



Atlantic Basin Initiative
Eminent Persons Group Meeting

La Romana, Dominican Republic
January 18-19, 2013

SUMMARY NOTES

Eminent Persons from the public and private sectors in Africa, Europe, North and South America met in La Romana to consider ways to advance pan-Atlantic cooperation. The Eminent Persons were welcomed by Dominican Republic Vice President Margarita Cedeño de Fernández, and former President Leonel Fernández Reyna, at the invitation of the Center for Transatlantic Relations (CTR) at Johns Hopkins University SAIS, particularly CTR Distinguished Fellow and former President of the Government of Spain José Maria Aznar and CTR Executive Director Prof. Daniel Hamilton. They were joined by the Prime Minister of Haiti, Laurent Lamothe, who encouraged participants to consider Haiti as an investment opportunity rather than as an aid recipient.

The La Romana meeting followed an earlier exploratory meeting of the Initiative held in São Paulo in 2012. In La Romana the goal was to consolidate the Initiative with a strong foundation of support by Eminent Persons across the four continents, and to chart an action-oriented agenda that can take pan-Atlantic cooperation forward.

Why an Atlantic Basin Initiative? The main purpose of the event was to generate debate among the Eminent Persons on how global issues may be addressed from a pan-Atlantic perspective. The traditional term "transatlantic," which has come to be associated with connections across the North Atlantic, is insufficient to understand or tackle a growing array of issues in a world of rising countries and diffuse power. The four continents of the Atlantic are connecting in a host of new ways that have largely escaped broader attention yet are generating both challenges and opportunities.

- *Background Maps: [Mapping the Atlantic – Changing Atlantic Connections](#), Center for Transatlantic Relations*

The group discussed common issues under the themes of:

- a) Energy and resources sustainability;
- b) Governance and human development;
- c) Challenges to the Atlantic Ocean itself;
- d) Economic links: trade, investment, capital and innovation;
- e) Fighting organized crime, drugs and other transnational challenges across the Atlantic space.



Principals supported the need to use specific projects to advance action and deepen cooperation. The discussion was driven by three overarching questions:

- a) How might an Atlantic Basin Initiative cut through and not add to the institutional clutter of often meaningless meetings and vacuous summits?
- b) On what issues can a pan-Atlantic perspective provide added value?
- c) Where and how can the Eminent Persons present perspectives and recommendations that can motivate private actors and help existing governments?

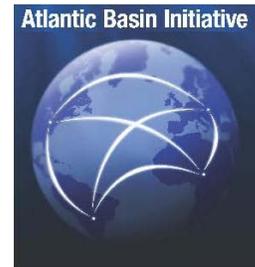
Shared Values

Principals affirmed their belief that a shared commitment to such basic principles as freedom, democracy, rule of law, transparency, human rights, open societies and open markets, and the need to build institutions in society that reflect and uphold those values, offers a unifying pan-Atlantic foundation upon which to tackle common challenges together, even as such principles may be applied in different ways due to specific national conditions. They agreed that the strength of the Atlantic Basin Initiative is in inviting those with shared values as well as interests, and in being primarily non-governmental. It can offer a place where sound politics and technical solutions can productively intersect, and where its members bring their personal influence to bear in realizing solutions and opportunities. This is enhanced by the predominance of reformers within its ranks who have significant experience in managing change.

- Action:*
1. *Issue together a new Atlantic Charter that affirms shared values and commitment to act on them together. A draft will be prepared.*
 2. *Offer a Peer Review mechanism among reform-minded leaders [see below]. CTR will follow up with individual Members to advance this idea.*
 3. *Consider pan-Atlantic support for anti-corruption efforts, corporate responsibility and transparency initiatives. CTR will follow up with individual Members to advance this idea.*

Governance and Development

In a joint paper Olusegun Obasanjo and Greg Mills argued forcefully that from an African vantage the Eminent Persons format has distinct leverage in helping to solve seemingly intractable political conflicts, including state failure, and to help spur economic reforms. If political leaders are to implement reforms effectively, they must have some personal investment in the decisions that are taken. The focus of external consultation with such leaders must be to increase their stake in reform. Eveline Herfkens added in her own paper that recent reformers and "new donors," for instance from Latin America, have a strong comparative advantage in engaging with African leaders. They fully understand and respect the importance of ownership; and sharing their own development experiences with emphasis on the "how-to" aspects of implementing development projects and programs is more attuned and applicable because the development challenge faced by developing countries today is more likely to mirror that of recently emerging countries than those of developed countries.



