

Compact for a new world

An Open Letter
to
The Heads of State and Government
and Legislators
of the Americas
from the members of
THE NEW WORLD DIALOGUE
ON ENVIRONMENT AND
DEVELOPMENT
IN THE WESTERN HEMISPHERE

Your Excellencies:

Alarmed by a decade of accelerating environmental damage and rising poverty, we, the undersigned, members of the New World Dialogue, respectfully appeal to you to begin now to forge the international initiatives and agreements necessary for lasting prosperity and environmental protection in the Americas. Our belief is that nothing less than an international *Compact for a New World* is needed.

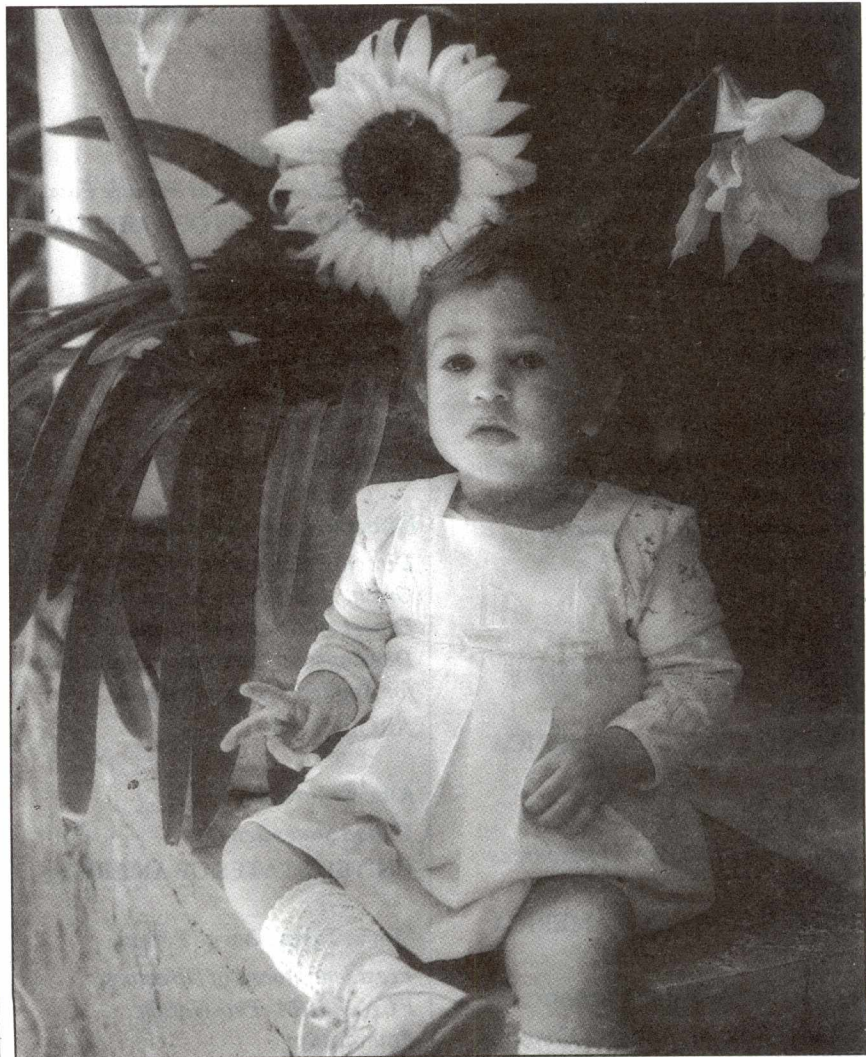
Men and women from diverse cultures, we speak different languages, work in different professions, and hold different political views. Nevertheless, we have found common ground. As we have worked on this *Compact*, our initial differences came to seem trivial compared to the problems that press ever harder on our hemisphere—global warming, forest loss, debt, poverty, population pressure, lagging trade. Our hope is that you also will put aside your differences and work with other governments, making reciprocal commitments to solve these problems, starting at the 1992 Earth Summit in Rio de Janeiro.

In the following pages, you will find some specific proposals—North-South bargains for mutual benefit. We urge, for instance, that our governments, which have so long neglected the environment and the poor, now put

them *first*. We propose that population stabilization by mid-century become an explicit goal for our countries and that this be matched by reductions in the consumption of resources by the well-to-do, wherever they live. We want Canada and the United States to sharply curtail their per capita use of energy, thus reducing their damaging emissions of greenhouse gases and other pollutants, while the Latin

American and Caribbean countries halt and then reverse deforestation. We want strong laws and regulations and rigorous enforcement to protect the environment, even as we reform our economies and unleash the energy of communities and private enterprise everywhere.

