5 Big Ideas for U.S. Policy in the Americas

By Dan Restrepo, Michael Werz, and Joel Martinez

December 2016
5 Big Ideas for U.S. Policy in the Americas

By Dan Restrepo, Michael Werz, and Joel Martinez

December 2016
Contents

1 Introduction and summary

3 Recommendations for the next U.S. administration

16 Conclusion

17 About the authors

18 Endnotes
The Americas affect U.S. national and homeland security, economic prosperity, and stability perhaps more than any other region in the world. Collectively, they are the destination for more than 40 percent of all U.S. exports,¹ the source of 65 percent of all U.S. energy imports,² and the region of origin or heritage for 17 percent of the U.S. population.³

As the next administration looks to the Americas, it will have a fundamental choice: It can embrace the partnership model that seeks to work with those in the region willing and capable to engage on the wide range of bilateral, regional, and global issues that have predominated the past eight years. Or, in contrast, the administration can unreasonably attempt to wall the United States off from its closest neighbors.

In light of the remarkable political and economic development that has occurred across much of the Americas over the past two decades, the choice should be obvious—partnership instead of self-inflicted isolation. Nor should the United States revert to a bygone era in which it sought to impose its will and agenda unilaterally on countries in the region.

Gone are the days in which the United States could or should dictate the terms of engagement with countries in the Western Hemisphere. Countries across the region are not passive actors waiting for the United States to do things for them or to them. Instead, many are globally engaged countries looking to do things together and are more than willing to do things with others if the United States relinquishes its leadership mantel. This is particularly true as many countries across the region, including some of America’s closest partners, have looked with deep skepticism at what lies ahead for the United States’ place in the Americas and the world.
A positive, affirmative agenda in the Americas is critical to advancing core U.S. bilateral, regional, and global interests. Twin dynamics provide a strong foundation for a positive, partnership-driven agenda that could advance U.S. bilateral, regional, and global interests: the increasing global engagement of countries throughout the region and the deep interconnectivity that binds the United States and the rest of the Americas, which the United States cannot practically undo no matter how hard it may attempt to do so.

With that in mind, this report lays out five ways, beyond the press of inbox issues—continuing normalization with Cuba to support the Cuban people’s desire to determine their own destiny; defending democracy and human rights in Venezuela and Nicaragua; supporting Colombia’s construction of a just and durable peace; and encouraging Haiti’s democratic and economic development—in which the incoming U.S. administration can advance a meaningful partnership agenda in the Western Hemisphere:

• Embrace the fact that the countries of the Americas have global connections and goals—in short, that they are not the United States’ backyard
• Leverage the powerful people-to-people connectivity that exists between the United States and the rest of the countries of the Americas to advance U.S. regional interests and influence
• Promote the security of citizens of the Americas to ensure that pervasive violence, related in part to transnational organized crime, does not disrupt regional interests—or citizens’ daily lives
• Advance energy and climate cooperation to seize regional clean energy opportunities and band together with the Americas to confront climate change
• Reform the inter-American system to advance key U.S. policy objectives in the Americas

If the next administration takes these steps, it will be able to reassure a region placed on edge by much of the rhetoric of the 2016 presidential campaign and ensure continued cooperation on a range of issues to improve the lives of hundreds of millions of people in the United States and across the Americas.
Recommendations for the next U.S. administration

Economic, political, social, and security commonalities in the Western Hemisphere have forged strong links between the United States and the rest of the Americas. Along with geographic proximity, U.S. policy toward the Americas has been fashioned in the context of the political and economic environment in the region. It is important to recognize that the United States is the main trading partner for many countries in Latin America and the Caribbean; Mexico and Venezuela account for around one-third of U.S. imported crude oil; and the Americas are significant partners in security cooperation with the United States.4

Promoting economic and social opportunity; ensuring citizen security; strengthening effective democratic institutions; and securing a clean energy future in the region have been the guiding principles of engagement between the United States and the rest of the Americas in recent years.5

Nowhere in the world have the past eight years better positioned the United States to deepen partnerships that could advance its core economic and security interests than in the Americas. It is incumbent on the next administration not to forsake this opportunity by seeking to wall the United States off from its closest neighbors and pretending that the nation can somehow successfully go it alone in the Americas and the world.

