mandate the FIPA Secretariat to follow up on the signature and ratification of the international instruments in the war against terrorism, informing the member nations of the results.

The Honourable Raymundo Cárdenas,
Senator of Mexico
Chair of the Working Group on Terrorism

Mr. Julián Saona, Secretary
Ms. Nora Villavicencio, Secretary

* * * *

Annex 1 – Participants in the Working Group on Terrorism

Senator Silvia Gallego	Argentina
Congressman Luis Molinari	Argentina
Congresswoman Margarita Stolbizer	Argentina
Congressman Louis Tull	Barbados
Senator Leopoldo Fernández	Bolivia
Senator Madeleine Plamondon	Canada
Roy Bailey, Member of Parliament	Canada
Congressman Waldo Mora	Chile
Congressman Juan Masferrer	Chile
Congressman Jorge Burgos	Chile
Congressman Mario Calderón	Costa Rica
Congressman Tubal Páez	Cuba
Congressman Edgar Ortiz	Ecuador
Congressman Ernesto Castellanos	El Salvador
Congressman Elizardo González	El Salvador
Congressman Juan Cifuentes	Guatemala
Congresswoman Virna López	Guatemala
Senator Sara Castellanos	Mexico
Senator Raymundo Cárdenas	Mexico
Congressman Rogelio Flores	Mexico
Congressman Luis Eduardo Espinoza	Mexico
Senator Alejandro Velásquez	Paraguay
Congressman Teodoro Rivarola	Paraguay
Congressman Miguel Rojas	Paraguay
Senator Germán Castro	Dominican Republic
Mahawat Khan, Member of Parliament	Suriname
Congresswoman Tania D'Amelio	Venezuela

Annex 2 – Contributions

Contribution of the Mexican Delegation

Multilateral Instruments Signed by Mexico Concerning the Fight Against International Terrorism

United Nations (UN)

1. Convention on Offences and Certain Other Acts Committed on Board Aircraft (Tokyo, September 14th 1963)
2. Convention for the Suppression of Unlawful Seizure of Aircraft (the Hague, December 16th 1970)
3. Convention for the Suppression of Unlawful Acts against the Safety of Civil Aviation (Montreal, September 23rd 1971)
4. Convention on the Prevention and Punishment of Crimes against Internationally Protected Persons, including Diplomatic Agents (General Assembly of the United Nations, December 14th 1973)
5. International Convention against the Taking of Hostages (General Assembly of the United Nations, December 17th 1979)
6. Convention on the Physical Protection of Nuclear Material (Vienna, March 3rd 1980)
7. Protocolo para la Represión de Actos Ilícitos de Violencia en los Aeropuertos que Presten Servicio a la Aviación Civil Internacional, complementario del Convenio para la Represión de los Actos Ilícitos contra la Seguridad de la Aviación Civil Internacional (Montreal, 24 de febrero de 1988);
8. Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation (Rome, March 10th 1988)
9. Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf (Rome, March 10th 1988)
10. Convenio sobre la Marcación de Explosivos Plásticos para los Fines de Detección (Montreal, 1 de marzo de 1991);
11. International Convention for the Suppression of the Financing of Terrorism; and
12. International Convention for the Suppression of Terrorist Bombings.

Organization of American States (OAS)

13. Inter-American Convention Against Terrorism (2002)

Contribution of the Delegation from Paraguay

**Various International Conventions Regarding
 the Fight Against Terrorism Ratified by Paraguay**

CONVENTIONS / PROTOCOLS	Obs.	Law Number	Foreign Affairs Committee Decision	Addressed by the Senate	Sent to the House
1. Inter-American Convention Against Terrorism (OAS)	Message PE 758 30/07/02	2302/03	Approved 23/07/03	Approved 31/07/03	Approved 30/10/03
2. Convention against Transnational Organized Crime (UN)	Message PE 814 04/11/02	2298/03	Approved 23/07/03	Approved 31/07/03	Approved 30/10/03
3. International Convention against the Taking of Hostages (UN)	Message PE 604 20/11/01	Pending	Approved 19/12/01	Approved 16/10/03	Message 115 23/10/03
4. Convention for the Suppression of Unlawful Acts against the Safety of Maritime Navigation (IMO)	Message PE 696 13/06/02	Pending	Approved 22/10/03	Approved 30/10/03	Message 133 06/11/03
5. Convention to Prevent and Punish the Acts of Terrorism Taking the Forms of Crimes Against Persons and Related Extortion that are of International Significance, Convention to (OAS)	Message PE 643 13/03/02	Pending	Approved 22/10/03	Approved 30/10/03	Message 134 06/11/03
6. Convention on the Marking of Plastic Explosives for the Purpose of Detection (ICAO)	Message PE 623 11/12/01	Pending	Approved 22/10/03	Approved 30/10/03	Message 135 06/11/03
7. Protocol for the Suppression of Unlawful Acts against the Safety of Fixed Platforms Located on the Continental Shelf (IMO)	Message PE 697 13/06/02	Pending	Approved 22/10/03	Approved 30/10/03	Message 136 06/11/03
8. International Convention for the Suppression of Terrorist Bombings (UN)	Message PE 585 29/10/01	Pending	Approved 22/10/03	Approved 30/10/03	Message 137 06/11/03
9. International Convention for the Suppression of the Financing of Terrorism (UN)	Message PE 603 20/11/01	Pending	Approved 22/10/03	Approved 30/10/03	Message 138 06/11/03
10. Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, supplementing the United Nations Convention against Transnational Organized Crime (UN)	Message PE 814 04/11/02	Pending	Approved 03/03/04	Approved 04/03/04	

