







CENTER FOR TRANSATLANTIC

SCHOOL OF ADVANCED INTERNATIONAL STUDIES

JOHNS HOPKINS UNIVERSITY

Generating Growth, Human Development and Security in the **Atlantic Hemisphere**

A Declaration and Call to Action

Eminent Persons Group

Atlantic Basin Initiative

SUPPORT SUSTAINABLE GROWTH, HUMAN DEVELOPMENT AND SECURITY IN THE ATLANTIC HEMISPHERE.

THE PRIMARY GOAL OF THE ATLANTIC BASIN INITIATIVE IS TO

As Eminent Persons of our Hemisphere, we are united in our drive to build a dynamic and harmonious Atlantic Community by championing free and open trade and investment, promoting access for all to affordable energy, accelerating human development, encouraging economic, educational and technical cooperation, respecting human dignity and enhancing human security, facilitating a favorable business environment, generating sustainable and inclusive growth and development, and cultivating a culture of lawfulness across our four continents. Through our activities we seek to turn policy goals into concrete results and agreements into tangible benefits. We seek to advance our cooperation by engaging those with shared values as well as interests, and in being primarily non-governmental, less constrained by official positions.

We offer our Initiative as a place where sound politics and technical solutions can productively intersect, and where our members can bring their personal influence to bear in realizing solutions and opportunities. We invite the cooperation and participation of the private sector, labor, political parties, academic institutions and other non-governmental actors and organizations in both our national and regional efforts.

A New Atlantic Community: Generating Growth, Human Development and Security in the Atlantic Hemisphere

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A NEW ATLANTIC COMMUNITY

Generating Growth, Human Development and Security in the Atlantic Hemisphere

A DECLARATION AND CALL TO ACTION

BY THE EMINENT PERSONS OF THE ATLANTIC BASIN INITIATIVE

Today, Atlantic peoples are connecting as never before. We are bound together by growing flows of energy, goods and services; possibilities afforded by education, technology, infrastructure and investment; and the scourges of crime, violence, human trafficking and drugs. Our diverse societies are benefiting from greater access to each other's markets, resources, and talent. But even as growing Atlantic interdependencies spawn new opportunities, they are also generating new vulnerabilities along the interrelated arteries upon which our societies depend.

Together we have an opportunity to build a new foundation of cooperation for the Atlantic Basin that harnesses the dynamism of our diverse societies to provide greater access to secure energy, generate sustainable and inclusive growth, and promote human development and security—not only in the Atlantic region, but throughout the world.

We view the emerging Atlantic Community as an open global region, not as an exclusive bloc. Each of our countries are enriched by our many other associations; our well-being is tied to developments around the globe. Yet the Atlantic Community can be a laboratory of trends and experiences that may facilitate greater cooperation on global issues. Our shared commitment to democracy, good governance, human rights, human dignity and a culture of lawfulness positions the Atlantic Hemisphere as a Community in which established and emerging powers can formulate shared approaches to strengthen the legitimacy and effectiveness of international rules-based governance mechanisms.

WE PLEDGE TO ADVANCE A NEW ATLANTIC COMMUNITY THAT:

- harnesses the Atlantic energy renaissance to boost traditional, unconventional and renewable energy production, facilitate energy access for millions across the Atlantic space, and build a bridge to a low-carbon future;
- opens trade and investment across the Atlantic Basin, including in ways that encourage and strengthen trade and investment in the world as a whole;
- ensures that our people share the benefits of economic growth and opportunity through improved innovation, education, training and mobility;
- makes reducing poverty and inequality a central economic goal, facilitated by inclusive economic growth; greater social mobility; and equality of opportunity.
- contributes to more effective international aid and development efforts;
- safeguards our common heritage—the Atlantic Ocean;
- promotes human security across the entire region;
- enhances cooperation based on shared beliefs in principles of democracy, respect for human rights and the rule of law, and works to advance cultures of lawfulness and effective democratic governance throughout the Atlantic Basin and beyond.

This new Atlantic Community will become a reality only if we work together actively to create it. We reaffirm our support for the continued development of the Atlantic Basin Initiative as a public-private network dedicated to producing tangible benefits for the people of our region. We commit to helping the Initiative to expand its economic, energy and security dialogues and to advance its specific work projects.

We ask the leaders of our governments to give life to this new Atlantic Community.

We ask business leaders to establish an Atlantic Business Forum to facilitate regional trade and investment and encourage the further development of business networks throughout the Hemisphere.

We ask leaders of non-governmental groups and civil society actors to forge new Atlantic networks to facilitate greater human opportunity through education and civic engagement across our entire region.

As members of the Atlantic Basin Initiative we are committed to deepening our spirit of community based on our shared vision of achieving greater human dignity, liberty, opportunity, security and prosperity for our peoples. We welcome others to our cause.

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ATLANTIC RISING

With little fanfare, the Atlantic Basin is becoming a central arena of globalization and a microcosm of key global trends, including the diffusion of power, deepening interdependencies, and spreading transnational risks. Largely unnoticed by pundits and politicians, Atlantic peoples are engaging and interacting in a whole host of ways that are shifting the contours of hemispheric interdependence and global power. The Atlantic Basin is rapidly becoming the world's energy reservoir. It is the world's most heavily traveled ocean, hosts the most global commerce, and has become the inland sea to the vast majority of the world's democratic countries. It is the warmest and most saline of the major oceans, hosts the world's richest fishing resources, and offers the most immediate opportunities for "blue growth" strategies to harvest its riches. Yet it is a region of extreme wealth and poverty. We are on the front lines of global climate change, greater superstorms and rising sea levels. Together we are threatened by a growing pan-Atlantic nexus of drugs, guns and terror.¹

The well-being of people across our vast region is increasingly influenced by interrelated flows of people and energy, money and weapons, goods and services, technology and terror, drugs and crime. Atlantic Basin societies are benefiting from greater access to each other's markets, resources, and talent. But as growing Atlantic interdependencies spawn new opportunities, they are also generating new vulnerabilities along the interrelated arteries and nodes upon which our societies depend, requiring mutual efforts to promote human security by enhancing the resilience of these networks and the critical functions of societies across the Atlantic space.

Despite growing ties in energy, commerce, human security, norms and values, as well as issues related to the Atlantic Ocean itself, governance mechanisms and diplomatic cooperation with a pan-Atlantic frame of mind are in their infancy. A variety of cooperative mechanisms and public-private networks are slowly beginning to redraw the political map of the Atlantic. Yet on the whole there is a growing need for new approaches to governance across what may fairly be called the new Atlantic Hemisphere.

Historical legacies and political sensitivities have stunted the development of a truly "Atlantic" consciousness. Yet an Atlantic lens brings surprising new vectors into sight, and a host of developments suggests that broad, interwoven hemispheric cooperation may be possible.

KEY RECOMMENDATIONS

ENERGY

An Atlantic Energy Renaissance is setting the global pace for energy innovation and redrawing global maps for oil, gas, and renewables. The Atlantic Basin is now a central energy reservoir for the world and will become even more so in coming decades. Atlantic Basin countries are increasingly bound together through the production, trade, transit and consumption of energy. Yet no framework exists to allow for deepening transnational energy collaboration, which is essential for tackling pressing problems of energy access and sustainable development in the Atlantic Basin.

- Create an Atlantic Energy Forum (AEF) to:
 - facilitate and develop Atlantic Basin energy trade and investment;
 - Improve energy efficiency, energy access, environmental protection and corporate social responsibility in Atlantic energy sectors; and
 - draft an Atlantic Charter for Sustainable Energy that defines the terms of joint or coordinated
 Atlantic Basin action in a broad range of areas.
- Create an Atlantic Action Alliance for Renewables Deployment and the Reduction of Energy Poverty
 to facilitate contacts among renewables entrepreneurs, regulatory officials and policymakers, finance
 mechanisms and technical assistance programs.
- Develop a Cooperative Atlantic Biofuels Initiative, inspired and underpinned by the Basin's current global dominance in such energy, to advance an effective multilateral commodity regime for advanced biofuels and collaboration in the realm of biofuels research, development, investment, production, distribution and regulation, while addressing potential risks posed by large-scale public support of biofuels.

ECONOMIC GROWTH AND HUMAN DEVELOPMENT

More commerce flows within the Atlantic Basin than any other. Never have so many workers and consumers entered the Atlantic economy as quickly or as suddenly as in the past fifteen years. Growing commercial connections across the Atlantic Hemisphere offer considerable potential. But they are challenged by a range of developments, from stalled multilateral and bi-regional trade negotiations, domestic

protectionist challenges, trade-distorting measures and absence of pan-Atlantic economic governance mechanisms. The Atlantic Hemisphere accounts for over half of global GDP, yet it is a region of extreme wealth and poverty. Growing inequality and lack of social mobility within countries damages social cohesion, economic efficiency, and political stability. The landscape for development cooperation has also changed. Countries that were once poor have became economic powerhouses and started their own foreign aid programs. A new aid architecture should arise: "new" donors should primarily focus on transfer of knowledge, while "traditional" donors focus on continued transfer of financial resources to poor countries that need external concessional resources. We should be guided by reforms that have catapulted fragile states to high middle income countries.

■ Promote Prosperity Through Freer Trade and Investment

- Bring the Doha Round of multilateral trade negotiations to a successful conclusion.
- Adopt the long-term goal of free and open trade and investment among the four Atlantic continents.
- Conclude current sub-regional trade and investment negotiations.
- Ensure that the Transatlantic Trade and Investment Partnership, or TTIP, is part of an open architecture of international trade, and open to accession or association by third countries.
- Harmonize trade preference arrangements for low-income African countries.
- Agree on standard operating principles by state-owned enterprises.
- Lead the global debate with regard to rules prohibiting exchange rate manipulation.

Reduce Poverty and Inequality

- Make reducing poverty and inequality a central economic goal, facilitated by inclusive economic growth; greater social mobility; and equality of opportunity, and included in the post-Millennium Development Goals 2015 development agenda.
- Enhance social mobility by expanding and improving education and adopting less regressive public spending and sustainable social policies targeted at the poor.
- Remove obstacles that impede equal access to opportunities.

