

quarter of the population, have been formed. These democratically run entities plan and execute community projects on a routine basis, relying mainly on state or community resources. They play a potent role on the local scene, confronting issues head-on and directly engaging local and national leaders. In practically all of the communities where USAID is active, local government personnel have received training with the members of civil society organizations, in an effort to educate them of the role of civil society in a democracy. The training has significantly reduced the level of suspicion between the groups and locally elected leaders, which, in turn, appears to have greatly reduced the number of incidents and misunderstandings.

#### J. Honduras

Honduras is one of the poorest countries in Latin America. Economic growth over the last decade only slightly exceeded population growth and had minimal effect on poverty reduction. Average per capita annual income is less than \$600 and approximately two-thirds of Honduran households live in poverty. Together with the rest of Central America, Honduras is suffering from a long-term economic crisis in its agricultural and manufacturing sectors. The socioeconomic circumstances, such as the lack of employment and insufficient policing, have led to increased crime and personal security problems. The increasing crime rate also stems from a rising prevalence of gangs, as well as organized gangs in Honduran immigrant groups in the United States. This dramatically deteriorating security situation acts as another serious disincentive to investment. Furthermore, the influence of special interests represents a direct challenge to the application of the rule of law and limits the public's confidence in the democratic system, as well as the notion of equal protection under the law. Combined with chronic shortcomings in the provision of adequate education and health services, these daunting and persistent challenges contribute to the growing disappointment experienced by many Hondurans where democracy has failed to deliver on its economic and social expectations.

Honduras has the largest concentration of HIV/AIDS in Central America. A new presidential administration, under the Nationalist Party leadership of Ricardo Maduro, entered into office on January 27, 2002. Maduro, a successful businessman and former president of the Central Bank of Honduras, was elected primarily on his promises to transform Honduras into a safer and more prosperous country to live, work, invest, and visit. His strategy is based on the following

seven pillars: (1) personal security and secure property rights; (2) democratic reform; (3) economic growth with equity; (4) human resource development; (5) combating corruption; (6) environmental sustainability; and (7) a just foreign policy. These pillars are similar to the Stockholm Principles announced by the donor community in responding to the Hurricane Mitch devastation in May 1999, and echoed nearly two years later in the white paper on transformation delivered by the United States Ambassador on behalf of the highly successful Donors' Follow-up Group, currently known as the G-15.

The USAID Strengthened Rule of Law and Respect for Human Rights Program is operating in five areas: (1) assistance to justice sector institutions for the implementation of the new oral/adversarial Criminal Procedures Code; (2) support for an independent and effective Judiciary; (3) support for an independent and effective Public Ministry (Attorney General's Office); (4) broader, more effective social participation and monitoring of judicial reform; and (5) participant training and study tours abroad aimed at educating individuals regarding the effectiveness of the rule of law.

USAID has provided support to strengthen the abilities of courts to monitor judicial performance and combat malfeasance by implementing an automated criminal case tracking system in three criminal courts. Transparency of the justice system has also increased through the implementation of a Citizen Information Center that allows individuals to access information pertaining to the status of criminal cases.

The Attorney General's Office has continued to play a strong role in the Criminal Procedures Code ("CPC") inter-institutional commission. Despite the limited resources, it has been able to move forward with the most critical aspects in implementing the CPC transition plan, particularly in using the new plea-bargaining mechanism to reduce the backlog of criminal cases. Moreover, all prosecutors received intensive, practical training in oral advocacy skills through a long-term advisor under a Department of Justice-USAID interagency agreement.

#### K. Mexico

With its complex array of shared political, socio-economic, environmental, and health problems, Mexico is the most important United States foreign policy priority in Latin America. United States President George W. Bush singled out and planned to strengthen this key bilateral relationship under his administration, as made evident



with his February 2001 visit to Mexico. The July 2000 election of Mexican president Vicente Fox increased expectations for change. He seeks an unprecedented expansion of the U.S.-Mexico partnership to meet citizen demands for economic opportunity and honest government. President Fox has also asked USAID for assistance regarding areas relating to the environment, decentralized governance, infectious diseases, and economic growth.

The Mexican people are pressing for a more responsive, transparent government to better serve their needs. National, state, and municipal organizations, both public and private, are asking USAID to help modernize the executive, judicial, and legislative administration systems, and to decentralize effective governance to the citizen level.

USAID is supporting the Fox administrative initiatives, including support for the decentralization of governance authority to the state and municipal levels, and the expansion of anti-corruption reforms for greater Executive Branch accountability. USAID's proven model for strengthening municipal governance is extended to more Mexican states where political will for change exists. USAID continues its assistance to the national legislature to modernize management procedures, and is extending similar assistance to selected state legislatures.

Activities undertaken in support of this objective have expanded the capacity of local governments to better manage the increased resources and authority that were recently transferred from the federal level. USAID assistance has also increased the capacity of the local government to respond more effectively to the growth of informed citizen demands. Training and technical assistance provided to the professional staff of the federal and state legislatures has made them more independent, capable of writing effective legislation, and capable of overseeing the executive branch at the federal and state levels. USAID assistance to Mexican federal and state courts has encouraged continuing judicial education, forged productive and promising working relationships with Mexican justice officials, and paved the way for future USAID support.