We welcome the stimulus to economic growth that increased trade could bring in our hemisphere. But



Development to meet the needs of the present with thought to the future.

trade initiatives will promote only the inequitable and environmentally unsustainable growth of the past unless accompanied by powerful complementary initiatives such as those that we propose here.

We believe that the eight initiatives in our Compact for a *New World* are realistic and feasible. Please accord them your highest immediate attention and join with other nations at the 1992 Earth Summit in Rio de Janeiro in formalizing the necessary commitments, both global and regional. We urge you to contribute all that you can, on behalf of your country and your people, to the common solutions and the cooperative endeavors that are within reach.

We see the difficulty of the political challenges ahead. We are confident, however, that our historical and cultural ties, our widening embrace of democracy, and the leadership that you can provide will make it possible to find the solutions desperately needed the world over.

Respectfully,

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October 1991

New world dialogue on environment and development in the western hemisphere

In 1990, with colleagues from Latin America and the Caribbean, Canada, and the United States, the World Resources Institute organized a New World Dialogue on Environment and Development in the Western Hemisphere. This non-governmental initiative aims to help move the governments of the hemisphere toward the international commitments needed to secure economic development that is environmentally sustainable and socially equitable.

Women and men from twelve countries are members of the Dialogue. They come from many walks of life -from universities, business, environmental organizations, policy institutes, national legislatures,

and city politics- and bring to this endeavor broad experience and a redoubtable commitment to making a difference in the hemisphere.

The New World Dialogue was organized in Mexico in September 1990. Subsequent meetings were held in Caracas and Washington, D.C. As a first step, the Dialogue has drawn up a North-South compact calling for specific international commitments by the hemisphere's governments.

We single out the Western Hemisphere for several reasons, not least because this is where we live and where our future lies. Despite political differences over the years, we are bound by many real geographic, ecological, economic, and cultural ties. Through our numerous regional and subregional institutions, we have already acquired habits of cooperation. The past decade has seen a resurgence of democratically elected leadership, and, with it, heightened concern for the well-being of all citizens. The waning of the Cold War and wars in Central America offers breathing space and hope for reducing military expenditures. The phenomenal growth of "green" movements and civic and local community organizations throughout the hemisphere signals that citizens are aware of the impact of environmental degradation on everyday life and are demanding change.

Across the Americas, we see a growing convergence of values and interests that, combined with increased political will, could permit us to tackle a common hemispheric agenda. No part of the hemisphere is without serious problems, but neither is any part without significant intellectual and natural resources to bring to the task. It is fitting, therefore, that we, in the Americas, take the initiative in meeting the challenges that face the world.

Ultimately, all nations must be partners in this compact to sustain the earth and its people. Economic and environmental challenges are bigger

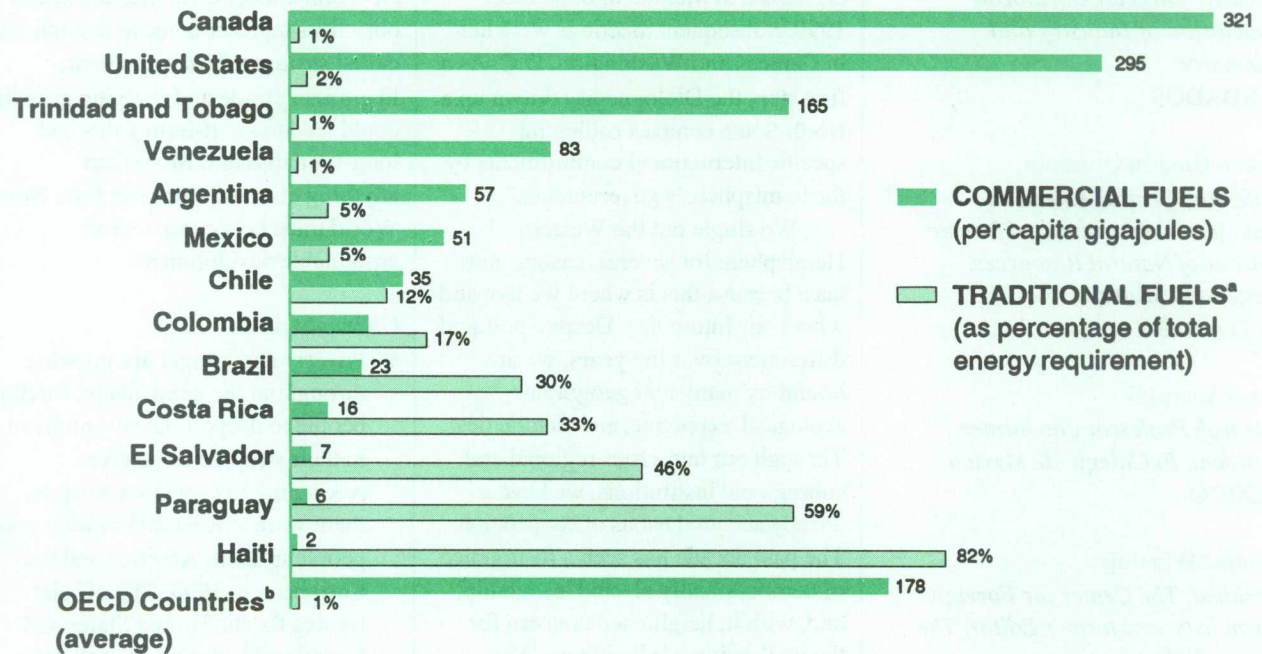
than any one region, and many require global solutions, lest the whole world face a degraded, impoverished future.