■ Intensify Development Cooperation

- OECD Members should implement the commitments they made in the Paris Declaration and the Accra Agenda for Action.
- All Atlantic Partners should implement the commitments they made in the Busan Partnership Document and participate actively in the Global Partnership for Effective Development Cooperation.

- All Atlantic Partners should join the International Aid Transparency Initiative.
- Atlantic Partners should chart a next-generation development agenda that
 - > promotes transparency and accountability regarding natural resource management;
 - > exempts humanitarian aid from food export controls; and
 - > advances such issues as investment and services, infrastructure, education, energy, the environment, climate change mitigation, business facilitation, and good governance.

THE ATLANTIC OCEAN—OUR COMMON HERITAGE

Together we share a common ocean and bear joint responsibility in addressing the challenges and opportunities it presents. These include the Atlantic's role in carbon storage; more powerful storms due to the warming ocean and rising sea levels; possible changes to the Earth's thermohaline system; sustainable fisheries management; cooperative maritime governance; and the explosive growth in marine "dead zones." At the same time, Atlantic companies and countries are leading global efforts at "blue growth"—harnessing the untapped potential of the ocean to create sustainable jobs and growth, in areas such as blue energy, aquaculture, tourism, marine mineral resources and blue biotechnology.

■ We call on public and private leaders to engage on common Atlantic issues; we intend to form an Atlantic Ocean Forum to advance pan-Atlantic cooperation.

HUMAN SECURITY

Drugs, human trafficking, arms flows, cyber threats, manipulation of social media, money laundering, corruption, piracy, political instability, and terrorist infiltration are all becoming concerns of pan-Atlantic scope. Left unchecked, expanding insecurity in the Atlantic Basin could undermine global trade, regional development and political stability in the region. Given the transnational nature of these growing threats, singular efforts are unlikely to prove effective. Moreover, growing flows of energy, commerce and people across the Atlantic are creating new opportunities, yet they are also creating vulnerabilities that can lead to disruption of such critical functions as transportation, energy flows, medical services, food supply chains and business systems, communications, and financial networks. These developments call for private-public partnerships and close interactions among governments, the private sector, the scientific community, and non-governmental organizations.

- Create an Atlantic Human Security Forum to consider concerted pan-Atlantic action against common threats, such as drugs/crime, human trafficking, piracy, terrorism and natural disasters. The member states of the Organization of American States, the African Union, and the European Union should engage with each other as well as private stakeholders to address these challenges.
- Create a public-private Atlantic Movement Management Initiative to align security and resilience with commercial imperatives in Atlantic movement systems, including shipping, air transport, and cyberspace.

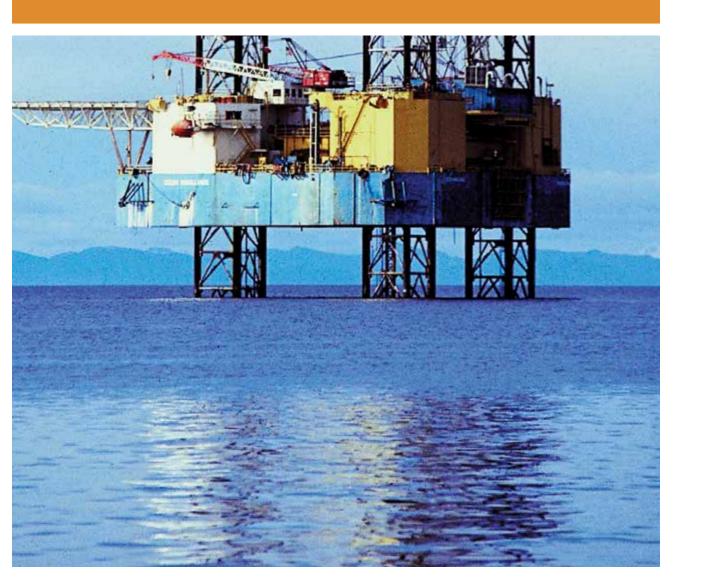
CULTIVATE CULTURES OF LAWFULNESS AND EFFECTIVE DEMOCRATIC GOVERNANCE

With fits and starts, the Atlantic Hemisphere is coalescing around basic aims regarding democratic domestic governance. Setbacks abound and challenges remain. But a growing commitment to democratic norms and practices offers a foundation upon which established and emerging powers alike can bolster weak democracies; halt democratic backsliding; and cultivate cultures of lawfulness. The Atlantic Hemisphere also offers diverse models of democratic practice that can be relevant to broader global debates about effective and responsive governance.

- We pledge to advance our cooperation based on a shared belief in principles of democracy, respect for human rights and the rule of law, and to work to advance these principles throughout the Atlantic region.
- Consideration should be given to creation of an Atlantic Peer Review Mechanism, a voluntary arrangement by which reform leaders consult with peers who have had personal experience with reform, drawing on experience gained from the African Peer Review Mechanism of the African Union.
 - We are prepared to deploy small teams composed of our Eminent Persons, together with relevant experts, to work with reformers across the Atlantic Basin who may request such advice and counsel.



THE ATLANTIC BASIN IS RECASTING THE WORLD'S ENERGY FUTURE.



I. AN ATLANTIC ENERGY RENAISSANCE

The Atlantic Basin is recasting the world's energy future. An Atlantic Energy Renaissance is setting the global pace for energy innovation and redrawing global maps for oil, gas, and renewables as new players and technologies emerge, new conventional and unconventional sources come online, energy services boom, and opportunities appear all along the energy supply chain and across the entire Atlantic space. Together these developments are shifting the center of gravity for global energy supply from the Middle East to the Atlantic Hemisphere. Over the next 20 years the Atlantic is likely to become the energy reservoir of the world and a net exporter of many forms of energy to the Indian Ocean and Pacific Ocean Basins. Already 21 percent of China's oil imports come from the Atlantic Basin. Furthermore, nearly an identical share (around 35%) of all world oil imports now comes from the Atlantic Basin (including the Mediterranean) as from the Middle East.²

The Atlantic Basin currently accounts for over one-third of global oil and gas production and hosts nearly 60 percent of the presumed world total of technically recoverable shale gas reserves, 12 percent of conventional gas reserves, and 40 percent of the world's proven petroleum reserves. These shares are likely to rise in coming years, fueled by unconventional and offshore oil and gas, shale gas, new techniques for synthetic fuels production, cleaner fossil fuel technology, and traditional and modern renewable energies.³

The most immediate vector is North America's changing energy outlook. The United States depends considerably more on the Atlantic Basin than the Middle East for its imported energy,

even as it has reduced its overall energy dependence via surging domestic oil and gas production, driven in large part by hydraulic fracturing and horizontal drilling techniques that have unlocked previously inaccessible reserves of oil and gas. In 2012 shale gas accounted for only 2 percent in 2000, and will soon account for about half of total U.S. gas production. The United States has become a net exporter of refined petroleum products for the first time since 1949. In 2014, U.S. oil imports are projected to fall to their lowest level in a quarter century. The International Energy Agency (IEA) expects the United States to overtake Russia in 2015 as the leading producer of natural gas and to overtake Saudi Arabia in 2017 as the world's



THE ATLANTIC BASIN IS NOT ONLY CENTRAL TO GLOBAL ENERGY SUPPLY; IT IS ALSO DRIVING GLOBAL ENERGY INNOVATION.

leading producer of oil. Canada is the fifth largest energy producer in the world; energy-related products represent 6.7 percent of GDP and 23 percent of Canadian exports. It is poised to become even more of a global export force in the future as it diversifies its markets beyond its traditional U.S. partner. Mexico's oil reserves are comparable to those of Kuwait. Under President Enrique Peña Nieto it is opening its protectionist energy sector to billions in foreign investment. The Gulf of Mexico, the most developed offshore oil-and-gas region in the world, has rebounded following the 2010 Deepwater Horizon disaster and is poised for strong growth. Analysts predict that rig count will double by 2017 and Gulf of Mexico oil flows will increase by nearly 28 percent by 2022 to 1.8 million b/d.4

Over the next 20 years the Atlantic is likely to become the energy reservoir of the world and a net exporter of many forms of energy to the Indian Ocean and Pacific Ocean Basins.

North America's energy revival is dramatic. But energy dynamics across the Southern Atlantic are also driving change. Brazil, already endowed with rich hydropower and a world-class biofuels industry, is likely to emerge as a major oil exporter with the capacity to pump 2 million b/d from as much as 100 billion barrels of oil buried in pre-salt deepwater reserves. Brazilian exploration and discoveries off Ghana have spurred a deep offshore boom all along the Atlantic coasts of South America and Africa, from Suriname-Guyana to Argentina and from Morocco to Namibia. Venezuela has some of the

largest oil and natural gas reserves in the world; its non-conventional oil deposits are estimated to roughly equal the world's reserves of conventional oil. Colombia's oil and gas sector account for 30 percent of its GDP. Argentina possibly has the third-largest shale gas resources after China and the United States. Nigeria and Angola are major energy producers. Geologists estimate that the Gulf of Guinea's oil and gas reserves, already among the richest in the world, are roughly triple current proven totals.⁵

North America's energy revival is dramatic. But energy dynamics across the Southern Atlantic are also driving change.

The gas revolution, encompassing unconventional gas, liquefied natural gas (LNG), and gas-toliquids (GTL), is increasingly centered in the Atlantic, North America has become the world's high-growth area for LNG exports; facilities once built for LNG imports are now being fitted for export, and a score of new export facilities are developing, mainly along the Gulf of Mexico and the U.S. and Canadian Atlantic coasts. The United States could be a net LNG exporter by as early as 2016 and an overall net natural gas exporter by 2021. Just the prospect of North American LNG exports is already changing international energy markets. LNG cargoes traditionally destined for the United States have shifted to Europe, causing spot gas prices in Europe to fall. In addition, cheap coal displaced from the U.S. power sector is now being exported to Europe, further dampening gas demand and prices. These developments have

forced Russia to break the gas-oil price linkage it has traditionally imposed on dependent customers and to renegotiate lower prices to Poland and Germany. Deloitte estimates that U.S. LNG exports to Europe could displace up to 22 percent of Russian gas exports to Europe and reduce considerably the price Russians receive.⁶

The Atlantic Basin is not only central to global energy supply; it is also driving global energy innovation. The Atlantic is the cradle of the modern biofuels industry and home to well over 80 percent of current global biofuels production and trade. It also accounts for more than 70 percent of global installed renewable energy capacity. A wide range of renewables—from bioenergy to solar and wind power—are rolling out in the Atlantic faster than in the Indian or Pacific Basins.⁷

The Atlantic is the cradle of the modern biofuels industry and home to well over 80 percent of current global biofuels production and trade.