Instead, it is essential for the next administration—through both words and deeds—to send an unmistakable signal to the rest of the Americas that they can prosper together. Prosperity can be achieved through cooperating globally; deepening people-to-people ties; ensuring citizen security throughout the hemisphere; tackling the effects of climate change while seizing clean energy opportunities; and revitalizing multilateral institutions that are essential to advancing shared values and shared prosperity in the Americas.
Embrace the global Americas

For most of its history, the United States has viewed the rest of the Americas as a world apart, as its backyard—or an area over which the United States exercised such dominion that outside powers were not permitted to enter. Those days are over, and with new realities come new possibilities for advancing U.S. national interests at the global level—but only if the United States chooses to work in partnership with countries that are increasingly globally engaged.

An unmistakable characteristic of the opening years of the 21st century in the Americas is the increased global participation of key regional actors. Brazil’s participation in BRICS—an association of the five major emerging economies of Brazil, Russia, India, China, and South Africa—has provided a Latin American perspective in an assertive global south. And Argentina, Brazil, and Mexico have played important roles in international economic policymaking through the G-20. Mexico hosted the G-20 in 2012, and in 2008 and 2016, Peru—as host of the Asia-Pacific Economic Cooperation, or APEC, summit—played host to the last international trips of both President George W. Bush and President Barack Obama. Latin American and Caribbean countries have also collectively engaged in global diplomacy through forums such as the Community of Latin American and Caribbean States, or CELAC, summit with China in January 2015; the 2005, 2009, and 2012 summits between members of the Union of South American Nations and members of the Arab League; and the 2013 and 2015 summits between CELAC and the European Union.

Economically, the global engagement has been even more pronounced. Between 2000 and 2014, China’s explosive growth and its increased demand for commodities led to a 22-fold expansion of trade between China and countries in the Americas, resulting in China becoming the largest trading partner of Brazil, Chile, and Peru while becoming the second or third most important trading partner for many of the rest of the countries in the region. Chinese foreign direct investment, or FDI, has averaged more than $17 billion per year since 2009, although much of it has been geared toward the unsustainable and quasi-colonial acquisition of raw materials.

China, however, is by no means the only trade partner for an increasingly diversified region. Chile has the world’s largest number of formal free trade agreements—56. And in 2015, Latin America and the Caribbean comprised the world’s fourth-largest FDI destination, behind only developing Asia, Europe, and North America.
Increasingly globalized Latin American companies, the so-called multilatinas, have reinforced the region’s political and economic global insertion, as outbound FDI from the Americas has increased 47.6 percent since 2005, reaching $47.4 billion in 2015.\(^{12}\)

This increased economic and political engagement presents real opportunities for the United States to advance its global interests by cultivating more capable partners with shared interests. It also underscores the negative effects that alienating these potential partners could have.

Recent events underscore opportunities. Mexico, for example, which straddles the developed and developing world, has been an important player in recent global climate negotiations.\(^{13}\) In 2011, the United States and Brazil launched the Open Government Partnership to champion greater transparency and accountability around the world.\(^{14}\) Uruguay is consistently one of the world’s top troop contributors per capita to U.N. Peacekeeping Operations, or UNPKO,\(^{15}\) an area in which Brazil has been deeply engaged and in which Mexico and Colombia have committed to increase their respective participation.\(^{16}\)

In short, the Americas’ growing global engagement means that the United States—if it chooses to engage and not to antagonize—has a broader set of potential partners with which to construct a modern, rules-based, liberal international order. To leverage that engagement, the United States must embark on a concerted effort to work with those countries that have shown both the capacity and the will to take on global responsibility, starting with those engaged in key existing global institutions, such as the G-20, APEC, and UNPKO, and those that have demonstrated a clear desire to engage constructively. Colombia, as Latin America’s fourth-largest economy and a key member of the Pacific Alliance, has also indicated such a desire through its efforts to join the Organisation for Economic Co-operation and Development, or OECD,\(^{17}\) and its engagement with NATO and UNPKO.\(^{18}\)

To that end, the next U.S. administration should:

- Make presidential- and vice presidential-level consultation a routine matter on global issues with Mexico, Brazil, Argentina, Chile, Colombia, Mexico, and Peru
- Create formal, cabinet-level, global dialogue mechanisms where they do not already exist, such as in Chile and Peru; bolster them where they do, such as in Mexico, Brazil, Argentina, and Colombia; and regularly consult on global issues through and beyond those formal mechanisms
- Continue to support Colombia’s accession into the OECD and work to include it in APEC in order to add another like-minded partner to a vital Asia-Pacific forum

---

\(^{12}\) CAF/Policy Brief

\(^{13}\) CAF/Policy Brief

\(^{14}\) CAF/Policy Brief

\(^{15}\) CAF/Policy Brief

\(^{16}\) CAF/Policy Brief

\(^{17}\) CAF/Policy Brief

\(^{18}\) CAF/Policy Brief
Leverage connectivity

As countries across the Americas have become more globally engaged, some have fretted about a supposed loss of U.S. influence in the Americas.19

Although some commentators advocate for revitalizing 19th-century policies such as the Monroe Doctrine to impose greater U.S. influence, 21st-century realities require and provide a different set of tools to expand influence and advance U.S. interests.