Unless major complementary initiatives are undertaken to bring environmental, economic, and social objectives together in the new synthesis called *sustainable development*, liberalizing trade and reviving growth could lead to short-term gains and long-term disaster. More than anything else, the Compact for a New World must be a compact for sustainable development.

Current trends

- Poverty and hunger are growing throughout the hemisphere, forcing people to despoil the environment in their struggle to survive. According to Our Own Agenda, there were at least 204 million poor people in Latin America and the Caribbean in 1990. The official figures for the United States and Canada add another 38 million. Real per capita income for Latin America as a whole fell by almost 1 percent a year from 1981 through 1990. Wages have deteriorated badly, by 50 percent or more in some places. Income disparities in the hemisphere are among the world's highest, posing threats to political and social stability in some places. The most vulnerable groups, women and children, suffer the most from poverty throughout the hemisphere.
- Although birth rates have fallen over the last 30 years, population growth in the Americas still outstrips our ability to provide jobs and services to all who need them. In Latin America and the Caribbean, 44 percent of the labor force is unemployed or eking out a substandard living. The quality of housing, health care, and education grows steadily worse. In the United States and Canada, too, citizens share these concerns.

Per capita commercial fuels consumption and relevance of traditional fuels, selected countries, 1988



Source: United Nations (UN), Department of International Economic and Social Affairs, Statistical Office, *1989 Energy Statistics Yearbook*, (UN, New York, 1991).

Notes: ^a Traditional fuels include wood, charcoal, and agricultural wastes.

^b The countries belonging to the Organization for Economic Cooperation and Development are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, The Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom, and the United States of America.

- Soils, forests, and water supplies are being laid waste, along with the plants and animals that depend on them. Encouraged by tax breaks and hidden subsidies for developers, as well as by the desperation of the poor for land to farm, deforestation claimed some 7 million hectares a year of irreplaceable tropical forest during the 1980s. Temperate forests in both North and South America are also being cut at unsustainable rates. Overgrazing, badly managed irrigation systems, and overuse of pesticides are degrading soil and water quality from Canada to Argentina. Overfishing, pollution,

silting, and other forms of habitat destruction are depleting aquatic life.

- The waste of energy and other resources is evident throughout the hemisphere, particularly in Canada and the United States, where per capita resource consumption and waste generation are the highest in the world. At the same time, millions in Latin America and the Caribbean go without the energy services needed for development.
- Many of our cities –home to three quarters of our people– have become sinks for pollution, crime, congestion, and social unrest. Housing, water supply, sanitation, and other urban services, never

adequate, lag farther and farther behind as urban populations skyrocket. Drug trafficking is a universal problem.

- Budget austerity in the 1980s, when university and research funds were slashed, cut deeply into the capacity of Latin American and Caribbean institutions to develop the technologies and technical training required for sustainable development. Critical expertise continues to be lost through emigration to the more highly industrialized countries. Meanwhile, much of the needed technology resides in private companies in the United States and

other wealthy countries, financially out of reach for many.

- Our ability to tackle urgent social and environmental problems is constrained by past economic waste and mismanagement. Most of our countries are deeply in debt, and the need to service it keeps budget deficits high, fuels inflation, saps investor confidence, and –where hard currency must be earned for debt servicing– distorts economies. In fact, resource transfers in the hemisphere have reversed direction: since 1982, Latin America and the Caribbean have transferred a net U.S. \$20 to \$30 billion a year to the industrial world. Added to capital flight, this hemorrhage of capital deprives countries of resources needed for investment and crucial imports, to say nothing of basic social programs.

Initiatives

1. A forestry initiative to reverse deforestation and protect biological resources

Temperate zones. Canada, the United States, Argentina and Chile would stop overcutting their temperate forests, protect key habitats, and move quickly to sustainable forestry on both public and private lands. Among other things, this would entail ending subsidized timber cutting and easing the economic transition for timber-dependent communities. In particular, ancient forest reserves would be established in the Pacific Northwest region of the United States and Canada to preserve unique and rapidly disappearing ecosystems.