Germany's *Energiewende* is an audacious gamble to pioneer a new super-efficient, hyper-competitive industrial model. Northern European producers are world-beaters in a range of renewables and energy-saving production. The European Union has set ambitious targets to reduce its greenhouse gas emissions; raise the share of renewables in its energy consumption, and improve its energy efficiency. Major energy innovation is occurring in the North Atlantic, but Brazil is also a global leader in renewable energy

innovation. South Africa, too, has made impressive strides in synthetic transportation fuels while Morocco is a pioneer among developing countries in solar power.

Efforts by Brazil, South Africa and Morocco to use energy to drive national development plans are being emulated by other southern Atlantic countries.

Atlantic energy dynamics are driving greater collaboration across the full Atlantic Basin and deepening and broadening Atlantic energy trade and investment. Despite the increasingly global nature of many energy markets, regional Atlantic Basin markets exist for crude oil, LNG, coal, and petroleum-derivative products.8 Intra-Atlantic Basin trade already accounts for around 30 percent of both the global petroleum and LNG markets. Efforts by Brazil, South Africa and Morocco to use energy to drive national development plans are being emulated by other southern Atlantic countries. Brazil is supporting extensive agricultural R&D in Africa focused on both foodstuffs and commodities as well potential biofuels production and export. Brazil and the United States have also been collaborating on biofuels R&D, biofuels assistance to Latin American, Caribbean and Africa countries, and have initiated consultations aimed at designing a standardized international commodity regime for biofuels. European-North African initiatives such as Medgrid are developing ambitious energy networks.9 New international finance mechanisms are poised to facilitate public and private investment in

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renewable energy and energy efficiency, and to roll out an increasingly low-carbon economy in the developing world.¹⁰

Such innovation could have a particularly dramatic impact in Africa, which is still characterized by deep pockets of energy poverty. Africa has the lowest electrification rate of all the world's regions—only 26 percent of households—leaving as many as 547 million people without access to electricity, nearly half of the world's energy have-nots. Meanwhile, some 75 percent of Africans still depend on traditional biomass for cooking and heating, with devastating consequences for people and the environment.¹¹

An incipient Atlantic energy system is quietly taking shape that offers both capacity and potential to boost traditional energy production, facilitate access to energy for millions, build a bridge to a low carbon future, and lay the foundation for potential energy-related collaboration and governance across the Atlantic space.

The IEA estimates the cost of putting in place universal access to modern energy by 2030 at 48 billion dollars per year—only 3 percent of what experts expect to be invested in energy projects globally over the next eighteen years. 12 Expanding energy accessibility can reduce poverty and infant mortality, improve education, advance environmental sustainability, and accelerate economic growth and prosperity. A number of African development organizations are cooperating in the design, funding and

construction of the Grand Inga, the world's largest proposed hydropower scheme in the Democratic Republic of Congo.

Complementarities exist between the nations of Central and Southern Africa, where the potential combination of the nascent Southern African Power Pool with the enormous hydro potential of the Congo River Basin could ultimately transform the electricity supply situation for a large part of sub-Saharan Africa, a development that would greatly facilitate Africa's goal of eliminating energy poverty without significantly contributing to future accumulations of greenhouse gases.

In short, an incipient Atlantic energy system is quietly taking shape that offers both capacity and potential to boost traditional energy production, facilitate access to energy for millions, build a bridge to a low carbon future, and lay the foundation for potential energy-related collaboration and governance across the Atlantic space. Heightened Atlantic energy links, in turn, could reduce the dependence of many Atlantic Basin countries on Eurasian energy sources and take pressure off their intensifying competition with China and India over energy from some of the world's most unstable regions.¹³

The IEA estimates the cost of putting in place universal access to modern energy by 2030 at 48 billion dollars per year —only 3 percent of what experts expect to be invested in energy projects globally over the next eighteen years.

WITH THESE PRINCIPLES AND PERSPECTIVES IN MIND, WE CALL FOR THE CREATION OF AN ATLANTIC ENERGY FORUM (AEF) TO:

FACILITATE AND DEVELOP ATLANTIC BASIN ENERGY TRADE AND INVESTMENT, TO BE ACHIEVED BY MEANS OF:

- an open and competitive market for energy products, materials, equipments and services;
- removal of technical, administrative and other barriers to trade in energy and associated equipment, technologies and energy-related services;
- collaborative efforts to elimination of illicit trade in energy;
- improved access to energy resources, and exploration and development thereof on a commercial basis;
- access on commercial terms to technologies for the exploration, development and use of energy resources;
- modernization, renewal and rationalization by industry of services and installations for the production, conversion, transport, distribution and use of energy;
- best possible access to capital, including public-private partnership financial conditions, particularly through appropriate existing financial institutions;
- further development and interconnection of energy transport infrastructure within the Atlantic Basin, and improved access to such infrastructure for international transit purposes.

IMPROVE ENERGY EFFICIENCY, ENERGY ACCESS, ENVIRONMENTAL PROTECTION AND CORPORATE SOCIAL RESPONSIBILITY IN ATLANTIC ENERGY SECTORS, IN PARTICULAR BY CONSIDERING:

- mechanisms and conditions for using energy as economically and efficiently as possible, including, as appropriate, regulatory and market-based instruments;
- mechanisms and conditions for improving energy access and eliminating energy poverty;
- the relationships between energy and development;
- possible collaborative frameworks to promote corporate social responsibility on the part of actors and agents in Atlantic Basin energy sectors;
- exchange of experience on the fiscal aspects of energy;
- promotion of energy mixes designed to minimize negative environmental consequences in cost-effective ways, including through:
- > market-oriented energy prices reflective of environmental costs and benefits;
- > efficient and coordinated policy measures related to energy;
- > use of new and economical renewable energies and other clean technologies;
- > achieving and maintaining a high level of nuclear safety and ensuring effective cooperation in this field.





EXPANDING ENERGY ACCESSIBILITY CAN REDUCE POVERTY AND INFANT MORTALITY, IMPROVE EDUCATION, ADVANCE ENVIRONMENTAL SUSTAINABILITY, AND ACCELERATE ECONOMIC GROWTH.

CREATE AN ATLANTIC CHARTER FOR SUSTAINABLE

ENERGY that defines the terms of joint or coordinated Atlantic Basin action in the following fields:

- co-ordination of Atlantic Basin energy policies—within the framework of state sovereignty and sovereign rights over energy resources—based on the principle of nondiscrimination and on market-oriented price formation, taking due account of environmental concerns;
- formulation of stable and transparent legal frameworks creating conditions for the development of energy resources;
- liberalization of trade in energy, and open access to markets;
- promotion and protection of energy investments;
- dissemination of relevant best practices, safety principles and guidelines;
- promotion of energy efficiency, energy access, corporate social responsibility and environmental protection;
- mutual access to technical and economic data, consistent with proprietary rights;
- research, technological development, innovation and dissemination;
- education and training.

We further recommend the creation and promotion of an Atlantic Action Alliance for Renewables Deployment and the Reduction of Energy Poverty

to supplement the content and action of the Atlantic Charter for Sustainable Energy.

This Atlantic Action Alliance would bring together energy and climate NGOs and action tanks, small and medium size enterprises, renewables manufacturers, regulatory officials and policy makers, international, regional and local financial institutions, and representatives of public-private partnerships and entities working in the realm of sustainable development. Particular attention would be placed on adaptation to and mitigation of climate change.

This cross-sector alliance would explore the potentials for synergies with the Atlantic Charter process and the Atlantic Energy Forum. The Alliance would develop a mechanism for putting actual and potential renewables entrepreneurs on the ground into contact with finance mechanisms, regulatory officials and policymakers, technical assistance programs and facilities, so as to stimulate more rapid development.

The Alliance's goals would be to offer advice for policy, locate potential niches, identify investment projects and financial resources, provide a link between small-and-medium sized enterprises and existing and evolving global support networks, and to contribute, where possible, to remove barriers to sustainable development.

Third, we recommend development of a cooperative Atlantic biofuels initiative, inspired and underpinned by the Basin's current global dominance in such energy. Such a cooperative scheme in the realm of Atlantic biofuels would be helpful with regard to (1) the international effort to create an effective multilateral commodity regime for biofuels; (2) collaboration in the realm of biofuels research, development, investment, production, distribution and regulation, particularly regarding second-generation "cellulosic" biofuels technology; (3) the potential distortions of, or risks posed by, large-scale public support and/or use of biofuels, to food security, the environment, economic development and trade; and (4) rationalization and standardization of current biofuels data, which is plagued by inconsistencies. Pan-Atlantic agreements in this area would not only advance the industry across the Atlantic Basin, they could form the core of global approaches.

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NEVER HAVE SO MANY WORKERS AND CONSUMERS ENTERED THE ATLANTIC ECONOMY AS QUICKLY OR AS SUDDENLY AS IN THE PAST FIFTEEN YEARS.