5.8 Annex 8 – Working Group 2 (FTAA): Report and Recommendations

Report of Working Group 2: Free Trade Area of the Americas (FTAA)



Working Group II of the Third Plenary Meeting of the Inter-Parliamentary Forum of the Americas, under the chairmanship of the Honourable Don Boudria of Canada, discussed the Free Trade Area of the Americas (FTAA).

It devoted itself to an examination of the principal elements that are preventing the successful completion of the FTAA negotiating process, with the aim of making recommendations that, from the parliamentary standpoint, will make it possible to surmount those obstacles and reach a comprehensive and balanced agreement that will more effectively promote economic growth, poverty reduction, development and regional integration, considering the different needs and sensibilities of all the participating States.

The meeting took place at the National Congress of Chile in the City of Valparaiso, on April 1 and 2, 2004. A list of participants and the countries they represent is presented in Annex 1.

Presentation by the Guest Speaker

Verónica Silva of ECLAC gave a presentation entitled “FTAA: Debate and Negotiations”. This presentation served as a starting point for the discussions of Working Group II and was based on the most recent draft of the FTAA agreement published after the Seventh Ministerial Meeting in Quito in November 2002.

In her presentation, the expert gave an overview of the FTAA, explaining Latin America’s involvement in trade in the 90’s, the different international agreements on this subject (including WTO and APEC), the FTAA and its levels of agreement and negotiations, which are intended to: (1) assure markets; (2) establish policies; (3) promote investments; and (4) settle disputes.

With regard to market access, she noted that the principal points of disagreement were the elimination of duties, antidumping rules, agricultural subsidies and compensation, given the rapid removal of tariffs on products that receive domestic subsidies.

In answer to questions the expert explained that:

1- The issue of imbalance in developing countries is relevant and complex. In fact, it has been present from the beginning in the FTAA and in the WTO. She added that adjustment periods, technical assistance and relaxation of standards have been resorted to.

She pointed out that the creation of compensation funds, such as those developed by the European Union to support States Parties in unfavourable situations, has been proposed.

2- Concerning the coexistence of the FTAA with other agreements, she indicated that this issue is a matter for debate. She pointed out that specific spaces exist for subregional agreements and added that if there are bilateral preferences and other countries join, the bilateral preferences would be lost. She concluded by stressing that the FTAA could standardize the conditions under which decisions on production are made.

3- As far as the replacement of domestic investment by foreign investment is concerned, she pointed out that domestic investment policies are more important than foreign investment policies and that complementary policies are required in the agreements.

4- The existence of three models in countries that enter the global market: countries that export natural resources; the maquila model – the case of Mexico, Central America and the Caribbean, that export cheap labour and are located near the United States; and Caribbean countries that base their economies on tourism and financial movements.

5- The difference between MERCOSUR and the G14. The G14 countries have more complex economies. Chile, Canada and Mexico are trying to find a common denominator.

6- The subject of organized civil society, so that the negotiations are socialized.

With respect to other questions, the expert pointed out that:

1- The FTAA process is part of the process of the Summit of the Americas and is related to matters of common interest.

2- The negotiations are two-way. Something is achieved. Agreements have an impact. The way to compete is linked to domestic policies.

3- There is a social impact that is not easy to resolve. The effects of trade differ from country to country. All of this influences the impact of the FTAA and the negotiations. What is gained in the region is marginal in terms of products. Gains are made in other areas. The agricultural and raw materials sectors gain and manufacturing and small industry, which provide the largest number of jobs, lose or run a greater risk, because when cheaper goods enter the country, domestic industry can fail.

There should be coherence between policies and the negotiations. Likewise, there should be better training and civil society should have access to information.

The Hemispheric Cooperation Program will address the fiscal impact, which has also been altered by changes in tariffs.

During the second session of this Working Group, the expert from ECLAC, Verónica Silva, answered new questions on the following topics:

- Concerning the compliance with the timetable for concluding the FTAA negotiations, she indicated that it is impossible to anticipate what will ultimately happen, although the year 2005 remains as the official date for completion of the negotiations.
- With respect to consistency between the FTAA and the World Trade Organization regulations, she explained that the two are consistent and that many chapters of the FTAA have the WTO agreements as their point of reference. She added that the WTO does not prevent its members from entering into agreements. However, it does require that they be flexible and comprehensive and not restrict liberalization to the sphere of a preferential regional agreement.
- Concerning the situation of small economies that are facing imbalances, she indicated that progress has been made in this area during FTAA negotiations. She underlined the document issued by the Consultative Group on Smaller Economies.
- As for the social impact of the FTAA, she stated that it is difficult to make a general evaluation, given the differences that exist among the participating states. She recommended several specific studies included in the bibliography attached as an annex to this report.
- As for civil society, she pointed out that the Miami Ministerial Meeting stressed the establishment of best practices to disseminate information and direct participation through the Committee of Government Representatives on the Participation of Civil Society. She added that meetings have been held with civil society on specific issues, for example agriculture and services.