Tropical forests. For their part, tropical countries would halt and then reverse net forest loss by reforming policies that promote deforestation, creating economic opportunities that take pressures off forest areas, and developing broadbased programs to promote afforestation, sustainable forest management, and livelihoods

based on nontimber forest resources. Both market incentives and government regulation will be required, particularly to control the destructive activities of some ranchers, miners, and timber companies.

International assistance. North America has a vital interest in the well-being of tropical forests, for both their biological diversity and their function as carbon sinks. The United States and Canada would therefore provide major support for Latin American and Caribbean efforts to conserve forests and bring them under sustainable management. This would include, depending on national needs, not only direct support for national forestry plans, but also assistance in addressing such underlying causes of deforestation as poverty, inequitable access to land, population growth, and the need to service international debt. Latin American and Caribbean countries would contribute development funds too. Major new funds could become available through debt reduction or direct financial aid from a new international ecofund or sustainable development facilities established within the multilateral development banks (see Financial Initiative).

Biological diversity. Good management of forests, wetlands, coastal areas, and other natural ecosystems is essential for protecting biological diversity, but countries of the Americas also need to expand their ecologically important protected areas. The costs of protecting such ecosystems need not be unreasonable –particularly if international assistance were available. Governments of both North and South America would also commit themselves to creating incentives for maintaining biodiversity, for example, by helping to develop an international code of conduct for collectors of genetic resources, by conducting joint research on both traditional and emerging biotechnologies, and by agreeing to

licensing arrangements that recompense indigenous peoples for commercial use of traditional materials and techniques that have medical or agricultural value.

2. An energy initiative to provide energy for development and reduce greenhouse gas emissions

Action in the United States and Canada. They would commit to reducing their per capita emissions of carbon dioxide by 30 percent by the year 2005. Even this reduction would leave the United States and Canada behind the average now achieved by OECD countries. To achieve this goal, they should rely on a combination of regulation incentives to reward energy savings, and marketbased policies that make the price of fossil fuels reflect their environmental and security costs. One study suggests, for example, that a U.S. \$60 per ton carbon tax, phased in over 15 years, would reduce U.S. carbon dioxide emissions by 20 percent. The funds generated –an estimated \$78 billion a year– would be returned to consumers through cuts in payroll and income taxes.

Efficiency, subsidies, and renewable energy. All nations of the hemisphere would commit to three complementary objectives. The first is to achieve major gains in national energy efficiency, thereby reducing the amount of energy required to produce a unit of gross national product. There is much room for improvement on this score in Latin America and the Caribbean, as well as in North America. The second is to eliminate the widespread energy subsidies reflected in today's domestic energy prices. Studies have shown that such subsidies encourage pollution and wasteful use of energy but do not necessarily boost national economic performance. The third is to move our economies away from dependence on fossil fuels and onto a renewable energy path.

Research and training. The commitments outlined above imply greatly increased research and training on energy efficiency and renewable energy throughout the hemisphere. This would be one of the chief focuses for the centers of excellence suggested elsewhere in these pages (see Science and Technology Initiative).

3. A pollution prevention initiative to halt and ultimately reverse the growth of industrial and vehicular pollution

Incentives. All governments would agree to revamp the improper incentives that reward private and public corporations for despoiling the environment – tariffs that protect polluting industries, subsidies for chemical fertilizers and pesticides that foul the water, low gasoline prices and other policies that encourage profligate use of automobiles, and so on. It is essential that the hemisphere's developing countries not repeat North America's mistakes in their drive to industrialize. In the long run, it is easier and cheaper to prevent pollution than

to clean it up afterward. New plants should be encouraged to incorporate recycling, co generation, and nonpolluting technologies from the start. Incentives should be adopted to speed the retirement of the dirtiest plants and vehicles.

Regulation. In addition, governments should develop and enforce antipollution regulations aimed at both the private and public sectors. At minimum, leadfree gasoline and regular maintenance should eventually be required of all vehicles, starting with those that are publicly owned. Mining procedures that involve the use of toxic chemicals (e.g., cyanide heap leaching in the western United States and mercury use in Amazonian gold mines) should be strictly regulated until they can be phased out.

Technology transfer. The more technologically advanced countries throughout the hemisphere should help by making up-to-date pollution prevention technology readily available and by supporting collaborative research to promote the state of the art.