In a competition for regional influence, it is incumbent on the next administration to maximize a unique U.S. comparative advantage—the deep interconnections that exist between the United States and the rest of the Americas at a people-to-people level that no other country can come close to matching. Instead of viewing the large immigrant community of Latin American origin as some sort of dangerous other, the new administration should recognize that those who trace either their origin or their heritage to the other countries of the Americas—similar to all those whose ancestors came to the United States—are an indispensable American asset. This is true both at home and in U.S. relations with other countries, given cultural, political, economic, and social connections.

A core source of the United States’ comparative advantage is that it is home to more than 54 million Hispanics—almost one-fifth of its total population. By 2043, when the United States is expected to reach the threshold of having no racial majority, nearly one-third of the U.S. population will be Latino.20 Critical to understanding the full scope of this comparative advantage is a recognition that—as outlined in the CAP and Centro de Investigación y Docencia Económicas, or CIDE, report “Latinos Are Shaping the Future of the United States”21—the story of U.S. Latinos is not the stereotypical story of poor immigrants. Instead, U.S. Latinos have a combined purchasing power roughly equivalent to Mexico’s GDP22 and a per capita income higher than that of the populations of any of the BRICS countries.23 U.S. Latinos are already marrying their economic success with their familial ties, directly affecting economies across the Americas as key drivers of U.S.-origin remittances that account for more than 10 percent of the GDPs of a handful of countries. The remittances totaled $65 billion in 2015.24

To leverage these deep interconnections fully, the United States needs to get a key domestic policy right: bringing the U.S. immigration system into the 21st century. Although this should be done first and foremost to make good on the promise of America as a land of laws and immigrants, it is the single most important act the next administration could take to advance U.S. interests in the Americas.
The lack of reform and the public vitriol surrounding the current U.S. immigration system undermine U.S. interests across the region. Current and former Latin American leaders—including Pope Francis, Chilean President Michelle Bachelet, Peruvian President Pedro Pablo Kuczynski, Mexican President Enrique Peña Nieto, Colombian President Juan Manuel Santos, former Mexican President Felipe Calderón, former Mexican President Vicente Fox, and former Colombian President César Gaviria—have criticized the tenor of the current immigration debate in the United States and have expressed concerns for the underlying implications of anti-immigrant rhetoric. Unless such rhetoric is abandoned and repudiated, it will have negative spillovers in the Americas that affect a range of U.S. policies and interests.

In addition to helping restore moral leadership and boosting the U.S. economy, reform that includes a pathway to citizenship and values family reunification would have a wide range of practical effects on separated families across the Americas. Many of the family members still in the Americas must wait years—if not decades—to access the United States’ legal visa system. A system that rationally addresses the future flow of workers would also have profound economic and societal effects by restoring at least some circularity to immigration patterns in the Americas.

Leveraging connectivity to advance U.S. national interests, however, requires more than restoring common sense to the U.S. immigration system. It also demands bringing coherence and scale to a series of initiatives—of varying size and impact—that have emerged in recent years. The Obama administration launched Women’s Entrepreneurship in the Americas, or WEAmericas; Latin America IdEA Partnership, or La Idea; the Small Business Network of the Americas; and the Young Leaders of the Americas Initiative to deepen engagement with diaspora communities to help promote the economic development and innovation of small- and medium-sized enterprises across the Americas, particularly those owned by members of traditionally marginalized groups. Similarly, it launched 100,000 Strong in the Americas to raise previously anemic levels of student exchange between the United States and the rest of the countries in the region.