Working Group discussion

At the start of the second session of the Working Group, the chair reported that a joint communiqué by the co-chairs of the Trade Negotiations Committee (TNC) of the FTAA, made last April 1, postponed the resumption of the committee's 17th meeting until further notice, so that additional informal consultations could be held to establish guidelines for the FTAA negotiating groups, as required by the Miami Ministerial and to develop a common and balanced set of rights and obligations to be applicable to all the countries, as well as procedures for plurilateral negotiations among FTAA countries that wish to undertake additional liberalization and disciplines in the framework of the agreement.

The main issues that were discussed by this second Working Group are outlined briefly below.

The need for the parliaments of the Americas to play an active role in the ongoing negotiating process and to formally interact with the trade ministers was mentioned. In this respect, it was stressed that the executive branch of each country is in charge of carrying out the negotiations, referring the ratification or implementation of the agreements to parliament, in accordance with the domestic legislation of each country. Notwithstanding, parliaments should be adequately informed of progress in the negotiations and be considered in them as legitimate representatives of civil society.

It was emphasized that Parliaments that are conveniently informed about the negotiating process will be very beneficial for the FTAA, as they will be able to serve as a channel of communications between the negotiators and civil society. Parliamentarians could begin legislative processes intended to adapt their domestic legislation to the challenges and opportunities represented by the FTAA, while at the same time, they would be in a position to educate and prepare the sectors at greatest risk for the changes implicit in the impending trade liberalization.

To play this role and provide information on the status of the FTAA negotiations, it would clearly be convenient to have information available in plain language. At present, it is only possible to access limited information expressed in technical terms difficult for ordinary citizens to understand.

Likewise, it would be advisable to establish special committees in each national parliament to address and debate the FTAA negotiating process, suggesting solutions to the problems that the agreement could generate at the domestic level and enhancing its benefits. This idea had been presented as a recommendation at the Second Plenary Meeting of FIPA.

Concern was expressed over the absence at this Third Meeting of representatives of the United States Congress since the meeting examines issues such as terrorism and the FTAA, which are of special concern to that country. The paradoxical situation created by the absence of American parliamentarians, given that the United States is currently one of the co-chairs of the Trade Negotiations Committee of the FTAA, was noted.

The chair reported on the work done in Washington, D. C., by the Chair of FIPA, the Honourable Senator Céline Hervieux-Payette, to encourage members of that country's legislature to participate, but, unfortunately, they have chosen not to attend this Third Plenary Meeting of FIPA.

It was emphasized that the creation of a regional bloc spurs greater development and sustainable growth. It also improves the prospects for negotiating with powerful regional blocs, such as the European Union or the Asia-Pacific countries.

It was agreed that an increase in trade is beneficial for national economies. While recognizing that there are modern sectors in many Latin American economies that will benefit from an agreement, there are also large traditional sectors made up of low-income groups who will face difficulties. Therefore every effort should be made to protect at-risk groups.

Additionally, it was stated that the impact of the economic liberalization should not be allowed to overwhelm state revenues, cause capital flight or worsen income distribution, which is already uneven.

The imbalances among the 34 countries that are negotiating the FTAA, both as regards their level of development and the size of their economies, was emphasized.

It was pointed out that the FTAA creates expectations but also mistrust in the developing countries, since they risk considerably more than the developed ones because their economic stability could be jeopardized by a market liberalization experience that is carried out without rectifying the existing imbalances.

The recommendation made during the Second Plenary Meeting in Panama City that the FTAA should study the creation of a special fund in its Hemispheric Cooperation Program, aimed at higher education, science, and technology, with the objective of enabling the developing countries to generate scientific and technological capacities to bridge the gap between them and the developed countries and to contribute effectively to the economic development and closer integration of the countries of the FTAA, was stressed.

It was emphasized that the developed countries should remember that the developing countries represent a market, whose purchasing power should be stimulated in order to permit all of the players in international free trade to benefit.

The most developed and powerful countries of the continent were called upon to take the lead and share their experiences, tools, and knowledge through technological and economic support that would make a satisfactory process of economic integration possible.

The difficult situation of agriculture in the developing countries was underlined, which would be made worse by the prospect of achieving a trade liberalization agreement in a context in which the developed countries maintain subsidies for their agricultural production and tariff and non-tariff barriers that distort the international market for agricultural goods and endanger its freedom and development.

Recommendations

The Parliamentarians attending Working Group II agreed to present the following recommendations to the Plenary of FIPA:

Regarding FIPA's participation in the FTAA process

Bearing in mind that the parliamentarians who make up FIPA recommended in the Plenary Meeting of February 2003 that the FIPA Executive Committee "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;"

Considering that the Executive of FIPA has presented a proposal to the two co-chairs of the FTAA negotiating process to interact formally with the negotiating process of the Free Trade Area of the Americas, which includes:

- Recognition of FIPA as the official voice of parliamentarians in the FTAA negotiating process; and



- The establishment of a mechanism that permits interaction between FIPA, representing the parliamentarians whose countries participate in the FTAA negotiations, the Trade Negotiations Committee, and the FTAA Secretariat.