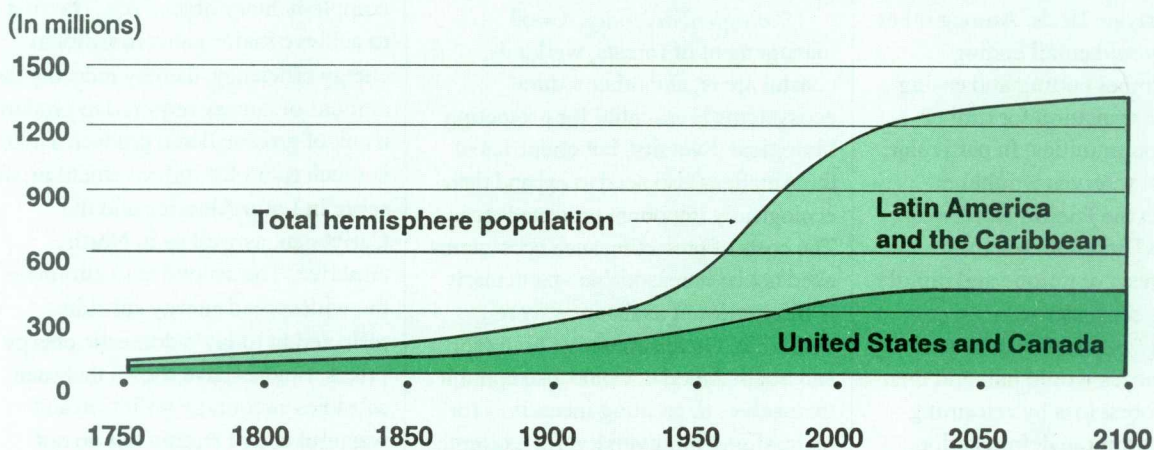
They also should offer major support for building the institutions and training the scientists and technicians needed to develop, install, and maintain modern technology.

4. An antipoverty initiative to help end hunger and poverty in our hemisphere

Caught in the daily struggle for survival, the poor and the displaced crowd into congested, unsanitary cities or settle onto ever more marginal land, where they burn forests, overgraze grasslands, and plant steep slopes. It is doubly important, therefore, that the hemisphere's governments commit themselves to a concerted effort to improve the lives of their most deprived citizens.

Rural Latin America. Reducing poverty and increasing food production in rural areas will require, among other things, promoting sustainable agricultural practices among small farmers (including women, whose role in agriculture is growing). It will also require more secure access to land and an end to subsidies that distort food

Population growth, western hemisphere, 1750-2100



Sources: Colin McEvedy and Richard Jones, *Atlas of World Population History* (Penguin Books Ltd., Great Britain, 1978). Rodolfo A. Bulatao, Eduard Bos, Patience W. Stephens, and My T. Vu, *World Population Projections, 1989-90 Edition: Short- and Long-Term Estimates* (The Johns Hopkins University Press, for The World Bank, Baltimore and London, 1990), p. xlv. The World Bank (WB), *unpublished data* (WB, Washington, D.C., 1991).

prices or damage the environment. International cooperation –including South-South cooperation– is needed to help raise smallholder productivity while reducing the use of high energy inputs, adapting and improving integrated pest-management technologies, refining water-management techniques and making them more economical, improving soil conservation strategies, and restoring degraded lands. Cooperative research, especially on-farm research to tap the knowledge of local farmers and develop applications for diverse physical conditions, is also essential. In the Andean countries, joint efforts are needed to provide profitable substitutes for coca production, the mainstay of many peasant farmers. Since environmental technologies such as afforestation and integrated pest-management are labor-intensive, they can provide poor men and women with many new income opportunities, making poverty eradication and environmental goals not only compatible, but also mutually reinforcing.

In the cities. Governments would take advantage of the talent and creativity of the urban poor by working with, not against, the informal sector's institutions, adjusting licensing and permit requirements as necessary to maximize creation of jobs, housing, and services. They would provide assistance for upgrading polluting technologies used by the poor and would strive to meet United Nations goals for the provision of water and sanitation. As an added benefit, tackling these fundamental urban environmental tasks would provide jobs for the cities' unemployed workers. U.S. and Canadian development assistance would promote these ends both directly and through the multilateral banks.

5. A population initiative to achieve stabilization by midcentury

This goal is as important for the United States and Canada, where

growth rates are low, as it is for countries where growth rates are high because per capita consumption of resources in North America is so high that even modest population increases have an outsized environmental impact. Countries that have reduced growth to 1 percent per year already (Barbados, Canada, Cuba, the United States, and Uruguay) can expect to stabilize earlier, but all would strive to reduce growth to 1 percent by 2020 and to reach zero population growth by 2050. Experience suggests that the way to reach this target is through greatly enhanced access to education, employment, and primary health care, especially for poor women and their children, and universal access to family-planning services. At the same time, governments would make it clear that national goals and programs would never be used as excuses to force women to have fewer children.

Both the United States and Canada would increase their support for international population programs until both countries were contributing their fair share to the United Nations Fund for Population Activities' "Amsterdam 2000" target of U.S. \$10 billion annual world spending on population programs.