Other initiatives offer useful orientation when considering the potential value-added of an Atlantic Eminent Persons format. The use of Eminent Persons in devising the ASEAN Charter or in the ASEAN Regional Forum, for instance, has allowed inputs from senior policy makers, usually not currently holding office, which can go beyond the received wisdom in foreign and other government ministries. In Africa, the experience with the African Peer Review Mechanism (ARPM) of the New Partnership for Africa's Development (NEPAD) is also instructive. ARPM has focused on improving democratic, corporate and economic governance.

By placing governance at the center of the African agenda, the Peer Review process has, in the words of its first Executive Director, marked 'a paradigm shift ... and a sea change in attitude towards governance by prompting and instilling a culture of sustainable democracy, revitalizing institutions for political, economic and corporate governance and revalidation of Africa and international values for good governance.' It has made governance an unprecedented part of a national conversation that includes civil society in an African-owned and -driven process. But while quite thorough in its approach, it has proven unwieldy and drawn-out, has lost many of its early champions, and struggled to move beyond general affirmations to pragmatic action.

This is where Eminent Persons drawn from the Atlantic Basin Initiative could make a real difference. The strength of the Initiative is that it is thematically focused and both value- and personality-driven, and composed of reform-minded individuals who have exceptional public experience and are able to connect with both policy and private sector expertise. If African leaders request engagement on reform issues with key Eminent Persons, the Initiative should facilitate that interaction. In such a group, it is important that participants consider themselves equally as students of a problem, rather than teachers and students.

Principals also discussed the potential relevance to the Initiative of a post-2015 agenda for the UN Millennium Development Goal (MDG) Framework. Inequality was not on the political agenda when the MDGs were conceived, yet globally, income inequality has never been higher. Most high and middle income countries are more unequal now than they have been since at least the 1920s. Some countries in Latin America, for long the world's most unequal continent, have done better by investing in education and cash transfers to the poor.

Africa is a mixed story of extremes both in improving equality and polarization. Today consensus exists among relevant institutions (OECD, IMF, World Bank) that income equality positively correlates with economic growth. Some principals argued that it is time to make reducing inequality a central economic goal and include it in the post MDG 2015 development agenda. Others argued for differentiation; inequality in a developed country is different than in a developing country. The key to reducing inequality is building effective institutions, boosting education, promoting transparency and the rule of law.



Action: 1. Consider a demand-driven Peer Review Mechanism made available to reform-linked leaders. CTR and the Brenthurst Foundation will explore ways to initiate such an effort in 2013.

Food for thought papers:

- [Taking the Atlantic Basin Initiative Forward](#), Olusegun Obasanjo & Greg Mills
- [Pan-Atlantic Development Cooperation for the 21st Century](#), Eveline Herfkens
- [The Post-2015 Millennium Development Goal Framework: Time to Deal with INEQUALITY](#), Eveline Herfkens

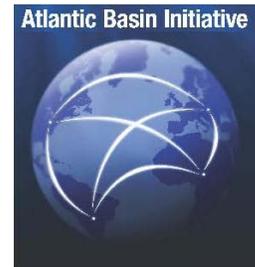
Energy

The Eminent Persons agreed that energy is a clear driver of change across the entire Atlantic Basin, and deserves priority attention. CTR Fellow Paul Isbell presented evidence of an emerging Atlantic energy system, as new energy sources and energy players emerge across the entire Atlantic space. Fossil fuel supply in the basin has boomed, a southern Atlantic hydrocarbons ring is slowly taking shape, and the energy services sector is exploding. A wide range of renewable energies, from bioenergy to solar and wind power, is rolling out in the Atlantic faster than in the Indian or Pacific basins. Biofuels are a particularly "Atlantic" energy source; consideration should be given to a pan-Atlantic effort to advance 2nd-generation biofuels. The gas revolution, encompassing unconventional gas, liquefied natural gas, and gas-to-liquid technology, is also increasingly focused on the Atlantic. By 2035, the southern Atlantic alone could account for as much as 20 percent of global energy demand, with the entire Atlantic Basin contributing nearly 40 percent.

The Atlantic Basin now hosts one-third of global petroleum production, 40 percent of the world's petroleum reserves, more than one-third of global gas production, one-third of global LNG production, 12 percent of the world's conventional gas reserves, nearly 60 percent of the world total of technically recoverable shale gas reserves, and more than 70 percent of global installed renewable energy capacity. Pure intra-Atlantic Basin trade takes up around 30 percent of both the global petroleum and liquefied natural gas markets. The level of extra-basin energy dependence—15 percent in petroleum and only 6 percent in gas—is relatively low in the Atlantic, and is likely to continue to fall. The Atlantic Basin could even become, over the coming decades, a net exporter of many forms of energy to the Indian Ocean and Pacific Basins. A number of mutually complementary opportunities to develop energy investment and trade linkages all along the energy supply chain have also appeared across the Atlantic space.