Given that parliamentarians are the legitimate representatives of the citizens of the Americas;

Considering that the parliamentarians of many countries have stated that they have not received sufficient information about the FTAA from the executive branch of their government;

Considering that we are disappointed with the co-chairs of the FTAA negotiations owing to the lack of discussion between them and FIPA, principally on the issue of the implementation and future development of the Hemispheric Cooperation Program, in particular the funds for social adjustments in the agricultural and manufacturing sectors, in accordance with the recommendations by the Second Plenary Meeting of FIPA;

Considering that the United States, through its Trade Representative, Robert Zoellick, has declared that one of the roles of the FTAA is to improve socioeconomic conditions in the developing countries in the hemisphere;

Recognizing that parliamentarians have a key role to play in engaging citizens, advising officials, enacting legislation, and overseeing implementation related to the FTAA currently being negotiated;

Acknowledging the importance of engaging civil society and transparency in the FTAA negotiating process;

Reiterating our concerns surrounding issues of agricultural subsidies, differential treatment of small and developing economies and economic and social change;

Given that FTAA negotiations are scheduled to conclude in January 2005;

WE, THE PARLIAMENTARIANS OF THE AMERICAS

Recommend that the co-chairs of the FTAA negotiating process quickly establish a mechanism for FIPA to interact formally with the trade ministers in the context of the FTAA process, in terms of the above-mention proposal by FIPA's Executive Committee.

Recommend that the co-chairs work together with FIPA to hold information sessions to discuss the status of the negotiations and the concerns of parliamentarians of the Americas, including issues surrounding the challenges faced by small and developing economies, agricultural subsidies, and economic and social change.

Recommend further that the Trade Negotiations Committee provide parliamentarians with plain-language documents describing the status of negotiations and the issues under discussion.

Recommend that parliamentarians of the Americas actively engage their constituents in order to educate and inform them about the FTAA.

Regarding United States participation in FIPA

Recognizing the importance of the United State of America in the negotiations on the Free Trade Area of the Americas and its status as co-chair of the negotiations;

Considering that the United States of America is a member of FIPA;

Noting that the Summit of the Americas process recognizes FIPA's role in attaining the goals of the Summit, which include the Free Trade Area of the Americas;

WE RECOMMEND

That United States legislators engage with FIPA to discuss issues surrounding the negotiation of the Free Trade Area of the Americas.

Regarding preparation for the FTAA

Recognizing that trade liberalization has the potential to create benefits for the economies of the Americas;

Recognizing that trade liberalization presents challenges to traditional sectors of the countries' economies;

Recognizing that the economic shocks associated with trade liberalization should not be allowed to overwhelm state revenues, cause capital flight or worsen income distribution;

Noting that implementation of an FTAA will require the adjustment of domestic policies to help those who will be negatively affected by the agreement, as well as those who stand to benefit;

Acknowledging that countries face different challenges in negotiating and implementing an FTAA;

Recognizing that several countries in the hemisphere have already experienced significant changes due to trade liberalization;

Recognizing that all countries in the Americas could benefit from sharing best practices with respect to trade liberalization;

WE RECOMMEND

That the countries of the Americas actively engage their citizens in discussing the FTAA;

That the countries of the Americas begin to undertake domestic reforms, to the extent possible without being detrimental to their populations, to position their economies to meet the challenges and opportunities presented by trade agreements such as the FTAA;

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That the heads of FIPA delegations from countries with previous experience in negotiating and implementing trade liberalization agreements forward to FIPA's Executive Committee for publication on the FIPA website whatever information they have about their experiences, both positive and negative, with trade liberalization agreements.

The Honourable Don Boudria,
Member of Parliament of Canada
Chair of the Working Group on the FTAA