#### L. Nicaragua

Despite positive growth rates over the last eight years, poverty in Nicaragua remains pervasive and acute. More Nicaraguans are poor today than in 1993; about half the population lives in poverty and an estimated 17% live in extreme poverty, making Nicaragua one of the

poorest countries in Latin America. Along with poverty reduction, creation of an effective democratic system of government is a basic requirement if Nicaragua is to achieve equitable growth and prosperity for its citizens.

In November 2001, Nicaragua conducted national elections that were notable for their high voter turnout, and fair, peaceful election-day operations. Although the new Nicaraguan government administration only recently took office in January 2002, early indications provide that it is committed to programs to create jobs, increase productivity in the rural areas, reduce social and environmental vulnerabilities, eliminate corruption, and reform the justice sector. The challenges of reducing poverty, increasing economic growth, and strengthening democracy will require a major commitment from Nicaragua and the international donor community.

The USAID democracy strengthening program in Nicaragua includes technical assistance and training to (1) develop the legal framework and strengthen institutions to advance justice reform, (2) assist governmental and non-governmental entities in increasing government transparency and accountability, and combating corruption, (3) increase political participation and leadership in support of election activities; and (4) strengthen civil society and human rights NGOs and their capacity for participation and advocacy.

USAID's support for Nicaragua's elections administration and for NGO observation and voter education activities helped develop free and fair presidential elections in November 2001. National and international observers praised the high voter participation and peaceful civic involvement.

USAID's support for justice reform contributed to passage of the new organic law for the judicial branch, the Administrative Litigation Code, and a new Criminal Procedures Code. USAID expects passage of a new Penal Code, together with the initial implementation of the Criminal Procedures Code, establishment of the Prosecutor General's Office, and expansion of the Public Defender's Office.

#### M. Panama

United States assistance to Panama contributes to the achievement of U.S. foreign policy objectives in the areas of environment, democracy, and human rights. The assistance program focuses on ensuring effective protection and management of the Panama Canal Watershed where significant amounts of U.S. (13%-14%) and world (4%) ocean-going cargo transit.



USAID's assistance program seeks to increase the momentum towards improvements in the criminal and commercial justice systems of Panama. An equitable and efficient justice system will help to ensure transparent treatment of U.S. citizens and businesses in Panamanian commercial and criminal courts, strengthen democracy, and enhance the credibility of justice sector institutions. An inherently slow, complex, and non-transparent justice system has impeded development in Panama. The system is difficult to understand for both Panamanians and non-Panamanians and it is highly susceptible to manipulation. The USAID program compliments a larger effort by the Inter-American Development Bank ("IDB") to consolidate ongoing efforts by the Panamanian government to implement critical reforms of both the criminal and civil justice systems. The USAID program is selective since it focuses exclusively on issues that are not addressed by IDB or other donors. USAID will concentrate on implementing pilot activities, improving management of the courts and capacity building for NGOs to advocate more effectively for justice sector reforms.

USAID's program focuses on increasing access to justice in targeted areas and the participation of civil society in justice sector reform efforts through technical assistance and training to accomplish the following: (1) reduce pretrial detention; (2) introduce the use of alternative dispute resolution in commercial disputes; (3) disseminate Supreme Court and appellate court judicial opinions; and (4) establish a permanent ethics training program for all judicial personnel.

Based on help from USAID, reforms to the Judicial Procedures Code were approved in June 2001 and became effective on September 5, 2001. These reforms are anticipated to reduce the huge backlog of pre-trial detainees for felonies. Due in part to USAID's efforts, the Supreme Court of Justice and the new Chief Magistrate have expressed the need and the political will to continue and deepen the reform process. Important elements of civil society have joined efforts to work together with Court officials to undertake reforms and the Court has indicated its intent to work with civil society in this effort. Four courts have been selected by the Panamanian government to implement reforms in both criminal and civil courts. USAID is currently providing technical assistance to identify specific training needs for members of the judiciary and prosecutors for effective implementation of the new legislation. Also, with USAID assistance, an assessment and design of a modern judicial registry was completed in April 2001.

#### N. *Paraguay*

Consolidating democracy is the primary United States national interest in Paraguay. Since the fall of the dictatorship approximately twelve years ago, Paraguay adopted a new constitution, established freedom of expression, developed a transparent and free electoral process, improved its judicial system, which now permits public scrutiny of legal cases, and defended democratic institutions in the face of coup attempts and the assassination of the vice president. Popular dissatisfaction with continuing corruption, lack of economic reform, falling incomes and purchasing power, and the possible return of thousands of workers from Argentina threaten this promising democracy.

Problems still exist despite efforts to reduce poverty, advance economic and social reforms, improve the economy, eliminate corruption, address environmental degradation, and provide effective basic services to Paraguay's citizens. Paraguayan democracy must at least be able to demonstrate an ability to improve economic conditions, ensure the provision of basic services to its citizens, and provide jobs for a rapidly expanding population. If democracy does not provide hope for the future, there is a real possibility that the people will lose faith in this fledgling democracy and embrace populist solutions.