II. ECONOMIC GROWTH AND HUMAN DEVELOPMENT

More commerce flows within the Atlantic Basin than any other. Never have so many workers and consumers entered the Atlantic economy as quickly or as suddenly as in the past fifteen years. Despite the rise of other powers and recent economic turbulence, North America and Europe remain the fulcrum of the world economy, each other's most important and profitable market and largest source of onshored jobs. No other commercial artery is as integrated. And while rapidly developing countries in Latin America and Africa are best known for the inexpensive goods and commodities they supply to the rest of the world, their consumers are also connecting with the global marketplace, and in coming years they will become major engines of the global economy. Parts of Africa are already among the fastest growing regions of the world. According to Credit Suisse and the IMF, on several indicators Africa is better positioned than the Asian Tigers before their explosive growth in the 1980s and 1990s. North-South American commercial ties are burgeoning, and Europe's commercial ties to both Latin America and Africa are substantial. The weakest links are those between Latin America and Africa, but those connections are also the most dynamic. Moreover, today's value chains, geared to trade in tasks, hold potential for less developed southern Atlantic countries, since it is much easier to develop capabilities in a narrow range of tasks than in integrated production of an entire product.¹⁴ When the dust clears from the economic and financial crisis, the character and nature of economic globalization may be significantly changed with respect to capital flows, production chains, and trade patterns. Think "Made in Mexico" and "Made in Ghana," not just "Made in China."

Merchandise trade among the four Atlantic Basin continents accounts for half the global total, and more than doubled over the last decade to \$2.14 trillion in 2012. The NAFTA countries export more to their Atlantic partners than to the rest of

the world. Americans sell three times as many merchandise exports to Europe as they do to China. New York exports 7 times, Texas 4 times, and California twice as much to Europe as to China. The EU sells the United States nearly



THINK "MADE IN MEXICO" AND "MADE IN GHANA," NOT JUST "MADE IN CHINA."

twice the goods it sells China and nearly 7 times what it sells to India. Latin American and Caribbean countries export more than twice as much to their Atlantic partners as to the rest of the world. Latin American exports to the eurozone are 40 percent more than to China. Brazil is the single biggest exporter of agricultural products to the EU. And over half of Africa's merchandise exports go to Atlantic destinations.¹⁵

While rapidly developing countries in Latin America and Africa are best known for the inexpensive goods and commodities they supply to the rest of the world, their consumers are also connecting with the global marketplace, and in coming years they will become major engines of the global economy.

The Atlantic's profile is also being raised, somewhat paradoxically, by the rise of the Pacific, in at least two ways. First, trade between Atlantic and non-Atlantic markets has boomed. China in particular has become an important trading partner for all Atlantic continents, and China's trade with Africa and Latin America has grown faster than with North America and Europe. Yet the trade of both southern Atlantic continents with China resembles traditional colonial patterns. For instance, 90 percent of Brazilian exports to China consists of commodities, while 90 percent of Brazilian imports from China consists of manufactured goods. The pattern is similar throughout Africa.

South-North Atlantic trade, in contrast, is far more complementary; Brazil's merchandise trade with the United States is evenly balanced between commodities and manufactured goods. Such imbalances are provoking questions on both southern continents about the value of becoming locked into colonial-style trading relationships at a time when countries on each continent are working to diversify their respective economies.

Second, booming Atlantic-Pacific sea trade has created new port facilities throughout the Atlantic Basin, especially along its southern shores, and more are coming. In 2014 the Panama Canal is marking its 100th birthday by doubling its capacity, expanding ocean-to-ocean connections and altering global shipping patterns. Large new deepwater port facilities are being developed in Santos, Suape, and Açu in Brazil; at Lobito in Angola; and at Walvis Bay in Namibia. Spain's Algeciras and Morocco's massive Tanger-Med complex are growing in importance. And existing port cities along the Gulf of Mexico and the U.S. east coast are scrambling to revamp their infrastructure to berth megaships coming from and going to the Pacific and other Atlantic destinations. 16 Moreover, melting ice in the Arctic Ocean is opening new and shorter shipping routes from East Asia to and from Eastern North America and Europe. The U.S. government estimates that cargo transport via the Northern Sea Route alone will increase from 1.8 million tons in 2010 to 64 million tons by as soon as 2020, as ice cover declines.

When the dust clears from the economic and financial crisis, the character and nature of economic globalization may be significantly changed with respect to capital flows, production chains, and trade patterns.

Goods trade paints a partial picture of the rising Atlantic. But the truly dynamic and distinctive nature of pan-Atlantic commerce is only apparent once both investment and services are included.

It is the dynamic interaction between investment and trade that distinguishes the pan-Atlantic economy from all others. Foreign investment and affiliate sales power pan-Atlantic commerce and provide millions of jobs. Affiliate sales on either side of the Atlantic are more than double comparable sales in the entire Asia/Pacific. Much of this is driven by the foreign direct investment ties between the United States and Europe which, with combined annual sales exceeding \$4 trillion, dwarf any other bilateral trade or trade/investment relationship in the world.¹⁷ EU investment in the United States accounts for 74% of total foreign direct investment in the U.S. and is 27 times the level of EU investment in China and more than 55 times the level of EU investment in India. In fact, there is more European investment in a single U.S. state such as Indiana or Georgia than all U.S. investment in China, Japan and India combined.

Investment flows are also strong from the United States to Europe. Despite the rise of other

markets, Europe continues to account for 56% of U.S. foreign direct investment worldwide. U.S. investment in Europe is nearly four times larger than U.S. investment in all of Asia and 13 times more than U.S. investment in the BRICs, and among the BRICs the leading destination for U.S. investment is Atlantic Brazil. Since the beginning of this century China has accounted for only about 1.2% of total global U.S. investment, less than tiny Belgium. U.S. investment in the Netherlands during this period was more than 14 times larger than in China. And in 2011 and 2012 U.S. companies have actually disinvested \$6.5 billion from China while investing \$428 billion in Europe. U.S. affiliate income from China and India together in 2011 (\$13.1 billion) was less than half U.S. affiliate earnings in Ireland (\$29 billion), which has emerged as the number one export platform in the world for American companies. Exports by U.S. companies based in Ireland alone were 5 times those of U.S. companies based in China in 2011.

The Atlantic Hemisphere is still characterized by both extreme wealth and poverty.

These numbers play out all across the Atlantic Basin. North American FDI in the Atlantic Hemisphere in 2012 was 7.5 higher than North American FDI in Asia. 18 The eurozone accounts for 40 percent of all foreign direct investment in Latin America, the EU is the biggest foreign investor in Brazil, and São Paulo hosts the

largest concentration of German corporate investment outside Germany. EU foreign direct investment in South and Central America, totaling \$973 billion in 2012, is more than EU foreign direct investment in all of Asia; EU foreign direct investment in the four continents of the Atlantic Hemisphere was 4 times EU foreign direct investment in Asia. Even Asian companies invest more in the Atlantic Hemisphere than in the Asian Hemisphere.¹⁹

The Atlantic's profile is also being raised by the rise of the Pacific.

In fact, foreign direct investment, not trade, has become the main means for North Atlantic companies to get access to high-growth emerging markets. Between 2000 and 2011, U.S. FDI stock in Latin America and the Caribbean rose 212 percent from \$267 billion to \$831 billion. Investment from Europe rose 185 percent between 2000 and 2010 (latest available), from €248 billion to €707 billion. Since 2000, U.S. and European firms have each invested significantly more capital in Brazil than in China. South Atlantic multinationals are increasingly following suit, preferring to invest in major developed economies, primarily in the North Atlantic, although Brazilian firms are investing billions in Africa's resource-related industries. Unlike resource-hungry China, resource-rich Brazil is investing in Africa to diversify its export markets and internationalize the production of its big companies.²⁰

Services are the sleeping giant of the pan-Atlantic economy. The Atlantic is home to the world's major services economies, and Atlantic economies are each other's most important services markets. ²¹ Global trade in services is still less important than trade in goods, since many service activities require a local presence and many countries impose restrictions on services trade. Nonetheless, services trade has intensified and is set to expand rapidly, and Atlantic economies are poised to be major beneficiaries and drivers of the growth in global services. ²²

The United States is the largest single country trader in services, while the EU is the largest trader in services among all world regions. Most American and European jobs are in the services economy, which accounts for over 70 percent of U.S. and EU GDP. Over half of U.S. and EU services exports go to Atlantic Basin countries,23 and each is seeing an increasing share of its services trade conducted with Latin America and Africa. Moreover, the delivery of services by foreign affiliates—driven by pan-Atlantic investments—has exploded over the past decade and is far more significant than services trade. The U.S. and EU each owe a good part of their competitive position in services globally to deep Atlantic connections in services industries provided by mutual investment flows. A good share of U.S. services exports to the world are generated by U.S. affiliates of European multinationals, just as a good share of EU services exports to the world are generated by European affiliates of U.S. multinationals.²⁴

Services are not just a North Atlantic story. Services are far more important to Atlantic economies such as Brazil, South Africa, Mexico and Colombia than to non-Atlantic economies such as Russia, India or China, Brazil's expanding services industry contributes about two-thirds of its total GDP and employs about 70 percent of its labor force. Services account for more than 50 percent of GDP in Africa's 36 non-resourcerich economies and for more than 40 percent of GDP—more than industry's share—in the continent's resource-rich economies. As income per capita in Latin America and Africa grows, and as governments seek to diversify their economies away from commodity production, demand will grow for such services as health care, education, entertainment, insurance, telecommunications and finance. Moreover, services is a growing area of commercial activity among Southern Atlantic countries, particularly in energy-related services; engineering and construction services; and education and managerial services.²⁵

North Atlantic countries have offered preferential arrangements for poorer countries, for instance via the U.S. African Growth and Opportunity Act, or AGOA, and the EU's "Everything But Arms" initiative. But conflicting rules of origin and other diverse criteria render such efforts less effective than they could be, given greater coordination.

Regional agreements opening trade are far more advanced in the Atlantic Hemisphere than in the Asian Hemisphere. The EU's Single Market among 28 countries and 500 million people, NAFTA arrangements among 400 million people, the

Central American Integration System called SICA and South America's MERCOSUR have all facilitated expanded trade among regional neighbors. These are complemented by a number of bilateral free trade agreements, such as those between Chile and the MERCOSUR countries, between the U.S. and Morocco, Chile, Colombia, Peru and Panama, and between the EU and Central America. The EU-Mexico free trade agreement has boosted bilateral trade by 25 percent. The EU and Canada are finalizing a comprehensive trade and investment agreement that could do the same.

Melting ice in the Arctic Ocean is opening new and shorter shipping routes from East Asia to and from Eastern North America and Europe.