Ms. Isabel Damilano
Secretary

Ms. Mariana George-Nascimento
Secretary

* * * *

Annex 1 – Participants in the Working Group on FTAA

Senator Mario Lozada	Argentina
Senator José Zavalía	Argentina
Senator Antonio Cafiero	Argentina
Congressman Luis Molinari Romero	Argentina
Senator Sandra Husbands	Barbados
Senator Hugo Carvajal	Bolivia
Senator Enrique Urquidi Hodgkinson	Bolivia – Speaker of the Andean Parliament
Congressman Joao Paulo Gamos da Silva	Brazil
Senator Madeleine Plamondon	Canada
Roy Bailey, Member of Parliament	Canada
Philip Mayfield, Member of Parliament	Canada
Senator Sergio Romero	Chile
Senator Juan Antonio Coloma	Chile
Congressman Juan Masferrer	Chile
Senator Jorge Pizarro	Chile – Deputy Speaker of Parliament
Senator Gabriel Zapata Correa	Colombia
Congresswoman Nancy Patricia Gutiérrez	Colombia
Congressman Tubal Paez	Cuba
Congressman Freddy Ehlers	Ecuador – Andean Parliament
Congresswoman Juana Vallejo Klaere	Ecuador – Andean Parliament
Senator Chester A. Humphrey	Granada
Congressman Juan Ramón Alvarado	Guatemala
Congressman Carlos Santiago Nájera	Guatemala
Congressman Nedis Adrián Licona Reyes	Honduras
Congressman Jack Arévalo Fuentes	Honduras
Congressman Eliseo Vallecillo Reyes	Honduras
Senator Anthony Johnson	Jamaica
Congressman Armando Leyson Castro	Mexico
Congresswoman Blanca Gámez Gutierrez	Mexico
Senator Ana María Figueredo	Paraguay
Senator Ada Fátima Jolalinach	Paraguay
Congressman Simón Benítez Ortiz	Paraguay
Congressman Oscar Ismael Silvero	Paraguay
Congressman Oscar Fernando Mercado	Paraguay
Congressman Fernando Oreggini	Paraguay
Senator José Tomás Pérez	Dominican Republic

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Hubert Asmamiredje, Member of Parliament

Ruth Wydenbosch, Member of Parliament

Congressman Alvaro Alonso

Congressman Ricardo Gutiérrez

Congressman Pedro Pablo Alcántara

Congressman Danilo Pérez Monagas

Congressman Walter Gavidia

Congresswoman Norexa Pinto

Congressman Nerio Rauseo

Suriname

Suriname

Uruguay

Venezuela

Venezuela

Venezuela

Venezuela – Parlatino

Venezuela – Parlatino

Venezuela – Parlatino

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FIPA/PA/2004/REP/e/vf

Original: Spanish

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Trade Division-ECLAC (ITID): www.eclac.cl/comercio

LATN (Flacso Argentina): www.latn.org.ar

MERCOSUR: <http://www.mercosur.org.uy/>

OECD: <http://www.oecd.org/> OMC: www.wto.org

NAFTA: <http://www.nafta-sec-alena.org/>

European Union: <http://www.europa.eu.int/>

FTAA: www.ftaa-alca.org

World Bank: <http://www.worldbank.org>

CAN: www.comunidadandina.org

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MCCA-SIECA: <http://www.sieca.org.gt/>

OAS: www.sice.oas.org/TUnit

SELA: <http://sela2.sela.org/>

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5.9 Annex 9 – Working Group 3 (Tax Systems): Report and Recommendations

Report of Working Group III: Fiscal Affairs

The Working Group on Fiscal Affairs held three meetings on April 1 and 2, 2004, and was chaired by Brazilian Congressman Luiz Carlos Hauly. A list of participants is presented in Annex 1.



Presentation by the Guest Speaker

The analysis of the topic “Tax Systems of the Americas” began with a presentation by Mr. Juan Cristobal Bonnefoy, Budget Policy Researcher at ECLAC’s Latin American and Caribbean Institute for Economic and Social Planning (ILPES), who spoke about tax harmonization and the main challenges.

Mr. Bonnefoy divided his presentation into three main points:

1. Current status of tax systems in Latin America and the Caribbean

There has been an increase in the tax burden in the region between 1990 and 2002, which resulted in a higher revenues, which helped bring deficits down to almost 1% of GDP. However, from 1997 to 2002, there was an increase in the deficit to about 3% of GDP.

2. Impact of globalization on tax systems

Although trade liberalization improves economic efficiency and speeds up development, it produces a loss in public revenues in countries with fiscal imbalances, which requires careful assessment.

Even though tax revenues from international trade and transactions average 10.7%, there are three countries where more than one fifth of revenues comes from those sources (Haiti, Dominican Republic and Nicaragua). In contrast, two countries have a tax dependency of about 1% (Brazil and Uruguay). Hence, there are two groups of countries, one with heavy dependency on these sources of revenue, which would justify the approval of structural funds to make the necessary compensations.

As a result, the countries have reacted by passing tax packages that have “polluted” the system and have led to regression in the global balance of fiscal accounts (half a decade lost). Furthermore, a regressive tax policy has been adopted, with the burden of taxation falling on consumption and labour.

3- Harmonization of tax systems

3.1. Arguments against:

It works against the freedom of governments to make their own policies and against the freedom of individuals to choose where to work, save and invest. Therefore, it affects growth.

It has a negative impact on the equitable distribution of income.

3.2. Arguments in favour:

It allows taxation of transactions carried out via electronic means.

It facilitates the taxation of sales by transnational between their head offices and branches.

It discourages the transfer of resources to tax havens.

3.3. Avenues toward harmonization

Tax harmonization has not been included in the agenda of FTAA negotiations.

Explicit harmonization: Countries commit to establish minimum or common rates.

Implicit harmonization: Can be achieved through multilateral or bilateral agreements that facilitate the exchange of tax information or double taxation agreements.

Mr. Bonnefoy also referred to the fiscal pacts recommended by ECLAC, in which each country sets parameters as guidelines for the tax structure (case of Guatemala).

He considered that the following are relevant questions, although difficult to answer at the moment:

What convergence model should be used? The EU model, the American model or the Asian model?

What is the optimum level in terms of tax burden?