6. A science and technology initiative to develop and disseminate the technologies needed for sustainable development

Centers of excellence. This initiative proposes the joint creation of a network of strong regional research and training institutes throughout the hemisphere, preferably attached to existing universities and research institutions and linked to a global research network. At these centers, researchers would develop or adapt advanced approaches to biotechnology, telecommunications, and informatics, for example, while also enhancing traditional knowledge and technology with more advanced techniques and

equipment. They would both contribute to and have access to the "common market of knowledge" advocated by Uruguay's President Luis Alberto Lacalle. They would have strong links with production processes and offer advice to public and private enterprises on the availability and choice of technologies. They would cooperate with international agencies and serve as training institutions for nationals from all countries of the region.

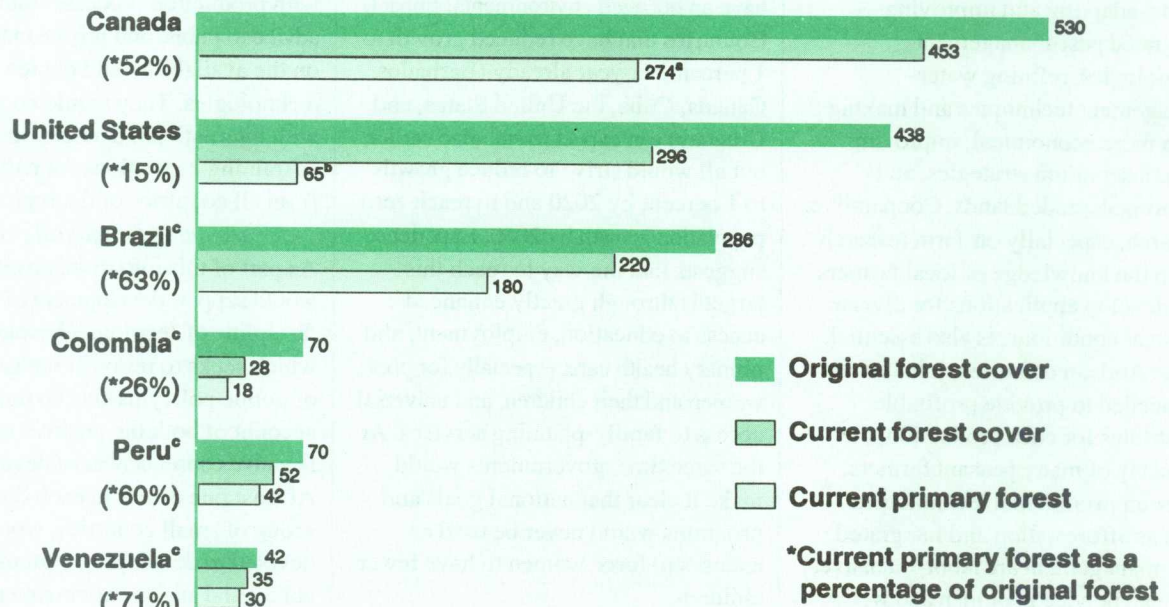
Accounting for natural resources.

As part of this initiative, governments would support development of the new discipline of "ecological economics," which seeks to reinvent the economics of public policymaking so that it takes account of both the positive and negative consequences of development. At least one center in each country, or group of small countries, would be devoted to developing systems to collect and analyze environmental data, monitoring environmental trends, estimating environmental costs, and training both economists and environmentalists in the new discipline. Nothing less than a transformation in the ways that policymakers throughout the hemisphere (and, by extension, the world) make decisions is called for here.

Access to technology. Industrial managers and farmers throughout the hemisphere also need to be assured that they will have access to the best available technology to control pollution and manage resources wisely. Many of the technologies required for increasing energy efficiency and food production, and even the basic bioengineering techniques, are in the public domain, but they still require major international cooperative efforts –both North-South and South-South efforts– to adapt them to the specific requirements of sustainable development. Governments of technologically advanced countries should agree to provide incentives and otherwise urge private companies to

Estimated remaining area of primary forest, late 1980s

(Million hectares)



Source: Lester R. Brown, Alan Durning, Christopher Flavin, et al., *State of the World 1991 - A Worldwatch Institute Report on Progress Toward a Sustainable Society* (W.W. Norton & Company, New York, 1991), p. 75.

Notes: ^a Consists mostly of "unproductive" forest (189 million hectares). Based on age-class survey, 85 million hectares of "productive" primary forest, with more than 50 cubic meters of wood per hectare, remain.

^b Consists mostly of Alaskan forests (52 million hectares); figure for lower 48 states (13 million hectares) is mid-point of estimated range of 2-5 percent of original forest area.

^c Figures for tropical nations refer to tropical moist forests only.

transfer proprietary technologies to all countries on affordable terms. Multilateral banks and special funds would help finance the transfer.