Most importantly, the EU and the United States are negotiating a Transatlantic Trade and Investment Agreement that, if successful, would not only open trade and investment across the North Atlantic but set global benchmarks on a range of norms, standards and regulatory issues. The European think tank ECIPE estimates that the free trade element alone—not the most dynamic element of a potential agreement—would boost exports about five times more than the recent U.S.-Korea free trade agreement.

Looking ahead, the Atlantic Basin is also likely to benefit from a host of additional factors—information technology advances, infrastructure improvements, new energy dynamics, better business environments, financial uncertainties,







SERVICES ARE THE SLEEPING GIANT OF THE PAN-ATLANTIC ECONOMY.

the rise of tailored services, advances in digitization, and changes in advanced and additive manufacturing—that are redrawing the world's commercial map, connecting Latin America and Africa more with global supply chains, and leading a growing number of North Atlantic companies to either re-shore or nearshore their supply chains back to the Atlantic Hemisphere. Moreover, Atlantic companies and countries are leading global efforts at "blue growth"—harnessing the untapped potential of the ocean to create sustainable jobs and growth, in areas such as blue energy, aquaculture, tourism, marine mineral resources and blue biotechnology.²⁶

The Atlantic is home to the world's major services economies, and Atlantic economies are each other's most important services markets.

The Atlantic partners could also assume a pioneering role in a number of other areas. They could lead by ending trade-distorting agricultural subsidies and exempting humanitarian aid from food export controls, as recommended by the Group of 20. Such initiatives seem more realistic now than in the past because of the changing outlook for agriculture from chronic surpluses to increased demand. They could lead the global debate with regard to prohibiting exchange rates manipulation to gain unfair trade advantage. The Atlantic partners could also form the core of an international services agreement that offers reciprocal liberalization to all economies willing

to join, with flexibilities for low-income countries. For Southern Atlantic countries seeking to diversify their economies, the services trade is increasingly important to boosting productivity and to lower costs of critical infrastructure development.

In short, growing commercial connections across the Atlantic Hemisphere offer considerable potential. But they are challenged by a range of developments, from stalled multilateral and bi-regional trade negotiations, domestic protectionist challenges, trade-distorting measures and absence of pan-Atlantic economic governance mechanisms. The Atlantic Hemisphere is still characterized by both extreme wealth and poverty. South Atlantic countries, many of which continue to struggle to diversify their economies, are concerned that new plurilateral initiatives could divert trade to their detriment.

WITH THESE CONSIDERATIONS IN MIND, WE CALL FOR A PAN-ATLANTIC AGENDA FOR ECONOMIC GROWTH AND HUMAN DEVELOPMENT, COMPRISED OF THE FOLLOWING ELEMENTS.

PROMOTE PROSPERITY THROUGH FREER TRADE AND INVESTMENT

We oppose strongly the creation of inward-looking trading blocs that would divert from the pursuit of global free trade. We are determined to pursue free and open trade and investment in the Atlantic in a manner that will encourage and strengthen trade and investment liberalization in the world as a whole.

 Bring the Doha Round of multilateral trade negotiations to a successful conclusion.

The open multilateral trading system is the foundation of our economic growth. The Atlantic Community should lead the way in removing roadblocks and taking concrete steps to produce the strongest possible outcome in Geneva. Increased participation by Atlantic economies, including via an Atlantic caucus, in a strengthened WTO system will also facilitate greater cooperation across the Atlantic space.

- Adopt the long-term goal of free and open trade and investment among the four Atlantic continents.
- > Create an Atlantic Business Advisory Forum to recommend concrete steps to further reduce barriers to trade and investment and to promote the free flow of goods, services and capital among our economies.
- > **Draft an Atlantic Investment Compact** based on common principles to facilitate enhanced investment as an engine for growth throughout the Atlantic space.
- Conclude current sub-regional trade and investment negotiations. We welcome the Comprehensive Economic and Trade Agreement (CETA) between the EU and Canada and U.S.-EU negotiations for a Transatlantic Trade and Investment Partnership, or TTIP. We call on the EU and Mercosur to conclude their long-standing negotiations, and on leaders in the Americas to revive the goal of a "Free Trade Area of the Americas" (FTAA), in which barriers to trade and investment will be

- progressively eliminated. The Atlantic Business Forum should recommend how existing sub-regional and bilateral arrangements could be codified and aligned to enhance overall Atlantic and global economic cooperation.
- Ensure that the Transatlantic Trade and Investment Partnership, or TTIP, is part of an open architecture of international trade, and open to accession or association by third countries. TTIP promises a boost to North Atlantic economies. But unless properly designed as part of an "open architecture," the partnership could hurt the trade prospects of other countries. We urge President Obama and EU leaders to declare publicly that TTIP is indeed part of the open architecture of international trade, and to outline future modalities for accession, association, or complementary economic agreements with other countries. The United States and the European Union have common interest in demonstrating that TTIP is about trade creation, not trade diversion.
- Harmonize trade preference arrangements for low-income African countries. North American countries and the EU should harmonize their current hodgepodge of trade preference mechanisms for low-income African countries. Latin America could conceivably join in offering the same market access, building on preferences already given by some countries in Latin America, and on interests they have expressed within the WTO to improve market access for poorer developing countries. Such

efforts should harmonize country and product coverage as well as rules of origin of current preferential arrangements, taking the best and most effective provisions of each respective program, making them compatible and updating the rules to the current trading environment.²⁷

- Agree on standard operating principles by state-owned enterprises. The increased importance of such enterprises—in financial services, telecommunications, steel, chemicals and energy, and other natural resources—requires new rules so that private businesses can compete fairly with state capitalism. The rules need not push privatization or roll back state enterprises, but they should require transparency, commercial behavior, declarations of subsidies, nondiscrimination and open procurement.
- Promote strategic discussions regarding infrastructure construction to facilitate movement of goods, services and people, including forms of financing to encourage private sector investment that can create jobs and spur economic growth.
- Lead the global debate with regard to rules prohibiting exchange rate manipulation to gain unfair trade advantage. Brazil has already raised this issue; its Atlantic partners should support such an initiative.

REDUCE POVERTY AND INEQUALITY

Growing inequality within countries is a pressing problem for the Atlantic world, damaging social cohesion, economic efficiency, and political stability. Poverty, lack of social mobility and attempts by public officials to exclude certain groups or individuals from the economic benefits of inclusive growth can contribute to inequality. Inequality, in turn, not only implies a slower rate of poverty reduction; it further reduces social mobility, contributes to financial crises, weakens demand and prolongs recessions. Accumulated economic and social research shows conclusively that equality is an important ingredient in promoting and sustaining growth. Extreme inequality also breeds mistrust, which damages the social fabric on which democracy rests.

- We call on leaders to make reducing poverty and inequality a central economic goal, facilitated by inclusive economic growth; greater social mobility; and equality of opportunity, and included in the post-Millennium Development Goals 2015 development agenda.
- In order to enhance social mobility, we call for more efficient markets and government services; expansion and improvement of education; less regressive public spending; and for sustainable social policies targeted at the poor.

INTENSIFY DEVELOPMENT COOPERATION

Since the turn of the millennium the international landscape for development aid has changed. Countries that were once poor have became economic powerhouses and started their own foreign aid programs. Traditional donors in the OECD's Development Assistance Committee (DAC) have committed to change their programs based on lessons learned from accumulated

evaluations of aid effectiveness. Unfortunately, implementation has lagged and the international aid architecture has not been updated.

For aid to be effective, the most critical issue is that donors and recipients have a common understanding that donors do not develop countries. Developing countries develop themselves. Such an understanding leads to developing country ownership of the assistance program without which no aid yields lasting results. Today, less than half of technical cooperation flows are consistent with national development strategies. Aid should be integrated in the recipient's regular planning and budget systems, and where possible, donors must support developing countries with predictable multi-year funding for their home-grown programs and transfer the management of aid to the partner government.

New donors like Brazil 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 creates a clear comparative advantage. Thus, a new aid architecture should arise: "new" donors should primarily focus on transfer of knowledge, while "traditional" donors focus on continued transfer of financial resources to poor countries that need external concessional resources.

Improvements in aid effectiveness and a new aid architecture would complement our proposal to harmonize trade preferences.

WE RECOMMEND THAT:

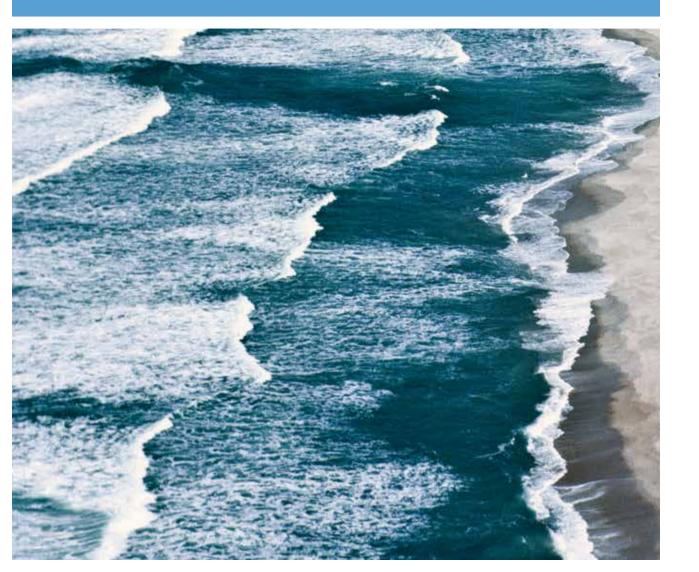
- OECD members implement the commitments they made in the Paris Declaration and the Accra Agenda for Action;
- All Atlantic partners implement the commitments they made in the Busan Partnership Document and participate actively in the Global Partnership for Effective Development Cooperation;
- All Atlantic partners join the International Aid Transparency Initiative.
- Atlantic partners chart a next-generation **agenda.** Atlantic partners have a shared interest in developing codes of conduct to promote transparency and accountability regarding natural resource management; exempting humanitarian aid from food export controls, as recommended by the Group of 20; and taking the lead in such next-generation development issues as investment and services, infrastructure, education, energy, the environment, efforts to adapt to and mitigate climate change, business facilitation, and good governance.²⁸ The Extractive Industries Transparency Initiative is one example of how such efforts could develop, with Atlantic nations taking the lead.