Energy dynamics could generate a massive shift of wealth to the Atlantic, create new trade flows and new sources of investment and development. The political dynamics associated with growing energy wealth must be addressed; the debate cannot be limited to just the economic dimension.

Despite this picture of growing energy wealth, the current reality for many countries in Africa and Latin America is actually energy poverty and the pressing need for access to energy. Environmental and price considerations, as well as security of supply are also important. And on all of these issues, private sector engagement will be essential.



- Action:*
1. *Develop further the proposal to advance a pan-Atlantic biofuels initiative. Go deeper and explore the linkages between biofuels and food security. CTR will follow up with individual Members to consider next steps.*
 2. *Convene an experts' workshop to develop an action-oriented agenda on Atlantic energy dynamics that also considers issues of energy access; technological exchange; common projects for developing technologies; exchange of energy researchers; a possible Atlantic Energy Charter. CTR will work to identify the funding to host this workshop in early fall 2013.*

Food for thought/Background papers:

- [Energy and the Atlantic: The Emergence of an Atlantic Basin Energy System](#), Paul Isbell
- [An Atlantic Agenda for Biofuels](#), Paul Isbell

The Atlantic Ocean and other Water Issues

At the 2012 meeting in São Paulo, Eminent Persons highlighted three water-related issues. The first was integrated water management challenges being faced by municipal and regional authorities. The second was the critical relationship between availability of clean water, human health and human development. The third was the Atlantic Ocean itself. The La Romana meeting focused on the Atlantic.

The Atlantic shares many problems with other oceans, but there are issues distinct to the Atlantic that increasingly require pan-Atlantic attention. These have to do with fisheries management; challenges to the planet's thermohaline circulation pattern of currents; the ability of the Atlantic to store carbon; the destructive potential of more powerful storms, which is being enhanced by warmer waters and rising sea levels; explosive growth in the size and number of marine "dead zones;" opportunities and potential pitfalls that may accompany a surge in "blue growth;" and growing needs for more effective maritime security cooperation across the full Atlantic. The Eminent Persons agreed that they could spearhead efforts to draw attention to these issues.

- Action:*
1. *Convene a workshop among experts and policy officials on Atlantic Ocean challenges, with a view toward identifying concrete steps forward. CTR will work to identify funding to host this workshop in 2013.*
 2. *CTR will seek to develop work streams on the two other priority issues of integrated water management and access to clean water.*

Food for thought paper:

- [The Atlantic Ocean: The Growing Need for a Pan-Atlantic Agenda](#), Dan Hamilton and Paul Isbell



Trade, Investment, Capital and Innovation

For all of the attention being paid to dynamics in the Asia-Pacific region, greater commerce is conducted in the Atlantic Basin. Trade in goods is characterized by strong North Atlantic connections as well as sizable North-South American and European-South American ties. Trade between Africa and South America is the smallest, but also the most dynamic. Dense investment ties characterize the North Atlantic, but greater investment is flowing southward, for instance Brazil is the leading destination of both U.S. and European investment in the BRICs. Latin American multinationals have also emerged, looking for investment opportunities in the North and in Africa. Moreover, the major services economies in the world are located in the Atlantic, and a growing proportion of jobs throughout the Atlantic Hemisphere are in the services sector.

All parts of the Atlantic have boosted their trade with the Pacific, particularly with China, but most South Atlantic countries are mainly providing commodities in return for Chinese manufactured goods. Brazil-U.S. trade, for instance, is far more balanced. Chinese investment is making itself felt in Africa. The rise of the Pacific is also creating new opportunities across the Atlantic -- the doubling of capacity in the Panama Canal, for instance, will generate additional pan-Atlantic commercial flows

The uneven nature of commercial links among the four Atlantic continents suggests that considerable welfare gains are to be had by strengthening pan-Atlantic commercial ties. Private sector engagement is essential to help leaders understand how their countries can become competitive and attract investment.

Principals discussed how trade can be a unifier and not a divider. At present there are different preferential trade arrangements in favor of low income countries in Africa. The EU, US, Canada and Brazil all have separate and different preferential trade arrangements in favor of these countries. The complexity of these schemes challenges African countries with limited institutional capacity, and so utilization of trade preference is limited and the benefits less than they could be. The Eminent Persons should consider proposing a new initiative to harmonize country, product and rules of origin of different preferential arrangements. They might also consider expanding the U.S. African Growth and Opportunity Act [AGOA] into a broader initiative. For many African countries, however, the real roadblocks to trade development are less tariff barriers than the nature of some African political regimes, the lack of connective infrastructure, and high costs of simply getting products to market. Moreover, some new trade flows, while boosting growth, have only reinforced traditional terms of trade. Commodity producers share an interest in diversifying their economies. Equal attention should be paid to these factors.