Through a range of technical assistance, training, and small grants, the USAID Paraguay Democracy and Governance program is working to improve the capacity of local governments to deliver services in response to the needs of citizens, improve the capacity of civil society to pressure the current political system to become more responsive, and develop a transparent policy dialogue that allows for the inclusion of all groups.

The overall impact of the program will solidify the democratic process in this nascent democracy. This will be accomplished by increasing citizen participation and confidence in a better-functioning democratic system capable of increasing and improving the delivery of basic services at the local level. The failure of democracy in Paraguay would likely propel the country back into authoritarian rule and could potentially destabilize the region. In developing local institutions and political programs by focusing primarily on building effective, responsive, transparent, and accountable local governments and a politically viable civil society, USAID hopes to contribute to a stable Paraguayan democracy. USAID also promotes policy formulation and implementation where opportunities arise.



### O. Peru

In order to strengthen Peru's fragile democracy, sustainable social and economic development must lead to improvements in the quality of life for all Peruvians, especially the rural poor. Unless the immediate needs of its citizens are met, Peru's promising democratic advances, as well as the economic reforms of the last decade, are at risk of reversal.

Throughout the 1990s, Peru made exceptional progress in combating terrorism, reducing the production of coca, and stabilizing the economy. However, President Alberto Fujimori's government collapsed under the weight of corruption, authoritarian rule, an economic downturn, and increasing public discontent, culminating in a universally acknowledged unfair election and the President's disgraceful resignation in November 2000. An eight-month transitional government oversaw an open and fair electoral process in 2001 and took measures to pave the political road for the newly elected government that took office in July 2001. Since the beginning of its mandate, President Alejandro Toledo's administration has committed itself to reinvigorating the country's democracy, and promoting a market-based economy that will provide benefits to all Peruvians. Yet the internal political and economic situation remains precarious, especially in light of the current instabilities in the global economy. This situation presents a unique set of opportunities and challenges to furthering U.S. interests in a key country of the Andean Region.

The overriding U.S. national interest in Peru is to promote a genuine democracy. Maintaining Peruvian cooperation in combating narcotics trafficking leads a second tier of interests that also includes open markets and expansion of exports, poverty alleviation, improved health, and sound environmental policies and practices. USAID works as an integral member of the Embassy country team to promote these U.S. interests in Peru.

USAID's program to strengthen democratic processes and institutions in critical areas, through the provision of technical and training assistance, will help (1) promote key policy reforms and increase oversight of local governments, Congress, and the justice sector, (2) strengthen local governance in select regions, (3) enhance Congressional oversight and legislative capacity, (4) improve the performance of select justice-sector institutions, and (5) support the Truth and Reconciliation Commission in investigating past human rights abuses.

USAID support for the free and fair 2001 presidential and congressional elections was critical for the current democratic transition in Peru. Working through ten organizations, USAID provided technical assistance to newly named electoral bodies, supported international and domestic observation missions, and carried out voter education programs, particularly focused on women, youth, and individuals living in rural areas. USAID also supported human rights organizations, resulting in the pardon of ninety people falsely accused of terrorism. Through a network of free legal clinics, USAID partners provided reconciliation services in 150,000 civil cases in three regions of the country.

Building on these accomplishments at a critical juncture in Peru's history, new programs support the adoption of key reforms, which combat deliberate institutional weakening that took place under the prior regime, and rebuild a more participative and balanced governing system. As past human rights abuses and prior public-sector corruption scandals are investigated, USAID assistance to institutions, such as local and regionally elected governments, the Congress and the justice sector, will focus on establishing measures that increase transparency, accountability, and citizen participation in, and oversight of, the government to help rebuild public trust and confidence.

### V. REGIONAL PROGRAMS

In Latin America and the Caribbean, income disparities continue to be a serious problem; as a result, rural populations increasingly suffer from poverty. One-third of the Latin America and Caribbean ("LAC") population continues to live in poverty, over half of which live in rural areas. Of the USAID-assisted countries, Mexico was the notable exception, which suggests that NAFTA contributed to Mexico's broad growth.

Trade is an engine for economic growth, particularly for countries with small-scale economies. Increased trade both generates employment and increases job quality, ultimately raising wages. Hence, free trade has been shown to promote economic prosperity. For example, since NAFTA's inception, employment in Mexico has grown by 28%, compared to population growth of only 11%, generating approximately 2.7 million jobs. Several LAC countries progressed in liberalizing trade policies, opening their economies, and establishing new trading arrangements. With the exception of Cuba, all countries in the region are committed to achieving the FTAA by



2005. More recently, the U.S. and the Central American nations agreed to negotiate a Central America Free Trade Agreement, which they expect to conclude in 2003.