IT IS THE DYNAMIC INTERACTION BETWEEN INVESTMENT AND TRADE THAT DISTINGUISHES THE PAN-ATLANTIC ECONOMY FROM ALL OTHERS.





THE ATLANTIC OCEAN COVERS ONE-FIFTH OF THE EARTH'S SURFACE AND RECEIVES WATER FROM ABOUT HALF THE WORLD'S LAND AREA.



III. OUR COMMON HERITAGE— THE ATLANTIC OCEAN

The Atlantic Ocean, the elongated S-shaped body of water connecting the peoples of North and South America, Europe and Africa, covers one-fifth of the earth's surface and receives water from about half the world's land area—about four times that of either the Pacific or Indian oceans. Its tributary waters begin in Glacier National Park, in the U.S. state of Montana; in the turf swamps of the Valdai Hills in central Russia; in a trickle of glacial water flowing off the Apacheta cliff in the Peruvian Andes; and in a savanna plateau just south of Lake Tanganyika in east-central Africa's Great Rift Valley. It joins the Arctic Ocean via the Greenland Sea and Smith Sound; merges with the Southern Ocean in the Antarctic Circumpolar Current; connects to the Pacific through the Drake Passage, the Straits of Magellan and the Panama Canal; and unites with the Indian Ocean at the Suez Canal and off of Cape Agulhas at Africa's southernmost tip. Although it is the world's second-largest ocean, it is far more compact than the Pacific. The shortest Atlantic crossing, between Senegal and northeastern Brazil, is 1,600 miles—about the same as between Chicago and San Francisco and less than between Tokyo and Guangzhou.²⁹

The Atlantic Ocean is our common heritage. Our ocean shares problems with other oceans—pollution, degradation of marine and coastal ecosystems and marine biodiversity, and the looming effects of climate change. There are issues distinct to the Atlantic, however, that increasingly require pan-Atlantic attention.

The Atlantic serves a unique function as the locus of the planet's thermohaline system, a global circulation pattern of currents that distributes water and heat from the Equator to

the poles, reducing extremes in the planet's climate. Any change to this pattern could have untold effects all across the globe, and there are indications that change is underway. Thermohaline circulation is driven by the sinking of cold, salty water at high latitudes. Yet scientists have found that North Atlantic surface waters are becoming warmer and "fresher," i.e. less salty, and thus less dense, possibly altering the trajectory and force of the Gulf Stream, the North Atlantic Current, and overall global thermohaline



THERE ARE ISSUES DISTINCT TO THE ATLANTIC THAT INCREASINGLY REQUIRE PAN-ATLANTIC ATTENTION.

circulation, with serious impacts on marine ecosystems, fishing grounds, coastal water quality and nutrient cycling, sea levels and surface climate. Some climate models project weakening of the Atlantic turnover process of up to 25 per cent by the end of this century. While the decreased influx of ocean heat could be compensated by future global warming caused by the insulating effect of carbon dioxide in the atmosphere, these two processes are unlikely to be equivalent or synchronous, and thus likely to have major disruptive effects on human activity, not just along coasts but across continents.³⁰

Warmer oceans and rising sea levels interact to enhance the destructive potential of more powerful storms. Their impact may be greatest at particular hot spot areas experiencing greater than average sea level rise—such as the U.S. East Coast.

Second, the Atlantic plays a particularly important role in carbon storage. The oceans are the greatest carbon reservoirs, containing far more carbon than either the atmosphere or the terrestrial biosphere, and absorbing about a quarter of the carbon dioxide humans release into the atmosphere every year. While this process takes place everywhere across the ocean surface, cold salty water in the North Atlantic and in an ocean belt between 30 and 50 degrees south latitude absorb enormous amounts of gases before it sinks, and then transports them to much greater ocean depths, primarily at four polar convection points, three of which are

in the Atlantic. Unfortunately, the oceans are not absorbing carbon dioxide as fast as humans are emitting it, and the high levels that are being absorbed by the Atlantic are raising acidity levels, with potentially cascading effects throughout the marine food chain and the overall structure of marine ecosystems.

Third, warmer oceans and rising sea levels interact to enhance the destructive potential of more powerful storms. Their impact may be greatest at particular hot spot areas experiencing greater than average sea level rise—such as the U.S. East Coast. Sea levels on the heavily populated stretch of coast from Cape Hatteras to Boston have accelerated roughly three to four times the global average.31 Researchers have extrapolated that sea levels at New York City could rise by up to 11.4 inches by 2100—in addition to the roughly 3 feet of average sea level rise expected worldwide by then.³² Superstorm Sandy was fueled by much-higherthan-average sea-surface temperatures, but higher sea levels heightened its destructive impact. As coastal regions all along the Atlantic struggle to cope with future calamities, extremely expensive surge barrier projects such as those around London, Rotterdam and Venice are likely to remain exceptions. Just as important could be new mechanisms of pan-Atlantic exchange of best practice regarding integrated coastal risk management.

North Atlantic surface waters are becoming warmer and "fresher," possibly altering the trajectory and force of the Gulf Stream, the North Atlantic Current, and overall global thermohaline circulation,

Fourth, concern about the explosive growth in the size and number of marine "dead zones," areas where the deep water is so low in dissolved oxygen that sea creatures can't survive. Marine dead zones have grown ten-fold globally in the past 50 years and almost thirty-fold in the United States since 1960. All told, there are over 400 dead zones worldwide. Most are in the Atlantic. Many occur naturally, but humaninduced changes, such as agricultural runoff, have expanded such zones and changed their nature. The New Jersey-size dead zone at the Mississippi's outlet into the Gulf of Mexico has received considerable attention. But a massive low oxygen zone off of West Africa is growing, encroaching upon habitats of tuna, billfish and other species, forcing them into already overfished areas.33 This is a further phenomenon appropriate for pan-Atlantic concern.

The Atlantic plays a particularly important role in carbon storage.

Four of the Atlantic's seven marine fishing areas lead the world with 50 percent or more of stocks overfished, and in the other three areas up to 30 percent of fish stocks are overexploited, due in large part to unsustainable fishery subsidies. As traditional fishing grounds becoming less fruitful,

fisheries move to new areas and stocks as catches diminish.³⁴ In addition, the Northeast Atlantic offers the clearest evidence to date that rising water temperatures are shifting the ranges and variations of warmer water marine organisms towards the poles. These changing patterns are creating new challenges for sustainable fisheries management and affecting fisheries catch probabilities, potentially benefiting the Arctic, and Atlantic temperate waters, at the expense of the Gulf of Mexico and Atlantic equatorial waters.

Warmer oceans and rising sea levels interact to enhance the destructive potential of more powerful storms. Their impact may be greatest at particular hot spot areas experiencing greater than average sea level rise—such as the U.S. East Coast.

In addition, as global fishing fleets increasingly focus their efforts on the southern Atlantic as traditional stocks diminish, control of illegal, unregulated, and unreported fishing presents a growing challenge.³⁵ There is a vacuum in terms both of national maritime governance structures in most littoral states and any overarching system of cooperative governance. Those regional fisheries commissions that exist have not proven particularly effective, nor do they cooperate very well.

Despite this multitude of issues, Atlantic Ocean governance is patchy. Some North Atlantic mechanisms are at work, but South Atlantic arrangements are uneven and weak, and no overarching pan-Atlantic framework exists.³⁶ In the case of pollution from ships, for instance, the so-called Bonn Agreement provides for cooperative arrangements with regard to such eventualities in the northeastern Atlantic, but equivalent arrangements do not exist for other quadrants of the Atlantic. Broad cooperative mechanisms such as the European Maritime Safety Agency (EMSA) do not exist in the southern Atlantic beyond national organizations.³⁷

All told, there are over 400 dead zones worldwide. Most are in the Atlantic.

Northern Atlantic partners could consider offering satellite photos along major maritime routes to Southern Atlantic partners willing to receive them. Consideration could also be given to an Atlantic Coast Guard Forum to facilitate operational cooperation and exchange of best practices, including among magistrates of coastal states with regard to investigation methods. A study group sponsored by the German Marshall Fund of the United States has recommended the creation of a Southern Atlantic forum within which countries can share their own ideas on ocean governance and maritime policy and profit from the experience of the North. Over time, the activities of this forum could lead southern states to set up governance mechanisms for sustainable and safe shared development.³⁸ We endorse these recommendations, perhaps buttressed by annual engagement at the full pan-Atlantic level.

A related pan-Atlantic development is the so-called "blue growth" agenda, which encompasses various initiatives to harness the untapped potential of oceans, seas and coasts for jobs and growth.³⁹ Various aspects merit attention. The first is blue energy, or energy derived from the ocean. Offshore and deep-sea exploration and extraction of traditional fossil fuels is advancing off all Atlantic coasts, yet there are no international safety standards for offshore energy installations other than those defined by individual companies. Opportunities for private-public partnerships could be on offer related to other ocean energy technologies, such as offshore wind, wave and tidal devices, and ocean thermal energy conversion. The exploitation and mining of minerals from the sea is also advancing and could extend into deeper water. Global annual turnover of marine mineral mining is expected to grow from virtually nothing to €5 billion in the next 10 years and up to €10 billion by 2030, and yet the Law of the Sea and related conventions do not fully address such developments, amidst rising environmental concerns. Finally, blue biotechnology, which could result in groundbreaking drugs developed from marine organisms, also poses challenges of standards and governance. In each of these areas appropriate governance mechanisms are lacking. Atlantic nations could lead.

WE CALL ON PUBLIC AND PRIVATE LEADERS TO ENGAGE ON COMMON ATLANTIC ISSUES; WE INTEND TO FORM AN ATLANTIC OCEAN FORUM TO ADVANCE PAN-ATLANTIC COOPERATION.

THE OCEANS ARE NOT ABSORBING CARBON DIOXIDE AS FAST AS HUMANS ARE EMITTING IT, AND THE HIGH LEVELS THAT ARE BEING ABSORBED BY THE ATLANTIC ARE RAISING ACIDITY LEVELS.