All of these public-private partnership initiatives stem from the understanding that connectivity and proximity can be used to advance core U.S. interests. To date, these initiatives have lacked coherence and sufficient investment to help make their aspiration a reality. Four of the five initiatives—WEAmericas, La Idea, the Small Business Network of the Americas, and the Young Leaders of the Americas Initiative—amount to variations on the theme of empowering marginalized small-business owners.
To leverage connectivity in the Americas to advance U.S. national interests, the next administration should:

- Work with Congress to enact commonsense immigration reform that provides a pathway to citizenship for the current unauthorized population; places a premium on family reunification; and establishes a rational worker system—which, among other things, would align the need for workers in the United States with the availability of legal visas for these workers to use
- Preserve administrative actions designed to improve the U.S. immigration system and keep families together
- Consolidate and rebrand initiatives, including those listed above, that are aimed at leveraging diaspora connectivity with countries of heritage and of origin of U.S. diaspora communities as ConnectAmericas initiatives, as well as those that seek to leverage proximity, and organize them
- Invest adequate U.S. government resources to stimulate greater private-sector investment in the public-private partnerships at the heart of these initiatives

Prioritize citizen security

Insecurity plagues the Americas. Crime, violence, corruption, and weak rule-of-law institutions are defining characteristics of too many societies throughout the Western Hemisphere. Citizens throughout the region, meanwhile, regularly identify insecurity as the most significant daily challenge they face.33

In 2015, countries in the Americas held 7 of the 10 highest per capita homicide rates in the world.34 El Salvador, which experienced 103 homicides per 100,000 residents, replaced Honduras, which had 57 homicides per 100,000 residents, as the region’s most violent country; Venezuela suffered 90 homicides per 100,000 residents; and even traditionally tranquil Costa Rica experienced an unprecedented number of homicides with 11 homicides per 100,000 residents.35

Until recently, U.S. security policy in the Americas was driven by two 20th-century frameworks—the Cold War and the war on drugs—that do not adequately address today’s insecurity. Countries across the region have increasingly rejected the war on drugs. In 2009, the Latin American Commission on Drugs and Democracy called for alternative strategies and a re-evaluation of prohibitionist-oriented international drug policies.36 This call was adopted across the region in the wake of the sixth Summit of the Americas held in 2012 in Cartagena, Colombia, as a growing chorus of leaders openly questioned the basic premises of the war on drugs.37
Experience in the Andean region, in particular, calls for reflection on the efficacy of supply side-focused approaches to combating drug trafficking, especially as it relates to drug use in the United States. During the past four decades, the United States has invested billions of dollars in coca eradication efforts in the Andean region. From 2000 to 2008, the United States invested more than $4 billion in Colombia alone. During the same period, the number of hectares of coca cultivation in the region remained steady, with decreases in one country offset by increases elsewhere. The experience of Colombia certainly raises a cost-benefit question: The country eradicated more than 1 million hectares of coca from 2002 to 2015, yet the number of hectares under cultivation rose from 144,450 in 2002 to 159,000 in 2015.

To deal with the very real challenges of drug abuse in the United States, including the burgeoning opioid epidemic, the United States needs to turn to an approach that primarily deals with drug abuse as a public health crisis instead of as a law enforcement challenge or a challenge that can be overcome through eradication and interdiction.

In fact, U.S. security policy in the Americas should pivot away from the war on drugs’ focus on eradication and interdiction and focus primarily on promoting citizen security, as the United States is more secure and its regional interests are more effectively advanced when citizens across the Americas are less vulnerable in their daily lives. This is particularly true because the drug trade is best understood as both a symptom and an accelerant of the underlying dynamics that feed insecurity, including weak rule-of-law institutions, endemic corruption, and uneven economic development.

A U.S. approach needs to prioritize the creation and bolstering of rule-of-law institutions to combat multifaceted transnational criminal organizations, or TCOs, as well as common crime. The approach also needs to factor in the crucial link between economic development and physical security.

The past eight years have seen a shift toward a citizen security approach to U.S. security cooperation in the Americas. More needs to be done, however. Nowhere is an emphasis on citizen security more necessary than in the Northern Triangle of Central America comprised of El Salvador, Guatemala, and Honduras. As outlined in CAP’s recent report “A Medium- and Long-Term Plan to Address the Central American Refugee Situation,” it is in the United States’ national interest to promote an integrated strategy that provides people—particularly teenagers and young adults—an option beyond being forced to join criminal gangs or fleeing their country of origin in hopes of arriving in the United States.
Advancing U.S. security interests in the Americas will require finding ways to maintain and deepen cooperation with Mexico—on security and the whole range of bilateral issues, as security issues cannot be addressed in isolation. Sparking a trade war or attempting to erect a wall between the United States and its most important partner would make such cooperation impossible. Instead, a pragmatic approach to Mexico is needed, as U.S. interests are more readily advanced through cooperation, not confrontation. Part of a pragmatic approach includes fostering needed security-related advancements in Mexico, a country that unquestionably confronts rule-of-law weaknesses to its own detriment and the detriment of its neighbors, including the United States. Again, an approach that leverages people-to-people connectivity and the promise of cross-border civil society cooperation would go a long way toward advancing U.S. interests.