The purpose of the LAC regional program ("Regional Program") is to support and strengthen critical U.S. national interests in the LAC region that are beyond the scope of the bilateral and sub-regional programs. U.S. foreign policy interests in the region include fostering peace, stability, economic prosperity, reducing illegal immigration and the flow of narcotics to the United States. The Regional Program supports these objectives by promoting free trade and equitable economic growth, strengthening and consolidating democracy in the region, fostering responsible management of the natural resource base, and promoting quality education and health care. These goals are addressed at different stages including bilateral, sub-regional, regional, and multilateral levels. USAID implements bilateral programs in sixteen LAC countries, has three sub-regional programs (Eastern Caribbean, Central America, and the Andean region of South America), and a LAC-wide regional program managed by the Office of Regional Sustainable Development ("RSD"). At all levels, these programs coordinate and interact with host countries, multilateral development banks, other bilateral donors, the private sector, including a host of NGOs.

To fulfill these agreements, LAC countries have expressed the need for a range of trade capacity building assistance. In response, the LAC Bureau made trade capacity building and achievement the top priority of the FTAA. The Regional Program assists missions in developing their own trade activities, and it has established a "rapid response" mechanism to provide trade capacity building assistance to missions, governments, and the private sector. Because disseminating information regarding trade is vital as the region moves closer to the FTAA, the Regional Program circulates a monthly trade newsletter to advance this effort to field missions and provides additional information on trade issues and business constraints to the governments and private sector.

In an effort to directly address poverty in rural areas, the Regional Program developed a new Rural Prosperity Framework to refocus attention on increasing rural incomes by developing agriculture and non-agriculture diversification activities, rural-to-urban marketing links, and international business alliances. The multi-year Opportunity Alliance and its sub-sector Coffee Alliance are applying this plan throughout Central America. The Opportunity

Alliance seeks to promote rural prosperity and competitiveness through diversification to higher value products, business development, more productive use of technology, niche marketing and legal, regulatory, and policy reform. The Coffee Alliance helps small farmers enhance the quality of their coffee and deliver it to specialty markets that pay higher prices for premium coffee. RSD will also support the implementation of these programs, particularly where issues arise linked to the other sub-regions.

Achieving widespread prosperity means expanding access to opportunities, including efficient governance of property rights which enables broad asset growth. Unresolved disputes over land tenure can simultaneously trigger conflict and thus hinder peace building in post-conflict settings. USAID's Regional Program provides priority to create effective property rights systems throughout the region. The Regional Program supports a donor forum, engages in policy dialogue with host-country partners, and provides missions with technical assistance to integrate solutions regarding land and property rights issues into their strategies for purposes of economic growth, democracy, conflict management, and the environment protection.

Remittances, estimated to total \$23 billion annually, are a significant source of support for LAC economies. For example, Mexicans living in the U.S. remit over \$9 billion to Mexico annually. The Regional Program will research and test several activities, potentially reducing transactional costs of sending remittances, providing low income remittance recipients greater access to a range of financial services, and improving the quality of community projects that receive funding from hometown associations in the United States. This area has great developmental capabilities.

In the political arena, all the countries of the hemisphere have joined the community of democracies in the 1990s, with the exception of Cuba. This was a major achievement after the military and leftist dictatorships, and the civil conflicts of the 1970s and 1980s. USAID has made significant progress in building the institutional foundation, which is essential to the successful development and functioning of democracies. In the areas of judicial reform and rule of law, and transparency, anti-corruption, local government, and civil society strengthening, USAID has helped develop the building blocks and constituencies for democracy in the region.

Despite the impressive progress, which includes ten to fifteen years of democracy in some countries, its condition remains fragile. Threats to democratic stability include minimal change in poverty



rates and unemployment, increased rates of crime and violence, which many democratic governments lack resources to restrain, wide-scale corruption, and the lack of transparency and accountability. Surveys of democratic values conducted in several LAC countries indicate that, while governments remain committed to democracy, crime victims, indigenous individuals, and citizens exposed to corruption have less confidence in democracy.

The Regional Program also supports activities that strengthen the trend toward greater democracy in the region. Critical areas include justice and human rights, transparency and accountability, decentralization and democratic local governance, and civil society strengthening. While maintaining investments in these areas, RSD seeks opportunities to increase and expand support for activities targeted to reduce and prevent corruption, crime and violence, and other forms of conflict that threaten the democratic process.

USAID is supporting regional approaches to strengthen justice systems and justice sector modernization, while ensuring that human rights protections are expanded. Together with regional organizations, regional networks are strengthened to solidify respect for human rights and advance the process of justice sector modernization. This includes supporting alliances of human rights organizations to address the long, overlooked issue of discrimination and exclusion in the Americas, and helping strengthen human rights workers in the Americas to expand access to justice. USAID supports the Justice Center of the Americas and its efforts to analyze the impact justice reform, including its successes and obstacles, thereby improving future interventions.

The Justice Studies Center of the Americas ("CEJA") located in Santiago, Chile, is an initiative of the second Summit of the Americas held in 1998, established by OAS in 1999 and launched in 2000. Its purpose is to provide assistance to countries in the Americas that are reforming and modernizing their justice systems. These reforms include institutionalizing human and civil rights; moving from a traditional written, inquisitorial justice system to an oral, adversarial process; and providing greater efficiency, independence, and access to justice. The Center serves as a clearinghouse for information on national justice reform, carrying out practical comparative research, facilitating exchange among justice sector practitioners and reformers, and implementing activities to advance the modernization of justice systems throughout the Americas.