7. A trade and investment initiative to promote sustainable development while protecting the environment

Environmental criteria for the hemisphere. The goals here are to enlarge free trade areas and to encourage international investment within the hemisphere while protecting the environment. The full environmental implications of any new bilateral or multinational trade regime would be aired during negotiations. In addition, hemispheric

leaders would take the lead in activating the General Agreement on Tariffs and Trade (GATT) Working Party on the Environment with the aim of guaranteeing that governments have the capability to impose legitimate environmental regulations without violating the GATT agreement.

A mechanism for consultation.

These goals cannot be met, nor can such thorny issues as intellectual property rights be resolved, without a regional mechanism for regularly evaluating the environmental impacts of regional trade policies and patterns. We therefore call upon governments to establish a special ongoing hemispheric consultation on trade and the

environment to identify impediments to sustainable development, define legitimate trade measures for protecting the environment, and design better mechanisms for handling disputes involving environmental criteria. This consultative body would be the appropriate venue for strengthening hemispheric control over international traffic in hazardous substances, the transnational migration of polluting industries, and the international sale of products, such as DDT, proven to be unsafe and prohibited from use in the exporting country. The removal of such impediments to sustainable development as agrochemical and fossil-fuel subsidies (which encourage

overuse) and agricultural export subsidies (which encourage overproduction and depress world prices) would also be discussed in such negotiations.

8. A financial initiative to generate additional funding for sustainable development from new and existing sources

Domestic resources.

Realistically, funds for the transition to sustainable development must come primarily from each nation's own resources -resources freed by redirecting funds away from unsustainable activities, and by adopting policies that assure far-reaching economic reform, promote private

savings and investment, reverse capital flight, and encourage debt-for-nature and debt-for-development swaps. If governments set incentives properly, private sector investment could supply a sizable portion of the capital needed for sustainable development. In addition, governments need new policies to unleash the energies of the burgeoning civic and local community associations, "green" movements, and selfhelp and other citizens' organizations. Governments should see these groups as sources of strength, not as impediments to growth.

Reduced military expenditure.

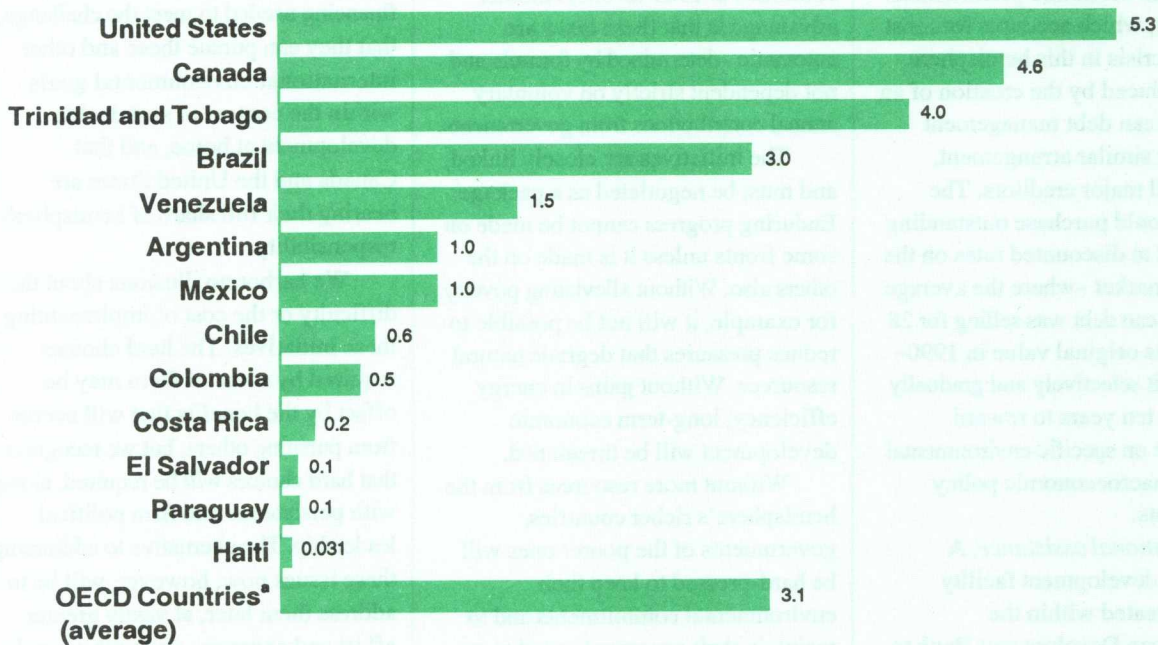
Oversized military budgets, no longer required for national security in the post-Cold War era, should be

converted in part to environmental, economic, and human security budgets. Indeed, because environmental damage may well pose the greatest security threat to the next generation, it is appropriate that military expenditure be reprogrammed to meet this new threat. Each government in the hemisphere would strive to reduce its military budget by at least 20 percent from 1990 levels over the next five years. Hemisphere governments will pledge to use the dividend (at the end of five years, a minimum of U.S. \$50 billion a year in 1990 dollars) to reduce their national debt and to pursue sustainable development strategies at home and abroad.