To put citizen security at the heart of U.S. security policy in the Americas, the next administration should:

• Adopt the full range of recommendations described in “A Medium- and Long-Term Plan to Address the Central American Refugee Situation,” including:
  – Ensuring a focused effort in spending the more than $1 billion in funds for the Northern Triangle by designating a senior-level, special presidential coordinator to bridge bureaucratic divisions in the U.S. government, as well as adopting an enhanced version of the Partnership for Growth in order to integrate cooperation across all departments and agencies supporting citizen security efforts in the Northern Triangle
  – Designating for sanctions additional criminal organizations that are responsible for the crime and violence, as well as the wide-scale human trafficking they engage in across the region and into the United States
  – Targeting bulk cash—the lifeblood of many TCOs—by, at a minimum, radically reducing—if not altogether eliminating—high-denomination bills
  – Leveraging the Inter-American Development Bank, or IDB—for which the United States is the largest shareholder—as a source of funding and technical assistance for development projects given the importance of the economic development component to a comprehensive approach to enhancing citizen security
• Apply a citizen security approach to ongoing support for Colombia as it seeks to reach and implement a formal and definitive peace with the Revolutionary Armed Forces of Colombia, or FARC, and the National Liberation Army, or ELN, to continue Colombia’s evolution from a near-failed state into an OECD member
• Provide technical and indirect support to the greatest extent possible—by leveraging civil society ties—to Mexico’s continued economic development and growth and the building out of robust rule-of-law institutions and culture
• Ensure that efforts to improve citizen security in the region do not come at the expense of providing access to asylum in the United States and protecting asylum seekers throughout the region, as recommended in CAP’s “A Short-Term Plan to Address the Central American Refugee Situation”

Advance energy and climate cooperation

The importance of energy and climate dynamics in the Americas is near impossible to overstate.

Countries of the Western Hemisphere are the source of more than 65 percent of energy imported into the United States. The Western Hemisphere is home to five of the world’s top 15 fossil fuel producers, as well as the most diverse and cleanest energy matrix in the world. It includes a country—Costa Rica—that has relied solely on renewable energy sources for months at a time. However, the hemisphere is also marked by a significant number of small countries—particularly those in the Caribbean Basin—that are dangerously addicted to diesel fuel for electricity production and whose small market size and dispersed geography make it difficult to diversify.

At the same time, the ravages of climate change are manifest daily throughout the Western Hemisphere. From drought and desertification in Central America and southern Mexico to rising sea levels in the Caribbean to permanent glacier melt and resulting fresh water shortages in the Andean highlands, countries across the Americas are particularly vulnerable to the effects of climate change.

Such consequences have significant adverse effects on economic development and living patterns across the region, fueling hyper-urbanization, as well as significant cross-border migration. High-emissions pathways are also high cost because of the destructive effects of climate change, which include not only storms, wildfires, and sea-level rise but also harms to human health and agriculture. Falling behind on clean energy development and deployment means losing economic opportunities and becoming less competitive globally. In 2016, which is set to be the hottest year on record, there have been 12 severe weather and climate-related events in the United States alone, each with losses of more than $1 billion.
Many countries in the region have played—and continue to play—pivotal roles in the global effort to curb carbon pollution and build resilience to the effects of climate change. Mexico, for example, was among the first countries to submit a national climate goal in the run-up to the Paris Agreement and set a global example by articulating an unconditional emissions reduction target. It also was among the first countries to financially back the multilateral Green Climate Fund, which is a key channel for helping developing countries shift to clean energy and adapt to climate change. Brazil—a major emerging economy and home to the Amazon rainforest, known as the “lungs of the Earth”—provided momentum in the Paris negotiations when it joined the so-called High-Ambition Coalition, which worked to craft an agreement that would be sufficiently strong to rein in climate change. Caribbean nations have been important members of the Alliance of Small Island States, or AOSIS, which is a strong voice in the negotiations given the existential threat the states face from rising sea levels. AOSIS successfully pushed for the agreement to include a goal of limiting warming to no more than 1.5 degrees Celsius above preindustrial levels. Former Costa Rican diplomat Christiana Figueres ably led the international negotiations of the Paris Agreement and former Mexican Secretary of Foreign Affairs Patricia Espinosa is spearheading follow-up efforts.