WHILE CHALLENGES OF STATE-TO-STATE SECURITY ARE GREATEST IN THE PACIFIC, CHALLENGES TO HUMAN SECURITY ARE MOST RELEVANT FOR THE ATLANTIC.



IV. HUMAN SECURITY

The international strategic community, focused largely on traditional inter-state disputes, particularly those with potentially global impact, has turned its gaze from the Atlantic because it lacks the defining conflicts, cleavages and existential flashpoints evident in the Asia-Pacific region and the Indian Ocean. As Ian Lesser has pointed out, there is no wider Atlantic equivalent to the risk of nuclear war on the Korean peninsula, the India-Pakistan conflict or the looming U.S.-Chinese strategic competition.⁴⁰ This distinction is important, but perhaps in a different way than traditionally interpreted. While challenges of state-to-state security are greatest in the Pacific, challenges to human security are most relevant for the Atlantic.

Some "traditional" conflicts certainly continue, but they tend to be small in comparison to Pacific challenges. The reopening of territorial claims in the South Atlantic, spurred in part by the discovery of new commercially profitable resources, could fuel additional tensions among Atlantic states. But larger—and common—Atlantic challenges are largely intra-state in nature. Trafficking in people, arms, drugs and money, piracy, political instability, and terrorist infiltration are all becoming concerns of pan-Atlantic scope. Human security—protecting people from violence or disruption—is likely to be more of a driver than state security when it comes to Atlantic cooperation. Furthermore, these security challenges tend to be common, and thus present an opportunity to unite efforts and test new modes of governance.

The drug trade is the most lucrative branch of organized crime, cocaine is the most profitable

drug within the drug trade, and cocaine is very much an Atlantic scourge. Almost all the world's cocaine is produced in Colombia, Peru and Bolivia. The U.S. is the biggest consumer and Europe is the most lucrative market. The routes to these markets crisscross Central America as a corridor and operational base for North America and a launching pad for shipments via the Azores to Europe. They also flow from Venezuela, which accounts for half of the cocaine being supplied to Europe, via Cape Verde, Madeira and the Canary Islands; and they traverse Brazil and other parts of South America to West Africa as a logistics base and transshipment point to Europe and beyond. These drugs operations are now spreading to East, Central and South Africa as well. In addition, the conventional wisdom that the North consumes drugs and the South produces them has dissolved; consumption is growing throughout the South Atlantic—Brazil



TRAFFICKING IN PEOPLE, ARMS, DRUGS AND MONEY, PIRACY, POLITICAL INSTABILITY, AND TERRORIST INFILTRATION ARE ALL BECOMING CONCERNS OF PAN-ATLANTIC SCOPE.

is now the world's second largest cocaine consumer—and trafficking is growing across the North Atlantic.⁴¹

Additional security issues arise from the growing flows of energy, commerce and people across the Atlantic.

Other drugs, such as heroin, are also becoming pan-Atlantic challenges. Moreover, health challenges associated with drug use require holistic approaches to human security; rising addiction rates in many Latin America and Africa countries are taxing already burdened, underfunded health care systems. Across the Basin, high levels of violence and corruption associated with drug trafficking are leading authorities to go beyond criminal justice approaches and to focus more on social and health issues related to drug use, preventive measures and even legal regulation of specific drugs.⁴²

The drug trade is the most lucrative branch of organized crime, cocaine is the most profitable drug within the drug trade, and cocaine is very much an Atlantic scourge.

The intersection of crime and conflict is not a new phenomenon, but globalization and communications technology have provided insurgent and terror networks with the capacity to expand their operations and connections far beyond the boundaries of their original conflict zones. For years small arms and light weapons flowed illicitly across the Atlantic from Africa to

South America and up to the FARC or other insurgent groups. Now flows of drugs, arms and cash flow across the full Atlantic space.

Moreover, not only have crime cartels intruded on states; governments such as Guinea-Bissau have themselves become organized criminal enterprises bent on facilitating illicit pan-Atlantic flows. As a consequence, west Africa is in danger of becoming a black hole of intermingled trafficking, terrorism and corruption.

Atlantic Basin countries are also bound by the consequences of other human security challenges, including illegal exploitation and illicit trade of natural resources; corporate bribery; illicit diversion of assistance expenditures; the channelling of illicit flows to secrecy jurisdictions; tax evasion; cybercrime; oil bunkering (illegal tapping of pipelines); exploitation of labor; and manipulation of export (or import) prices in order to reduce the incountry tax burden and maximize externalized income, usually through a secrecy jurisdiction and a process often known as 'mispricing.' Between 2001-2010 illicit flows from Latin America were estimated at \$877 billion, from Africa \$357 billion.43

These networks of crime, corruption and terror have become the modern HIV virus of the Atlantic world.⁴⁴ Their potency is enhanced by rippling traffic in goods, services, people, drugs, money and arms that is lashing the four Atlantic continents tighter together.

The conventional wisdom that the North consumes drugs and the South produces them has dissolved; consumption is growing throughout the South Atlantic.

The evolving situation in Mali is emblematic. The French-led intervention was characterized as an effort to roust al-Qaeda in the Islamic Maghreb from territory twice the size of France that it had wrested from Malian authorities. But what gave the movement real potency was not the attraction of its radical ideology but its close and lucrative links to crime cartels trafficking in drugs and guns, primarily from the Americas and Europe. Latin American gun runners and narco-cartels have leapfrogged the Atlantic, using weakly governed spaces in west Africa as logistics hubs and transshipment points for destinations in Europe and beyond.⁴⁵

This nexus of crime, drugs, guns and terror has become a pan-Atlantic challenge and requires pan-Atlantic answers.

Additional security issues arise from the growing flows of energy, commerce and people across the Atlantic. As the new Atlantic economy grows ever more connected, complex flows of capital, goods, information and people are creating new interlinked networks. Yet this dynamism also creates vulnerabilities that can lead to disruption of such critical functions as transportation, energy flows, medical services, food supply chains and business systems, communications, cyber links and financial networks. Governments are accustomed to protect their territories; now they must protect their society's critical

functions, the networks that sustain them, and the connections those networks bring with other societies. These developments call for privatepublic partnerships and close interactions among governments, the private sector, the scientific community, and non-governmental organizations.

A further development makes discussion of pan-Atlantic security cooperation more relevant. U.S. primacy on the high seas has guaranteed commercial maritime stability for decades, and has, therefore, been taken for granted, even as globalization has depended on it. Yet given a reduction in U.S. military spending and a renewed U.S. naval focus on the Pacific, we may be entering a phase of history in which several nations might share dominance of the high seas, rather than one as in the recent past. This situation is likely to emerge in the Atlantic before it would in the Pacific, and thus the Atlantic may become a test bed for a maritime concert of democracies dedicated to ensuring Atlantic Ocean security.46

The intersection of crime and conflict is not a new phenomenon, but globalization and communications technology have provided insurgent and terror networks with the capacity to expand their operations and connections far beyond the boundaries of their original conflict zones.

Taken together, these challenges present opportunity to Atlantic stakeholders to form pan-Atlantic networks oriented to ensure security of pan-Atlantic flows.

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Governments are accustomed to protect their territories; now they must protect their society's critical functions, the networks that sustain them, and the connections those networks bring with other societies.

Given Southern sensitivities and discrepancies between northern and southern Atlantic governance mechanisms, these networks might usefully begin in the South. Northern Atlantic countries can provide experience and funding without a heavy footprint, and southern Atlantic countries can take on greater responsibilities for the common good of the neighborhood. Over time, new forms of cooperation on common human security challenges could increase opportunities for discussion, partnership and confidence-building among developing and developed countries in the Atlantic Hemisphere.

Such efforts would not be starting from scratch. The Praia Action Plan Against Drugs and Organized Crime, adopted by ECOWAS, is comprehensive, yet implementation has lagged. Spain, Portugal and ten South Atlantic states convened an effort in Lanzarote in 2009 to jumpstart a soft security framework focused on organized crime, illegal migration, weather monitoring, and the safeguarding of biodiversity, yet little has been done. Both initiatives could be refined and expanded to include other Atlantic partners. West and Central African countries are working on a framework for regional law enforcement operations; the Commission on the Impact of Drug-Trafficking on Governance, Security and Development in West Africa, chaired by former Nigerian President Olusegun

Obasanjo, shows promise. The Kimberley Process, which involves supply-chain policing of conflict diamonds to target weak links in ways that can enhance international effectiveness, could be a model for policing other criminal supply chains. The Extractive Industries Transparency Initiative is one of the most advanced examples of the current trend to increased transparency in government and corporate relations. Gaining greater African adherence to the Financial Action Task Force would also be useful.

Patchwork cooperation belies a diversity of views and priorities with regard to organized crime and illicit activities that has not yet been addressed adequately.

Other initiatives, such as the Mexican-led Chapultepec Consensus against transnational organized crime; the 2003 Caribbean Regional Maritime Agreement and the 2008 Caribbean Community (CARICOM) Maritime and Airspace Security Cooperation Agreement; INTERPOL's OASIS program in Africa and its cooperation with Mercosur; or cooperation programs sponsored by UNODC (the West Africa Coast Initiative or the Container Control Program), the EU (SEACOP; AIRCOP; Cocaine Route Program; COPOLAD) or the U.S. (West Africa Cooperative Security Initiative: International Law Enforcement Academies) might serve as useful orientation points for broader pan-Atlantic cooperation, as would lessons learned from the Mali intervention.

As Atlantic commercial connections intensify, so should cooperation in countering organized crime.

Nonetheless, on the whole such efforts remain limited or uneven, often without clear prioritization and minimal national ownership. They have yet to inspire a broader pan-Atlantic architecture. In addition, patchwork cooperation belies a diversity of views and priorities with regard to organized crime and illicit activities that has not yet been addressed adequately. Related questions of governance and development must be included. A common debate and assessment of vulnerabilities across the Atlantic Basin, including specific "flow security" challenges among Atlantic Basin states, could add value. Cooperation should also be extended where similar challenges offer opportunities to learn from each other's experience. For example, lessons learned from Central America with regard to particular difficulties of fragile states serving as transit zones for drugs could be very beneficial to some West African countries.⁴⁷ And as Atlantic commercial connections intensify, so should cooperation in countering organized crime.