With USAID funding, CEJA's key accomplishments and

developed resources include:

- Creation of the *Judicial Systems Journal (Sistemas Judiciales)*, a bilingual technical journal on justice reform; a recent issue highlights USAID's judicial independence study;
- Support for networks of justice sector actors, such as judges and prosecutors, and a new network of forty justice-oriented NGOs to foster exchange of practices in justice reform. Members of these networks have participated in twenty-five courses and seminars over the last two years, and are also connected through CEJA's electronic Information Center;
- An *Annual Report on Justice* with comparable baseline information about the judicial systems of thirty-four countries of the hemisphere;<sup>8</sup>
- Initial testing of a *Comparative Study of Criminal Procedures Reforms*, examining the progress of reforms in four pilot countries.<sup>9</sup> The study assesses factors that are critical in successful reform efforts and offers recommendations to adjust and improve reforms.

USAID's Americas Accountability/Anti-Corruption Project ("AAA") is entering its third year. Last year, the AAA produced three monographs providing options for anti-corruption strategies to be implemented in Venezuela, Honduras, and Nicaragua. The AAA's *Anti-Corrupción Sin Fronteras*<sup>10</sup> currently has over 230 members on its subscription list, comprised of CSOs, NGOs, and business leaders. It has become a major conduit for facilitating cross-border information sharing. The AAA also played a significant role in funneling input from civil society in the region to program planners and participants in the Third Summit of the Americas. The popularity of the website continues to grow; nearly one million visitors were recorded for the quarter ending on September 30, 2002.

USAID entered into a cooperative agreement with the Inter-American Institute for Human Rights ("IHR") in an effort to advance human rights by providing support to the region's human rights ombudsmen, including addressing problems torture and other human rights abuses. The cooperative agreement is designed to

8. The *Annual Report on Justice* is paid for by Canada.

9. The four pilot countries include Costa Rica, Paraguay, Córdoba in Argentina, and Chile.

10. *Anti-Corrupción Sin Fronteras* is a website formed by the AAA, located at <http://www.respondanet.com>. The website can be accessed in many languages, including English.



advance human rights protections at the country level by maximizing the use of regional networks, cross-border exchanges and training, and pilot programs for replication. USAID has supported the IIHR since 1980, as the leading regional human rights institution in LAC countries. The agreement marks a departure from providing institutional support to providing program funding in three basic areas: (1) promotion of a culture of inclusion; (2) conflict prevention through greater access to justice and citizen security; and (3) democratization of political processes.

There are five major program components to the USAID-supported effort: (1) improve the leadership/advocacy abilities of women NGOs, indigenous groups, and Afro-Latinos; (2) create a model to increase state and citizen capacity to devise solutions to crime, violence, and insecurity; (3) improve the capacity, independence, and accessibility of human rights commissions in LAC countries to respond to citizens' concerns and conflicts; (4) strengthen the independence and capacity of electoral institutions to guarantee full participation of all citizens; and (5) improve formal systems of political representation by increasing equal access and participation.

Over the years, IIHR has trained thousands of advocates and government officials in basic human rights doctrine and international standards, many of who are now leaders of NGOs and governmental ministries. In 2002, in order to better advance the rights of marginalized groups, IIHR launched its leadership and advocacy training of Afro-Latino, indigenous, and women leaders to foster more active participation in policy making and thus directly address exclusion and discrimination. IIHR trained representatives of nineteen NGOs (nominated through three networks of Afro, indigenous and women's groups) in basic lobbying strategies for use in local, national, and international forums. During that same period, IIHR also identified and documented successful experiences to improve inclusion in the Americas that will inform country level projects in the coming year. Building on the practices gathered by IIHR, these advocates will lead efforts in their own countries to address exclusion in the coming years. Successful experiences include the efforts of Afro-Latinos in Colombia, Peru, and Brazil; indigenous groups in Ecuador, Paraguay, and Panama; and women in Costa Rica, Honduras, Panama, and Venezuela. The compilations will be shared through the NGO networks and will serve as the basis of specialized training and strategic planning in 2003.

IIHR has continued its support as Secretariat of the regional

network of human rights ombudsmen, the Ibero-American Federation of Ombudsmen ("FIO"), which has grown to include fifteen countries since the late 1980s. IIHR provided technical support and materials for the 7th annual FIO Congress regarding the latest human rights themes, and how ombudsmen can better handle resolution of cases and improve public awareness in new areas, such as migration, inclusion, and children's rights. With the help of Congress, IIHR also identified specific issues for follow-up, such as technical assistance to the new ombudsman's office in Paraguay, to improve its management practices, strategic planning, ties with civil society, and resolution of human rights complaints based on international human rights standards. IIHR also assisted the Mexican Human Rights Commission to educate staff on economic, cultural, and social rights, comparing the instruments of the inter-American system and the Mexican Constitution, and examining inter-American jurisprudence on the most representative complaints in order to improve the resolution of cases in national and inter-American systems. IIHR provided technical guidance to governmental groups and NGOs, based on experiences in other countries, to foster the creation of an ombudsman in Chile and the appointment of the first ombudsmen in Dominican Republic.