To date, the United States has been a global leader on climate cooperation, including being a vital force in shaping the Paris Agreement, but its role is now uncertain. It is clearly in the U.S. national interest to remain in the agreement and work with partners across the Americas rather than court international isolation and domestic decline.

In recent years, the United States has engaged, with mixed success, with countries across the region on energy and climate issues. One of President Obama’s early signature regional initiatives, the Energy and Climate Partnership of the Americas, managed to make technical advancements across a range of clean energy initiatives but has failed to achieve broader traction in the region’s efforts to address energy security and climate change. The Obama administration’s 2012 push to advance hemisphere-wide electricity interconnection—Connect 2022—remains very much a work in progress, dependent on subregional efforts that have advanced to varying degrees.

Vice President Joe Biden hosted two Caribbean energy summits—in 2015 and 2016—with promising yet limited results. The summits were held in response to the unraveling of Venezuelan fuel subsidies in the Caribbean Basin, distributed through a program known as Petrocaribe, and the potential attendant macroeconomic instability in several countries.
In June 2016, President Obama used the North American Leaders’ Summit, or NALS, to make important advancements in the fight against climate change. The United States agreed with Mexico and Canada to reach 50 percent clean energy generation across North America and to reduce methane emissions 40 percent to 45 percent, both by 2025. As is the case elsewhere, the work done at the 2016 NALS was an important effort that laid a foundation upon which the next administration should build rather than turning its back on the realities of climate change and the challenges it poses for the United States, its neighbors in the Americas, and the world as a whole.

To seize the clean energy opportunity in the Americas and band together to confront climate change, the next administration should:

• Prioritize the interrelated issues of energy security and climate change in its bilateral and regional diplomacy in the Americas
• Include North American, cross-border electricity interconnection investment in any national infrastructure investment plan to create more capacity for bringing renewably generated electricity to market
• Complete implementation of the climate-related measures adapted at the 2016 NALS and expand efforts to include the recommendations made in CAP’s “Proposals for a North American Climate Strategy,”58 such as considering the cost of carbon pollution in infrastructure investment decisions and collaborating to create, strengthen, and expand carbon pricing systems
• Accelerate efforts to create incentives for private-sector investment in the transition across the Caribbean Basin from diesel-fueled electricity to cleaner electricity.

Reform the inter-American system

The emergence or dramatic expansion of several multilateral forums and institutions in the Americas that—often by design—do not include the United States has complicated U.S. regional and global diplomacy over the past decade. Concern regarding the intentions of the next administration in the conduct of international affairs generally—and particularly in the Americas—will likely give a boost to these organizations and leave the United States more isolated than ever in the Western Hemisphere unless it takes action. Therefore, it is in the U.S. national interest to revitalize the world’s oldest and most complete set of regional, multilateral institutions—the inter-American system—to advance key U.S. policy objectives in the Americas, including actively defending democracy and human rights; enhancing equitable development and citizen security; combating endemic corruption; and preventing and managing pandemic health threats.
The basic contours of the inter-American system—centered around the Organization of American States, or OAS, with key constituent entities such as the Inter-American Commission on Human Rights; the Inter-American Court of Human Rights; the IDB; and the Pan American Health Organization, or PAHO— took shape in the post-World War II era and have remained largely the same despite the profound changes that the region has experienced in recent decades.

A series of interlocking reforms would help reflect 21st-century realities and allow each component to focus on its core missions. Revitalization of the OAS—the world’s oldest multilateral organization—would have certain advantages upfront, as its membership encompasses all countries in the Western Hemisphere. The same is not true of the IDB, of which neither Cuba nor five eastern Caribbean countries are members.

Funding for both the OAS and the IDB has not kept up with the times. The OAS’ funding mechanism remains mired in the past, with the United States providing approximately 60 percent of its annual $70 million budget. Countries including Brazil, Colombia, Peru, and Chile, which have seen marked economic development in recent decades, undercontribute. At the same time, budget constraints have begun to negatively affect the OAS’ ability to attend to core competencies, such as defending human rights, across the region.

Reform is already underway to adjust the OAS budget to a sounder footing. A budget-sound OAS would be able to focus on advancing the shared values of respect for human rights and democracy. It would also be able to expand anti-corruption efforts across the region, an area in which it has been engaged for decades. For example, it acted as the technical secretariat of the 1996 Inter-American Convention Against Corruption, and it has recently established the high-profile Mission to Support the Fight against Corruption and Impunity in Honduras, or MACCIH.