Per capita carbon dioxide emissions

From fossil fuel sources, selected countries, 1988

(Measured in metric tons of carbon)



Source: Carbon Dioxide Information Analysis Center (CDIAC), unpublished data (CDIAC, Oak Ridge National Laboratory, Oak Ridge, Tennessee, July 1990).

Note: ^a The countries belonging to the Organization for Economic Cooperation and Development are Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Iceland, Ireland, Italy, Japan, Luxembourg, The Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, Turkey, United Kingdom, and the United States of America.

International debt. Additional monies would come from the creative use of public and private international debt and from the recycling of interest payments. In collecting official debt owed by Latin American and Caribbean countries, creditor nations would make repayment terms more flexible, permitting interest payments on debt to be used for developmental purposes and recognizing the efforts that most Latin American and Caribbean countries have made to reform policy already. Economic and environmental conditions imposed on debtor countries should be replaced by symmetric commitments for sustainable development in developed and developing countries alike. Countries' performance should be evaluated using indicators showing improvements in the quality of life, protection and restoration of the resource base, eradication of poverty, and respect for individual freedoms, as well as sound economic performance. Private debt, which accounts for most of the debt crisis in this hemisphere, could be reduced by the creation of an inter-American debt management authority or similar arrangement, including all major creditors. The authority would purchase outstanding private debt at discounted rates on the secondary market—where the average Latin American debt was selling for 28 percent of its original value in 1990—and forgive it selectively and gradually over five to ten years to reward performance on specific environmental as well as macroeconomic policy commitments.

International assistance. A sustainable development facility would be created within the InterAmerican Development Bank to provide the special support needed to increase the number and quality of sustainable development projects. Funds could be used to further a wide variety of environmental and equity purposes, including coastal protection,

sustainable agriculture, family planning, energy efficiency, forestry and protected areas management, and pollution prevention—or for education and training in any of these areas.

A new ecofund. Necessary new funding for the initiatives described above would come from an "ecofund" created by the governments of the Americas and managed by a hemispheric agency. As suggested by José Goldemberg, Brazil's Minister of Education, resources for this fund would be raised through an agreement among the nations of the region to "make the polluter pay" by levying a special tax on oil and the carbon equivalent in other fossil fuels. Although based on the collection of small levies, such taxes can raise large amounts of money. (In the example cited here, for instance, a U.S. \$1.00 tax per barrel of oil or its equivalent would produce U.S. \$16 billion annually if hemispheric consumption continued at 1989 levels.) Another advantage is that these taxes are automatic—determined by formula and not dependent strictly on voluntary annual contributions from governments.

The initiatives are closely linked, and must be negotiated as a package. Enduring progress cannot be made on some fronts unless it is made on the others also. Without alleviating poverty, for example, it will not be possible to reduce pressures that degrade natural resources. Without gains in energy efficiency, long-term economic development will be threatened.

Without more resources from the hemisphere's richer countries, governments of the poorer ones will be hard-pressed to keep their environmental commitments and to maintain their progress toward more responsive democratic rule. Without environmental commitments, the global environment and the natural resources needed for economic development will continue to deteriorate, further impoverishing generations to come.

Furthermore, the initiatives are linked politically. The New World Compact cannot succeed unless each nation is convinced that its efforts are being matched by actions in other countries, to the benefit of all. This will require binding agreements, with specific goals, progress toward which can be measured, wherever possible, by quantitative indicators. The keys here are mutual interest and trust.

Political support in the United States and Canada for debt reduction and development assistance, for example, will be strengthened if these moves are linked to full Latin American and Caribbean participation in international regimes to protect forests and species and to mitigate global warming.

Similarly, the countries of Latin America and the Caribbean are more likely to respond to such challenges as global warming if they know that they will have access to the technology and financing needed to meet the challenge, that they can pursue these and other international environmental goals within the context of sustainable development at home, and that Canada and the United States are bearing their full share of hemispheric responsibility.

We harbor no illusions about the difficulty or the cost of implementing these initiatives. The hard choices required by some of them may be offset by the benefits that will accrue from pursuing others, but we recognize that hard choices *will* be required, along with persistence and firm political leadership. The alternative to addressing these issues now, however, will be to address them later, at vastly greater effort and expense—and with a much higher risk of failure.

It would be particularly fitting if the nations of the Western Hemisphere, on the 500th anniversary of Columbus' arrival in the New World, could set an example for the rest of the world **M**