In 2002, the Center for Electoral Assistance and Promotion ("CAPEL"), an organization within IIHR and also financed by USAID, provided in-country assistance for technical observation missions for elections in Colombia, Costa Rica, Dominican Republic, Bolivia, and Ecuador. Since 1984, CAPEL has supported hundreds of observation missions, voter education campaigns, and technical assistance projects. CAPEL serves as Secretariat for three regional associations of electoral commissions, including the Inter-American Union of Electoral Bodies ("UNIORE"), and responds to commissioners' requests for assistance and observation teams of other elections officials in that capacity. These teams make technical recommendations, documented in a report by CAPEL, based on their own experience to help improve electoral procedures and Election Day procedures. The mission to Bolivia confirmed the transparency of the election process. In Ecuador, the National Election Tribunal contracted CAPEL prior to Election Day to implement recommendations from a previous UNIORE technical mission concerning results transmission and poll-worker training, thereby improving 2002 Election Day efficiencies.

CAPEL also organized the annual conferences of UNIORE in



Paraguay and of the Tikal Protocol (for Central American election officials), providing technical information about the cost of elections and legal security in electoral matters.<sup>11</sup> These networks have provided an ongoing mechanism for technical support, information sharing and horizontal ("south-south") cross-border exchanges to improve electoral procedures and systems.

For some time, USAID has been concerned about psychological assistance for victims of torture who lodge complaints with the inter-American system. Out of necessity, USAID again turned to IIHR, this time working with the Center for Justice and International Law. This special project focuses on providing judicial remedy and psychological assistance to victims of politically inspired torture, subjected to police abuse, rape as a war strategy, or children involved in armed conflicts. It brings together LAC countries' leading human rights education and research organization (IIHR) and the most prominent legal NGO with standing before the Inter-American System of Human Rights (both the Court and the Commission). The aim of the project is to (1) enhance the capacity of NGOs to litigate on behalf of victims of torture in LAC countries whose cases are brought before the Inter-American Court and the Commission; (2) create a network of psychologists to provide psychological assistance to victims of torture that are sensitive to the specialized needs of torture victims and those preparing for trial; (3) contribute to the jurisprudence on cases of torture in the inter-American system by sensitizing Commissioners and Judges to the specialized needs of torture victims.

In the local governance area, USAID support for the Federation of Municipalities of the Isthmus of Central America ("FEMICA") is helping it re-define how it can best achieve its objectives of improving the capacity of Central American municipalities to respond effectively to the needs of its citizens and increasing citizen participation in the local decision-making process. Bilateral USAID programs to strengthen democracy and promote decentralization through local government development frequently share these same objectives. Four fundamental purposes, best accomplished at a regional level, are emerging as FEMICA's recognized institutional role: (1) lead efforts to improve the effectiveness of training for municipal development; (2) enable sharing of expertise regarding relevant municipal functions

11. For example, issues that may be addressed include the management of the election administration process, record keeping, vote count and transmission, declaration of results, and mechanisms for electoral disputes, which are fully integrated and transparent.

through gathering, evaluating, systematizing, and disseminating successful practices; (3) improve the quality of local government representation vis-à-vis regional and international donors and relevant policy forums, including the Secretariat for Central American Integration, the Summit of the Americas, and the Inter-American Decentralization Network; (4) promote institutional sustainability of FEMICA and the association movement.

USAID has also contributed to the International County Management Association. The principal purpose of this cooperative agreement is to further implementation of the local government, thereby strengthening the commitments established in the 1998 Summit of the Americas Action Plan, particularly the mandate calling for improved sharing of donor experiences.

Moreover, USAID regional support of the International Union of Local Authorities – Latin American Center for Training and Development of Local Governments ("IULA-CELCADEL") has developed or improved the capacity of IULA-CELCADEL and its key members to use Internet-based technologies to strengthen their network for coordination, horizontal exchange, and association-building capacities in order to foster municipal institution building. This program significantly advanced the use of Information and Communications Technologies ("ICT") by participating national municipal associations in South America. At the beginning of the program, only Chile's municipal association used Internet technologies to serve its member local governments. By the end of the program, using Chile as a model, four additional national associations developed new ICT capacities and IULA-CELCADEL replaced its costly and slow publications based outreach program with bi-weekly electronic bulletins that have more extensive and timely coverage. The regional program provided minor levels of equipment and software support to each national association, but emphasized information sharing among associations on potential applications, and promoted collaboration between them. An independent evaluation established that all participating associations credited the regional program for stimulating their decisions to invest in the development of ICT capacities and, consequently sparking an on-going modernization program of municipal communications and services in their countries. In each of the four countries, Bolivia, Ecuador, Paraguay, and Colombia, USAID missions are implementing municipal development programs as part of their democratic initiatives.