For most of its history, the IDB, founded in 1959, operated with little meaningful regional competition, but that has changed dramatically in recent years. Corporacion Andina de Fomento—the development bank of Latin America—for example, which until 1990 was a subregional institution with five members, now has 19 members. From 2011 to 2015, it approved more than $55 billion in financing for development projects across the Americas. In that same period, Brazil’s development bank disbursed more than $400 billion in Brazil and throughout the region. During the past 10 years, China has loaned more than $120 billion to governments and firms in the Americas. For comparison, IDB-approved lending in the region was $14 billion in 2013, $13.8 billion in 2014, and $11.3 billion in 2015.
Increased lending capacity is key for the IDB to remain relevant. So too is ensuring its commitment to small-scale, high-impact development projects and technical assistance programs that can help change the trajectory in some of the region’s more challenging subregions. The IDB, for example, is playing an essential role in implementing the Alliance for Prosperity and Security in the Northern Triangle, a program launched by the countries of the Northern Triangle. The program’s success is in the direct national interest of the United States as an essential element of promoting citizen security and stability across the Northern Triangle and helping stem migration from those countries.68 The IDB has also played an important role in efforts to help Haiti recover from its devastating January 2010 earthquake.69

Although lower profile than its sister organizations in the inter-American system, PAHO is a vital institution whose importance has grown as threats from pandemic diseases have proliferated. In the past seven years, for example, two pandemic diseases sprang from the Americas to capture global attention and immediately affect U.S. public health—2009’s H1N1 influenza virus and the current Zika virus outbreak. PAHO has been instrumental in addressing the challenges associated with both.70

Because U.S. leadership is necessary but not sufficient by itself to update the inter-American system, the next administration should:

• Work with IDB members to align the membership of the OAS and the IDB by including the countries of the eastern Caribbean71
• Consolidate development projects and programs within the inter-American system at the IDB
• Work with Congress to increase the United States’ overall capital commitment to the IDB and support the recapitalization of the IDB’s innovative Multilateral Investment Fund that supports the development of microenterprise in the Americas
• Encourage a greater emphasis on smaller-scale development lending and projects in countries at the lower end of the region’s income scale, including the proposed new members from the eastern Caribbean
• Propose reallocating resources and updating the OAS quota system to make the organization less dependent on U.S. funding over time, while maintaining U.S. funding at current levels during a transition to an updated system, and focus it on its core competencies of defense of democracy, human rights, and transparency

Constructive engagement, rather than isolation, will ensure the advancement of key U.S. policy objectives in the Americas—particularly as Latin American and Caribbean governments continue to pursue broader global ties and agendas.
Conclusion

In working to deepen partnerships across countries in the Americas with an array of sizes, necessities, and capabilities, it is vital that the United States never lose sight of present opportunities. These include not only opportunities to improve the lives of people in the United States but also to help people throughout the entire Western Hemisphere. Seizing these opportunities, of course, will only be possible if the next administration sends unmistakable signals in its words and actions that it does not see the Americas as a land of threats from which the United States must attempt to wall itself off but rather as a hemisphere in which we have a shared destiny and a bright shared future if we work together in partnership.
About the authors

Dan Restrepo is a Senior Fellow at the Center for American Progress. For nearly six years and through two presidential campaigns, Restrepo served as the principal adviser to President Barack Obama on issues related to Latin America, the Caribbean, and Canada, serving as special assistant to the president and senior director for Western Hemisphere affairs at the National Security Council from March 2009 to July 2012 and as an adviser to and surrogate for Obama for America during the 2008 and 2012 campaigns. Previously, Restrepo created and directed The Americas Project—focused on Latin America and on the role of Hispanics in the United States, their future, and the implications for public policy—at CAP. First joining CAP shortly after it was established, Restrepo also helped stand up its government and external relations department and served as deputy counsel. Restrepo served as a judicial clerk to Judge Anthony J. Scirica of the U.S. Court of Appeals for the Third Circuit. Restrepo also worked for Rep. Lee H. Hamilton (D-IN) on the staff of the House Foreign Affairs Committee in the mid-1990s.

Michael Werz is a Senior Fellow at the Center. His work as member of the National Security and International Policy team focuses on the nexus of climate change, migration, and security and emerging democracies, especially Turkey, Mexico, and Brazil. He has been a senior trans-Atlantic fellow at the German Marshall Fund, working on trans-Atlantic foreign policy and the European Union. He has held appointments as a public policy scholar at the Woodrow Wilson International Center for Scholars in Washington, D.C., and as a John F. Kennedy Memorial Fellow at Harvard’s Minda de Gunzburg Center for European Studies.