Mr. Bonnefoy referred to the case of loser countries that would merit tax compensation.

Last, he mentioned tax decentralization as a priority for tax harmonization.

Working Group discussion

The members of the Working Group participated extensively in the debate, with the following contributions standing out:

Congressman Luis Carlos Hauly (Brazil) maintained that no real effort to harmonize tax systems in Latin America is evident. In general, more stress has been placed on indirect taxes than on direct taxes, which has a strong regressive impact on lower-income individuals.

Congressman Carlos Kuschel (Chile) referred to the importance of harmonizing expenditures as well as revenues, since there are no real controls over the efficiency and effectiveness of spending.

Senator Marc Harb (Canada) affirmed that it is highly important to standardize systems, since it is a very complex task to establish bases for comparison at present.

Congresswoman Jeannette Madriz (Venezuela) considered it necessary to include the subject of tax harmonization in the discussion of trade agreements in the Americas.

Congressman Sergio Diaz (Colombia) acknowledged the importance of spending efficiency. At the same time, consideration should be given to creating a structural fund to leverage growth in countries with weaker economies. He proposed that thought be given to the efficiency and equity of the VAT.

Senator Juan Carlos Restrepo (Colombia) stressed the efficiency of spending and long-term planning to arrive at convergence among the Latin American countries.

Congressman Luiz Carlos Hauly (Brazil) proposed the creation of a technical body inside FIPA to make a permanent study of the simplification of tax systems. Simplification is directly related to the degree of taxpayer compliance, which would lead to higher revenues.

Mr. Juan Cristóbal Bonnefoy (ECLAC) clarified that a culture of compliance lies at the core of the system and must be supported by a strengthened and transparent Tax Administration.

Congressman Jesus Martinez (Mexico) pointed out that the complexity of tax systems discourages people from paying. On the other hand, globalization has revealed a mismatch in tax systems, and a diagnostic study is required for the creation of a political and social pact that will allow a methodical agenda to be prepared in a transparent atmosphere.

Congressman Carlos Hidalgo (Chile) mentioned that one of the problems is to oversee efficiency in spending, because even though the social projects may be well meant, political intervention distorts the original objective. In this framework, he highlighted the fact that a joint budget committee had recently been created as a permanent body, which will allow for adequate oversight of spending in Chile.

Mr. Juan Cristóbal Bonnefoy (ECLAC) stressed that increased spending is not enough to reduce poverty levels. He felt it was important to include the subject of monitoring public spending on the ECLAC Agenda.

Congressman Luiz Carlos Hauly (Brazil) believed that Latin America should follow the example of the United States in terms of tax burdens because they are strongly progressive in income tax and low in indirect taxes, all of which strengthens global trade.

Senator Alfredo Luis Jaeggli (Paraguay) commented that in his country the problem of whether or not to increase the tax burden, which is currently at 10%, is being discussed. He said that following the introduction of MERCOSUR, Paraguay ceased to obtain significant revenues from tariffs, hence its total tax burden declined.

He believes that countries with weaker economies should not increase the tax burden since this affects people with higher income and, therefore, affects investment and job creation. An increase in taxation ends up affecting national competitiveness. He therefore felt that any harmonization should take account of the situation in each country.

Congressman Francisco Monarrez (Mexico) acknowledged that every country has its own economic reality and that should be kept in mind when considering the tax burden. Therefore it is not possible to adopt a tax system from a single foreign country just because it has worked

there. As to the question of which kind of tax should be preferred, the trend is to favour indirect taxes over direct taxes.

Senator Juan Carlos Restrepo (Colombia) highlighted the negative impact of constantly creating new taxes because this mainly affects foreign investment. It is logical to maintain the principle of stability since it is the only way to allow for long-term planning. The lack of simplicity in the tax system is also negative. The solution seems to be to broaden the base and create a consumption tax to avoid tax evasion.

Congressman Jesus Martinez (Mexico) maintained that instead of harmonizing tax systems, which is difficult given the differences among countries, there should be harmonization of the general rules or criteria to promote things such as: (a) simplification of tax systems, (b) equity based on the ability to pay of the taxpayer, (c) long term legal certainty, (d) selectivity in the application of certain taxes, (e) a progressive system of income tax with fewer levels, and (f) a broader tax base.

Recommendations

Considering the above, the following RECOMMENDATIONS were agreed on.

Aware of the diversity in the tax systems of the countries present at this Forum and of the importance of moving toward greater harmonization of tax structures and mechanisms in a regional context of cooperation, all institutions should be encouraged:

1. To promote the following general proposals:
 - a. simplification of tax systems;
 - b. equity based on the ability to pay of the taxpayer,
 - c. long-term legal certainty of legislation,
 - d. selectivity in the application of certain taxes,
 - e. a progressive income tax system with few levels,
 - f. a broad tax base,
 - g. stronger Tax Administrations,
 - h. better systems of tax control.
2. To include the subject of harmonization in talks on trade agreements in the Americas.
3. To reduce informality in economic activity.
4. To strengthen transparency and accountability in fiscal accounts.
5. To recognize the importance of spending efficiency and to consider the creation of a structural fund to leverage growth in countries with weaker economies.
6. To establish a permanent working group with technical support in FIPA to conduct an ongoing study of the simplification and harmonization of tax systems and disseminate best practices in the region.