On the civil society side, USAID supports the Civil Society Task Force ("CSTF"), which has been in operation since 1994. It emerged as a vehicle to provide a forum for CSOs to participate in the Summit of the Americas that same year. CSTF's success in providing a space where voices could be articulated led to its continued operation through successive Summits, including a very successful and active role at the 2001 Summit in Quebec. Esquel Group Foundation coordinates the CSTF. The Task Force holds monthly meetings in Washington normally gathering an audience of from thirty to over ninety participants from NGOs, academic scholars, international organizations, and U.S. government agencies from its membership of over 450. CSTF does not take a position on these issues; however, it provides a space for deliberation by civil society voices from the Americas with a variety of positions and a comfortable space for not-for-attribution discussions between CSOs and official agencies.

The CSTF has become a clearinghouse and a forum to debate issues relative to the advancement of active citizen participation in the Americas, especially within the framework of the Summit process, which emphasizes a sustainable and inclusive development process. The CSTF has established partnerships with the Inter-American Democracy Network ("IADN"), the Canadian Foundation for Latin America, and *Corporacion Participa* of Chile to serve as a voice in Washington and to foster a more coordinated approach to civil society participation for Summit follow-up. CSTF sessions have periodically been linked via teleconference with other networks in the Americas. A live session from the Quebec Summit drew participants from over ninety organizations in nine countries. Similar teleconference sessions, in coordination with IADN, were held from the World Bank, the OAS, the Inter-American Foundation and St. Olaf College in Northfield, Minnesota. The CSTF has expanded conceptually over the last two years to cover other Summit topics influencing civil society, such as governance and anticorruption, corporate social responsibility, and the formation of social capital and its connection to development. In addition to a deliberative space, the monthly meeting of the CSTF serves to identify and structure specific *ad hoc* activities that individual members seek to pursue. These promoted "working groups" have emerged over time on topics such as corporate social responsibility, guidelines for NGO participation in official OAS programs, and formal NGO communication channels for the FTAA and Inter-American Convention Against Corruption activities in the context of the Summits of the Americas.

Consistent with USAID's priority on conflict prevention, the regional program also supports innovative initiatives to compliment bilateral programs to help reverse violent responses to disputes resolution. In addressing the critical issue of citizen insecurity, its costs, and damaging effects on economic, social, and democratic development, USAID advances sound approaches and programs to help prevent crime, improve community-police relations, and foster other community-based approaches to reduce violence, including cross-border exchanges and the application and dissemination of best practices on crime reduction and prevention. For example, USAID participates in the Inter-American Coalition for the Prevention of Violence to coordinate efforts with other international organizations, to document lessons learned, models, promising practices, and technical resources to expand violence reduction strategies throughout the Americas.

USAID also addresses illegal trafficking of persons, and provides support to the OAS Inter-American Commission of Women ("CIM"). With USAID financing in 2002, CIM produced a study that examined the problem of trafficking women and children for sexual exploitation purposes in the Americas. The study discussed the scope of the trafficking problem, and existing legislation and policies to address the problem, prosecute traffickers, and provide assistance to victims. Nine countries were included in the initial phase of the study, including Brazil, Guatemala, Nicaragua, Honduras, Belize, Panama, Costa Rica, El Salvador, and the Dominican Republic. Local counterparts coordinated data collection and helped convene national congresses. The preliminary findings, with recommendations to address trafficking, were presented at the OAS Commission of Women Assembly of Delegates in October 2002.

The study united governmental and non-governmental actors in the nine target countries to better understand the extent of the problem, available services, and devise recommendations and action plans. In Brazil, local organizations successfully raised money individually to expand efforts and provide research and advocacy training to NGOs, and to convene a series of national meetings with experts to devise a national action plan to address trafficking. The U.S. Embassy and the USAID mission in Brazil used this process to launch their own anti-trafficking efforts to revise legislation and policies concerning trafficking, and to help NGOs better assist and protect minors victimized by trafficking. New USAID efforts launched in Nicaragua, Haiti, and the Guatemala-Mexico border were



also informed by the study.

In the nine target countries, this process established a network of NGOs and government representatives that work to address trafficking and raised awareness of the trafficking problem, as well as the lack of suitable legislation and policies to assist victims and prosecute traffickers. Demand for resources to address the trafficking problem and implement national action plans has also been generated. CIM continues to present the study to a broad audience. Based on a seminar with the Central American Parliament, the Parliament requested assistance to draft uniform legislation to address trafficking of persons in Central America.

USAID has strived to establish a sustainable regional network of CSOs and IADNs, with the ultimate goal of increasing citizen participation in decision-making and promoting democratic values throughout the Americas. To date, IADN has been a highly successful initiative. From a group of nine founding organizations, the IADN has evolved into an active network with 221 active members from twenty-four countries in the region. IADN members have effectively used the network's mechanism to share knowledge and expertise in an effort to strengthen CSOs and to help provide for wider citizen participation in public-decision making, thus deepening its impact in promoting truly participatory democratic culture across the Americas. More than 900 CSOs benefited from IADN's training and technical assistance. Whether assisting other CSOs or promoting public policy, IADN has become one of the most influential civil society actors in the hemisphere. The strength of its members and the breadth of its membership allow the IADN to quickly and creatively react to opportunities and thus advance the public agenda throughout the Americas. Members have brought creative solutions, commitment, and nearly \$900,000 in funds to the innovative "challenging grants." It has various alliances and cross-country initiatives in fourteen countries ranging from local (a group of NGOs in Chiapas, Mexico), to countrywide (over fifteen organizations in Paraguay), to international partnerships with NGOs (Colombia, Panama, and Ecuador) to transfer proven methodologies and expertise to improve democracy and citizen participation. IADN leads civil society participation in the Summit of the Americas process by helping formulate national Summit agendas in eighteen countries and leading efforts to oversee implementation of the Summit's Plan of Action and of the Inter-American Convention Against Corruption.