Joel Martinez is the Mexico Research Associate on the National Security and International Policy team at the Center. He received his master’s degree from the School of Global Policy & Strategy at the University of California, San Diego, where he focused on international politics and economic development within Latin America. He previously interned with the Washington Office on Latin America and graduated with a bachelor’s degree in Latin American and Latino studies from the University of California, Santa Cruz.
Endnotes


23 Nielsen, “State of the Hispanic Consumer.”


41 A holistic approach to advancing security was, for example, at the core of the Obama administration’s evolution of cooperation with Mexico under the Merida Initiative. The formulation of the administration’s support for the countries of the Northern Triangle of Central America emphasized the inextricable link between economic development and physical security. President Obama’s 2010 executive order, which laid out a new national strategy to combat TCOs, a new set of tools that have been used to target organizations such as the Zeta and Sinaloa cartels in Mexico and Mara Salvatrucha 13, or MS-13, that undermine security in the region and in the United States. Thus, investment in addressing drug abuse as the public health crisis that it is has increased significantly.


43 Ibid.


45 U.S. Energy Information Administration, “Petroleum and Other Liquids.”


47 Bec Crew, “Costa Rica has been running on 100% renewable energy for 2 months straight,” ScienceAlert, September 7, 2016, available at http://www.sciencealert.com/costa-rica-has-been-running-on-100-renewable-energy-for-2-months-straight.


55 For more information, see Energy and Climate Partnership of the Americas, available at http://www.epcamericas.org/ (last accessed December 2016).


57 For more information on Vice President Biden’s efforts, including on the status of cooperation and needed next steps, see U.S. Department of State, “U.S.-Caribbean-Central American Energy Summit” (2016), available at http://www.state.gov/p/wha/rt/uscaecs/.


59 For much of its history, the OAS was under-representative of the Americas. Anglophone countries of the Caribbean, for example, did not become members until the 1980s. Canada, with the second-largest economy in the Americas, did not become a member until 1990. From 1961 to 2009, Cuba’s membership was suspended, and today its full integration hinges both on its desire to return and its willingness to abide by the commitments to human rights and democracy made by all member states through adoption of the OAS Charter, the 2001 Inter-American Democratic Charter, and the organization’s other foundational documents. For more information, see Organization of American States, “Proceedings Volume I: Certified Texts of the Declaration and Resolutions” (2009), available at http://www.oas.org/en/sla/docs/AG04688E08.pdf.

60 Antigua and Barbuda, Dominica, Grenada, Saint Kitts and Nevis, and Saint Vincent and the Grenadines

61 The OAS Revitalization and Reform Act of 2013 calls on the OAS to alter its fee structure within five years so that no member state is responsible for more than 50 percent of the organization’s assessed dues. See Organization of American States Revitalization and Reform Act of 2013, Public Law 113–41, 113th Cong., 1st sess. (October 2, 2013).

62 Brazil, despite having grown to have one of the 10 largest economies in the world, has long been in arrears to OAS—although it recently paid its $4 million share for 2014. Colombia, which was still a struggling country when the OAS quota system was last changed in 2007, is today on the verge of joining the OECD but remains a net recipient, not a net supporter, of the OAS. In recent years, Chile has also joined the OECD and should be able to provide more support for OAS. For more information, see Meyer, “Organization of American States.”


71 Entry of these five countries in the IDB would require the consent of the institution’s borrowing members as the IDB maintains a 50-50 balance between lending and borrowing shareholders and the five new members would have to be added to the borrowing side of that divide. Minimal concessions by the IDB’s largest borrowers, such as Mexico, Colombia, Brazil, and Venezuela, would provide more than enough shares to distribute to the five new members.
Our Mission

The Center for American Progress is an independent, nonpartisan policy institute that is dedicated to improving the lives of all Americans, through bold, progressive ideas, as well as strong leadership and concerted action. Our aim is not just to change the conversation, but to change the country.

Our Values

As progressives, we believe America should be a land of boundless opportunity, where people can climb the ladder of economic mobility. We believe we owe it to future generations to protect the planet and promote peace and shared global prosperity.

And we believe an effective government can earn the trust of the American people, champion the common good over narrow self-interest, and harness the strength of our diversity.

Our Approach

We develop new policy ideas, challenge the media to cover the issues that truly matter, and shape the national debate. With policy teams in major issue areas, American Progress can think creatively at the cross-section of traditional boundaries to develop ideas for policymakers that lead to real change. By employing an extensive communications and outreach effort that we adapt to a rapidly changing media landscape, we move our ideas aggressively in the national policy debate.