7. To include the subject of monitoring fiscal spending from the standpoint of legislatures in ECLAC's agenda.

The Honourable Luiz Carlos Hauly,
Congressman of Brazil
Chair of the Working Group

Mr. Javier Rosselot Jaramillo
Secretary

Annex 1 – Participants in the Working Group of Fiscal Affairs

Senator Celso Jaque	Argentina
Dave Burgos, Member of Parliament	Belize
Senator Michel Biron	Canada
Senator Mac Harb	Canada
Senator Juan Carlos Restrepo	Colombia
Congressman Sergio Díaz-Granados	Colombia
Congressman Carlos Hidalgo	Chile
Congressman Carlos Ignacio Kuschel	Chile
Congressman Juan Masferrer	Chile
Congressman Freddy Ehlers	Ecuador
Congressman Salvador González	Guatemala
Congressman Lester Reyna	Guatemala
Congressman Carlos Morales	Guatemala
Congressman Víctor Gutiérrez	Guatemala
Congressman Jesús Martínez	Mexico
Congressman Francisco Monarrez	Mexico
Senator Alfredo Luis Jaeggli	Paraguay
Congressman Carlos Samudio	Paraguay
Congressman Edgar Venialgo	Paraguay
Congresswoman Jhannett Madriz	Venezuela

5.10 Annex 10 – Resolution 1

FIPA/PA/2004/RES. 1

Resolution 1

For the Official Inclusion of National Legislatures from the Americas in the Inter-Parliamentary Forum of the Americas (FIPA)

THE PLENARY ASSEMBLY OF THE INTER-PARLIAMENTARY FORUM OF THE AMERICAS (FIPA),

Noting that the FIPA Regulations state that the FIPA comprises the national legislatures of the states of the hemisphere;

Keeping in mind the recommendation of FIPA's Executive Committee at its eighth meeting, held in Miami on November 18, 2003, that the parliaments of the hemisphere officially become members of the FIPA;

Recognizing that the FIPA and its members benefit from the active participation of parliamentarians as the official representatives of their national parliamentary institutions;

RESOLVES TO:

1. Urge the appropriate office of the legislatures of the sovereign states of the Americas to send a written communiqué to the FIPA Technical Secretariat confirming their parliament's official standing as a member of the FIPA.
2. Recommend to the appropriate national bodies of the parliaments of the Americas that they create national chapters of FIPA, in a matter consistent with their internal procedures, in order to support year-round the work undertaken by the Forum at its annual Plenary Meetings.
3. Request that the heads of delegations present at this Third Plenary Assembly work to support efforts to have their respective parliaments officially join FIPA, form national chapters of FIPA, and report the progress on these two initiatives to the FIPA's Technical Secretariat.
4. Incorporate the rules about financing in the regulations of FIPA and approve the contribution scheme proposed by the Executive Committee, in accordance with the documents attached.
5. Recommend that the President of FIPA, with the support of members of the Executive Committee and the Technical Secretariat, keep track of the implementation of this resolution, and report to the next Plenary Assembly on the progress achieved on this resolution.

Approved unanimously by the Third Plenary Assembly at its session of April 3, 2004.

Annex 1

1. Add the following section to Chapter III of the regulations of FIPA:

3. Financing

The annual budget for the permanent operation of FIPA will be covered by the regular fees of each of its members, additional voluntary contributions from its members, funds from external cooperation and special donations.

- a) The Executive Committee will determine the regular fees for each of the member parliaments on the basis of the contribution each country makes to the OAS and will submit it to the Plenary Assembly for approval.
- b) Member parliaments that are able to do so may make additional voluntary contributions to the general budget of the organization.
- c) FIPA may arrange for non-repayable financing from international organizations or cooperation agencies to meet the need for operating funds or to carry out special projects. The Plenary Assembly will be notified of all funds received under this heading.
- d) FIPA may arrange for and accept any type of contribution, or public or private donation, that does not compromise its freedom of decision and action. The Plenary Assembly will be notified of all funds received under this heading.