IADN also expanded efforts to improve democracy at the local

level. In partnership with the Kettering Foundation and the Inter-American Foundation ("IAF"), IADN is leading an evaluation of the participatory practices and impact of selected IAF local governance projects. Results will be compiled into best-practices models to be disseminated throughout the Americas. Because of its proven prestige and leadership, the IADN regularly represents LAC civil society in international forums. It is the lead CSO in the implementation of follow-up reports of the Summit of the Americas, the Inter-American Convention Against Corruption, and the Inter-American Forum of Political Parties.

Although USAID does not have a permanent mission in Venezuela, it did provide funding to the University of Puerto Rico ("UPR") to assist with judicial training. The UPR faculty trained Venezuelan judges in concepts and techniques of the oral and adversarial trial process, using a specialized curriculum based on the new Venezuelan Criminal Procedures Code and direct courtroom observation of the adversarial open-trial procedures in Spanish. The training had two purposes: (1) to provide participants with the necessary tools to understand an adversarial system, and to help their transition from an inquisitorial, written system to an oral, adversarial criminal judicial system; and (2) to help participants develop leadership and technical skills in the adversarial system for the purpose of serving as trainers of other judges in Venezuela. UPR trained judges in the general principles and procedures of an oral adversarial criminal trial. A total of seventy-nine participants traveled to Puerto Rico for classroom instruction and direct observation of courtroom proceedings in Spanish during a series of four training sessions within a one-year period.

The first-hand observation permitted the judges to better understand not only the roles of the defender, prosecutor, and law enforcement in an adversarial system, but also the rules of evidence, rules of criminal procedure, interrogation of witnesses and suspects, jury trials, the role of the judge, management of a criminal courtroom, oral trial techniques, direct and cross-examination, and scientific evidence. Judges had a particular interest in rules of evidence, and are considering devising their own procedures to elaborate the limited, general guidelines of Venezuela's Code.

In 2002, at the request of the Embassy and course participants, UPR provided two additional sessions, including a "train-the-trainer" session in Venezuela for judges that visited Puerto Rico. The UPR faculty also provided an overview session in Venezuela regarding the



adversarial system for 400 judges, prosecutors, and defenders in the capital, as well as two departments that did not have the opportunity to travel to UPR. These judges will be linked with participants who visited Puerto Rico, creating a network for follow-up opportunities. Feedback from participants was very positive and nearly all indicated through surveys that they would directly apply the information they learned in the courtroom. Within months of their training, numerous trial judges qualified for promotions to the appellate courts; they indicated they were better prepared for the merit review and examination because of their participation in the course.

Finally, the USAID regional program, together with the U.S. Department of State, provides funding to the U.S. Department of Justice ("DOJ") for its ICITAP. The ICITAP supports U.S. criminal justice and foreign policy goals internationally. These goals are accomplished by providing development assistance to foreign police agencies in the form of technical advice, training, mentoring, equipment donation, and internships with criminal justice organizations. This assistance is structured to enable these organizations to function more effectively in a manner that is consistent with the rule of law, principles of policing in a free society, contemporary police practices, and commonly accepted human rights standards. ICITAP was created within the DOJ in 1986 in response to a request from the Department of State for assistance in training police forces in Latin America.

## THE MEXICAN DRUG CONNECTION: HOW TRADE IN PHARMACEUTICALS HAS WRECKED THE FDA

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### I. INTRODUCTION

When most people think about drugs crossing the United States border from Mexico, they presume that the drugs consist of contraband marijuana, cocaine, or other illicit drugs.<sup>1</sup> While this is a significant problem, an equally vexatious issue is rarely discussed: illegal imports of prescription drugs. The true extent of Mexican drug exports into the United States is not known since many of the transfers are not declared, and thus not recorded in either U.S. or Mexican trade statistics.<sup>2</sup> American tourists regularly visit Mexican border towns to purchase pharmaceuticals at much lower prices than in the U.S., and are not required to declare such personal use

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1. See U.S. Drug Enforcement Admin., *Drug Trafficking in the U.S.*, at [http://www.dea.gov/concern/drug\\_trafficking.html](http://www.dea.gov/concern/drug_trafficking.html) (last visited Mar. 18, 2003).

2. Kristin E. McKeithan & Marvin D. Shepherd, *Pharmaceutical Products Declared by U.S. Residents On Returning to the U.S. from Mex.*, 18 *Clinical Therapeutics* No. 6, at 1242-51 (1996).