- Action:*
1. *Consider a pan-Atlantic initiative that harmonizes trade preferences for low income Atlantic countries. A proposal will be prepared and circulated.*
 2. *Develop a private sector work stream to facilitate private-public sector discussions about attracting investment. CTR will follow up with individual Members to initiate this proposal.*



3. Consider extending AGOA into a pan-Atlantic initiative. A proposal will be prepared and circulated.
4. Consider ways to facilitate trade, economic diversification and connective infrastructure rather than just lower tariffs. A proposal will be prepared and circulated.
5. CTR will provide updated maps of pan-Atlantic trade, investment, capital and innovation flows, including further comparative analysis between commercial flows in the Atlantic and Asia-Pacific.

Background papers:

- [Merchandise Trade in the Atlantic Basin](#), Lorena Ruano, Jean Monnet Chair, CIDE, Mexico City
- [Commercial Ties in the Atlantic Basin: The Evolving Role of Services and Investment](#), Joseph P. Quinlan and Daniel S. Hamilton, Center for Transatlantic Relations
- [Reshaping the South Atlantic: Can the BICs Bring it About?](#) Jorge Heine and Deborah Farias

Human Security

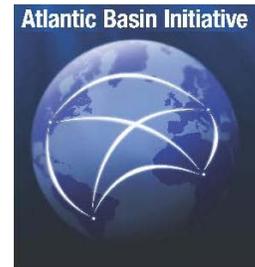
As pan-Atlantic economic activity grows, as oil and gas reserves come on stream, and as fishing patterns change, new safety and new security demands arise. Latin America's security challenge of criminal violence is now interacting with challenges of weak governance in many parts of Africa, fueled by arms provided by North America and driven by drug demand in North America and Europe. Traditional north-south distinctions between producing and consuming countries are breaking down as drug consumption increases in Latin America and is noticeable in Africa. Narco-trafficking devastates the rule of law and democratic institutions. The drug trade, arms flows, human trafficking, piracy, political instability, and terrorist infiltration are not only becoming concerns of pan-Atlantic scope, in many cases they are interacting, fueled by the growing engagement in the region of both traditional and new non-regional players and the relative absence of effective governance or enforcement mechanisms.

The discussion proved to be controversial. The theme of drugs inspired diverse reactions. Some emphasized the need for enforcement, others stressed the need to address the demand side, with varying perspectives on alternatives to legalization. Debates also ensued over how best to tackle the criminal violence associated with the drug trade. Some argued that societal violence is more a development issue rather than a security issue; others disagreed. Many agreed that investment in good intelligence is critical, yet also underscored practical difficulties involved in establishing effective cooperation based on previous experiences. Participants agreed that more work was required before a clear common agenda could emerge.

- Action:*
1. Ask the policy research network to do further work in this area, with a view to teasing out potential common agenda items. CTR will approach other institutions to consider a joint workshop with commissioned papers in this area.

Background paper:

- [Issues of Security and Human Resiliency](#), Nancy E. Brune



Next Steps

Principals agreed generally on a series of steps to consolidate the Initiative and take it forward. There was agreement that the Initiative should be demand-driven; consider itself a mixed 'think-and-do tank'; and play to its strengths as a value- and personality-driven network of reform-minded individuals able to harness their extensive public and private experience to drive greater cooperation across the Atlantic Hemisphere.

The issue of funding is critical. The Initiative must meet the market test of raising sufficient funds to conduct the many activities being proposed. Individual Members offered to be helpful in this regard. In the meantime the Initiative must proceed step-by-step and only take on tasks that it can reasonably complete until greater funding and staff capacity can be built.

A notional 3-year timeline "launch" was proposed:

Phase 1 -- 2012-2013: Focus on efforts to build an Atlantic consciousness; consolidate the Eminent Persons Group and Atlantic network of policy institutes; engage the public debate; and ensure a solid funding base.

Phase 2 -- 2013-2014: Make the Initiative practical with clearly defined priorities and mechanisms.

Phase 3 -- 2014-2015: Produce and measure results.

Using this timeframe as orientation, Principals suggested a number of specific steps:

- Consolidate the emerging network of Eminent Persons and institutions that can share work, studies, etc. Create a mechanism enabling a regular process of interaction, perhaps through a Wiki or other means. Invite current political leaders and active business leaders to participate. Be proactive about engaging the next generation of leaders.
- Embark on an activist strategy of public and media outreach to raise awareness and make the Atlantic Basin Initiative attractive in the global marketplace of ideas. Many ideas were proposed; more resources will be needed.
- Release an Annual Report on the State of the Atlantic in which Eminent Persons offer concrete recommendations on priority topics.
- Strengthen High-Level Private Sector Participation.

The Eminent Persons agreed to meet again in 2013 -- notionally in Africa this summer and in Spain in January 2013 -- to advance their cooperation.