2. Adopt the recommended contribution scheme for the period 2004-2005, as outlined below:

Pais / Country	% Contribución a la OEA / Contribution to the OAS	Nivel de contribución a FIPA / Cuota Level	Contribución a FIPA de acuerdo a niveles de cuotas basadas en % de contribución a la OEA US\$
Canadá	12.52%	6	\$ 15,000.00
México	6.16%	6	\$ 15,000.00
United States	60.22%	7	\$ 21,000.00
Subtotal Norteamérica	78.89%		\$51,000.00
Costa Rica	0.13%	3	\$ 4,000.00
República Dominicana	0.18%	3	\$ 4,000.00
El Salvador	0.07%	2	\$ 3,000.00
Guatemala	0.13%	3	\$ 4,000.00
Honduras	0.07%	2	\$ 3,000.00
Nicaragua	0.07%	2	\$ 3,000.00
Panamá	0.13%	4	\$ 6,000.00
Subtotal Centroamérica	0.79%		\$27,000.00
Antigua and Barbuda	0.02%	1	\$ 2,000.00
Bahamas	0.07%	2	\$ 3,000.00
Barbados	0.08%	2	\$ 3,000.00
Belize	0.03%	1	\$ 2,000.00
Cuba	0.00%	3	\$ 4,000.00
Dominica	0.02%	1	\$ 2,000.00
Grenada	0.03%	1	\$ 2,000.00
Guyana	0.02%	1	\$ 2,000.00
Haiti	0.07%	2	\$ 3,000.00
Jamaica	0.18%	3	\$ 4,000.00
St. Kitts and Nevis	0.02%	1	\$ 2,000.00
St. Lucia	0.03%	1	\$ 2,000.00
Suriname	0.07%	2	\$ 3,000.00
St. Vincent and the Grenadines	0.02%	1	\$ 2,000.00
Trinidad and Tobago	0.18%	3	\$ 4,000.00
Subtotal Caribe	0.85%		\$40,000.00
Argentina	4.96%	5	\$ 10,000.00
Bolivia	0.07%	2	\$ 3,000.00
Brasil	8.66%	6	\$ 15,000.00
Chile	0.55%	5	\$ 10,000.00
Colombia	0.95%	5	\$ 10,000.00
Ecuador	0.18%	3	\$ 4,000.00
Paraguay	0.18%	3	\$ 4,000.00
Perú	0.42%	5	\$ 10,000.00
Uruguay	0.26%	4	\$ 6,000.00
Venezuela	3.24%	5	\$ 10,000.00
Subtotal Suramérica	19.47%		\$82,000.00
Gran Total	100%		\$200,000

Cuotas / Quotes	% Cont. OEA / OAS	
Nivel / Level 1	0.02% - 0.05%	\$ 2,000.00
Nivel / Level 2	0.05% - 0.10%	\$ 3,000.00
Nivel / Level 3	0.10% - 0.20%	\$ 4,000.00
Nivel / Level 4	0.20% - 0.40%	\$ 6,000.00
Nivel / Level 5	0.40% - 5.00%	\$ 10,000.00
Nivel / Level 6	5.00% - 15.00%	\$ 15,000.00
Nivel / Level 7	15.00% - +	\$ 21,000.00

5.11 Annex 11 – Resolution 2

FIPA/PA/2004/RES. 2

Resolution 2

To reaffirm the commitment of FIPA to democratic values in the Americas

THE PLENARY ASSEMBLY OF THE INTER-PARLIAMENTARY FORUM OF THE AMERICAS (FIPA),

Considering that FIPA recognizes representative democracy that promotes popular participation as indispensable for the stability, peace, and development of the region, and that one of the purposes of the forum is to promote and consolidate representative democracy, with due respect for the principle of nonintervention;

Bearing in mind that FIPA is based on respect for and promotion of such democratic values and principles as respect for human rights and fundamental freedoms; access to power and its exercise, subject to the rule of law; periodic free and fair elections based on universal suffrage and the secret ballot as an expression of the people's sovereignty; the diversity of political parties and organizations¹; and the separation and independence of the branches of government (executive, legislative and judiciary);

Recognizing that transparency in government, probity, responsible public administration on the part of governments, respect for social rights, and freedom of expression and of the press are essential components of the exercise of democracy.

RESOLVES TO:

- 1) Support free and transparent elections, which guarantee the right of peoples to self-determination.
- 2) Reject any intervention that limits the rights of parliamentarians in carrying out their responsibilities, which are bestowed upon them by popular vote and free and informed elections.
- 3) Reaffirm the separation and independence of parliaments from the executive power.
- 4) Recognize the Inter-American Democratic Charter as the fundamental guiding instrument for the actions of FIPA.

Approved unanimously by the Third Plenary Assembly at its session of April 3, 2004.

¹ The Cuban representative asked to make the following reservation: "... our political system is based on direct popular democracy without any involvement of a political party or organization; political parties in Cuba have no electoral function. Therefore, in accordance with our Constitution, I claim an exception since the multi-party regime does not apply in my country in the form advocated here. I fully support the rest of the text."

5.12 Annex 12 – Composition of the Executive Committee

FIPA Executive Committee Members for 2004-2005

<u>Representing</u>	<u>Parliamentarian</u>	<u>Country</u>	<u>Tenure</u>
Presidency	Senator Céline Hervieux-Payette	Canada	2004 – 2006
North America	Senator Silvia Hernández	Mexico	2003 – 2005
	Don Boudria, MP	Canada	2004 – 2006
Central America	Deputy Mario Calderón	Costa Rica	2003 – 2005
	Deputy Jack Arévalo	Honduras	2004 – 2006
Caribbean	TBA	Haiti	2003 – 2005
	Senator Sandra Husbands	Barbados	2004 – 2006
South America	Deputy Luis A. Molinari	Argentina	2003 – 2005
	Senator Alejandro Velásquez	Paraguay	2004 – 2006
Host Country	Deputy Luiz Carlos Haully	Brazil	2004 – 2005
Secretary			
Mr. Mateo Barney			

Foro Interparlamentario de las Américas
Fórum Interparlamentar das Américas



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