WITH THESE CONSIDERATIONS IN MIND, WE RECOMMEND THE FOLLOWING MEASURES:

- Create an Atlantic Human Security Forum to consider concerted pan-Atlantic efforts to promote human security across the entire region. Such efforts can build on a variety of sub-regional mechanisms already in place. Further steps might include, inter alia, improvement in mutual intelligence, assistance, surveillance, and interdiction capacities to combat illicit maritime activities and trafficking in drugs, arms or human beings, and strengthened networks of mutual assistance agreements among Atlantic states. Such networks could be informed by a few basic principles: agreement on military restraint; commitment to keeping sea lanes and sea lines of communication open; regular consultations on security challenges; and appropriate action against common threats such as trafficking, transnational organized crime, piracy, terrorism and natural disasters.
- Consider the creation of a public-private Atlantic Movement Management Initiative,

the task of which would be to align security and resilience with commercial imperatives in Atlantic movement systems, including shipping, air transport, and cyberspace. Such an effort could improve cooperation among public and private stakeholders and serve potentially as a precursor for a more ambitious global governance framework.⁴⁸







DEMOCRATIC DISENCHANTMENT, REPUDIATION OF POLITICS AND POLITICIANS, POPULIST FASHIONS, AND EXTREME SOCIETAL VIOLENCE AFFECT COUNTRIES ACROSS THE ATLANTIC SPACE.



V. CULTIVATING CULTURES OF LAWFULNESS AND EFFECTIVE DEMOCRATIC GOVERNANCE

There is yet another reason why the Atlantic offers potential as a test bed for how established and emerging powers can probe new governance approaches. The Asian Hemisphere is the hemisphere of contested norms and principles among and between open and closed societies. The Atlantic Hemisphere, in contrast, is—admittedly with fits and starts—coalescing around basic aspirations regarding domestic governance. Across the Atlantic space there is growing commitment to promote liberty, improve the efficiency of markets, and to respect human dignity. All countries in North America, the European Union and Latin America—with the exception of Cuba—are now rated partly free or better by Freedom House. ⁴⁹ Africa, too, has experienced greater democracy. In 1990 Freedom House recorded just 3 African countries with multiparty political systems, universal suffrage, regular fraudfree elections and secret ballots. Today close to 60 percent of African countries are now rated partly free or better by Freedom House.

Of course, across the full Atlantic space achievement does not always match aspiration. Setbacks abound and challenges remain. Democratic disenchantment, repudiation of politics and politicians, populist fashions, and extreme societal violence affect countries across the Atlantic space.

A growing commitment to democratic norms and practices, however, offers a foundation upon which established and emerging powers alike can bolster weak democracies susceptible to organized crime cartels or terror networks; halt democratic backsliding; cultivate cultures of lawfulness; attract investment; and tackle

violence, corruption or "strongman" regimes that use the veneer of democracy to reinforce their grip on power.⁵⁰ The Atlantic Hemisphere also offers diverse models of democratic practice that can be relevant to broader global debates about effective and responsive governance.

In many countries in the Atlantic Basin, people seeking to satisfy their basic needs are caught between corrupt elites, criminal gangs and violent extremists who offer material or other benefits. In areas with inadequate or problematic state authority, widespread poverty, and social and political marginalization, illicit economies offer livelihoods, public goods and social



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advancement, cultivating cultures of illegality that undermine social cohesion, economic growth and human development. Traditional rule-of-law programs that treat such activities as aberrant social activity to be suppressed or that focus solely on government institutional reform are unlikely to be sufficient. Complementary strategies are needed that seek to inculcate cultures of lawfulness in which the overwhelming majority of the population believes that the rule of law offers the best long-term path to achieving social justice, alleviate poverty and spur human development. Efforts to cultivate a culture of lawfulness in diverse regions such as Palermo, Italy, Pereira, Colombia and Monterrey, Mexico demonstrate that it is possible to initiate such a cultural change even in societies where organized crime, corruption and violence have been prevalent for decades. Atlantic countries share common interests in working to advance such efforts across the region.51

The Atlantic Hemisphere also offers diverse models of democratic practice that can be relevant to broader global debates about effective and responsive governance.

A shared and growing commitment to democracy, good governance and a culture of lawfulness also positions the Atlantic Hemisphere as the test bed for how established and emerging powers can formulate shared approaches to ensure the legitimacy and effectiveness of the international rules-based order. Whether emerging powers choose to challenge the current international order and its rules or promote themselves within

it depends significantly on how established democracies engage with rising democracies. The stronger the bonds among core democratic market economies, the better their chances of being able to include rising partners as responsible stakeholders in the international system.

More effective 21st century global governance is likely to depend on a more effective—and thus redefined—Atlantic Community.

The more united, integrated, interconnected and dynamic the Atlantic Hemisphere, the greater the likelihood that emerging powers will rise within this order and adhere to its rules. The looser or weaker those bonds, the greater the likelihood likelihood that emerging powers will rise within this order and adhere to its rules. The looser or weaker those bonds are, the greater the likelihood that rising powers will challenge this order. In this sense more effective 21st century global governance is likely to depend on a more effective—and thus redefined—Atlantic Community.

The Atlantic may also be a test bed of governance innovation in another sense. As this brief review has shown, traditional balance of power approaches geared to state-to-state interactions fit the Atlantic space less well than more differentiated "governance networks" that can bring together international institutions, national governments, civil society and private sector organizations in pursuit of common goals. In the Atlantic, such networks can be useful for

agenda-setting and consensus-building, policy coordination, knowledge exchange, and normsetting. The latter does not exclude or neglect competition or hard geopolitical considerations, but sets them in the broader framework of interdependence. This is all the more relevant in a context, such as the Atlantic, where relations between the main state actors are not defined predominantly in antagonistic terms and where transnational threats are largely common.⁵²

The strength of Atlantic governance innovation may be to demonstrate the relevance of international non-organizations—networks that can facilitate robust functional linkages among the Atlantic continents organized around the principle of open regionalism.

If such networks are successful, then the strength of Atlantic governance innovation may be to demonstrate the relevance of international non-organizations—networks that can facilitate robust functional linkages among the Atlantic continents organized around the principle of open regionalism.53 Open regionalism in this context means that regional efforts can help not only to address regional issues of common concern, but also to help frame broader global debates on contemporary challenges as well as appropriate norms and standards. Atlantic initiatives can have important demonstration effects, accustom officials, governments and other stakeholders to working with each other and to pioneering new ideas that can subsequently be taken up in other global fora.

WE PLEDGE TO ADVANCE OUR COOPERATION BASED ON A SHARED BELIEF IN PRINCIPLES OF DEMOCRACY, RESPECT FOR HUMAN RIGHTS AND THE RULE OF LAW, AND TO WORK TO ADVANCE THESE PRINCIPLES THROUGHOUT THE ATLANTIC REGION.

Consideration should be given to creation of an Atlantic Peer Review mechanism, a voluntary arrangement by which reform leaders consult with peers who have had personal experience with reform, drawing on experience gained from the African Peer Review Mechanism of the African Union.

• We are prepared to deploy small teams composed of our Eminent Persons, together with relevant experts, to work with reformers across the Atlantic Basin who may request such advice and counsel.

CONCLUSION

Of the world's three grand oceans, the Atlantic is the most pacific. The Pacific and Indian Oceans are tempestuous, full of rivalry and tension; the Atlantic lake, in contrast, could be a uniting force around which countries can come together.

The new dynamics of the Atlantic are not cause for neglect and indifference; they offer opportunity to test new modes of networked cooperation attuned to modern challenges. The Atlantic may offer more innovative and effective governance solutions than can be adopted within either the Asian-Pacific or Indian Ocean contexts, since traditional state-to-state mechanisms fit the Atlantic space less well than do networks of public and private actors organized around the principle of open regionalism.

The Atlantic Basin can emerge as a global laboratory and test bed for interregional, networked governance between developed and emerging countries.

Despite these trends, there are still no pan-Atlantic mechanisms comparable to Pacific Basin cooperation as embodied by APEC and other groupings. Yet as the tectonic plates of the global system continue to shift, the Atlantic Basin can emerge as a global laboratory and test bed for interregional, networked governance between developed and emerging countries—particularly if it is made clear at the outset that such efforts are not intended to contain China, compete with Pacific arrangements, or to extend Northern institutions southward. It is time to set aside zero-sum formulas of the past and to erase the invisible line dividing the South and North Atlantic by redefining a new Atlantic Community positioned to face the new world rising before us.

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THE ATLANTIC BASIN INITIATIVE

The Atlantic Basin Initiative is spearheaded by CTR Distinguished Fellow and former President of the Government of Spain Jose Maria Aznar and CTR Executive Director Dan Hamilton. It is supported by a variety of corporations, foundations, multilateral institutions, governments and private donors, and consists of the following elements:

EMINENT PERSONS NETWORK. Former heads of government, ministers, parliamentarians, state and local leaders, and CEOs meet to tackle issues common to Atlantic peoples and facilitate greater connections among leaders on the four Atlantic continents.

ATLAS OF THE ATLANTIC. We are creating new mental maps of the Atlantic that track the growing connections among the four Atlantic continents. Our goal is to produce an interactive "Atlas of the Atlantic" focused on the flows of goods, services, energy, people, resources, drugs, arms and ideas connecting the peoples of the Atlantic—a useful tool for business and political leaders, scholars, students, media, and policy professionals.

ATLANTIC BASIN POLICY RESEARCH NETWORK. Think tanks and research institutes from across the full Atlantic space are working together to explore the changing dynamics of the Atlantic Basin in terms of shared values, economic interactions, the emerging Atlantic energy system, connections between Atlantic cities and regions, prospects for human development, and new challenges of human security. The network is generating new knowledge and offering substantive support and orientation to the other elements of the Initiative.

NEW ATLANTICISTS. Young Leaders drawn from the four continents meet to explore together key issues facing Atlantic nations, forming a new 'successor generation' network of promising leaders who become accustomed to working together within a new pan-Atlantic framework—a redefined Atlantic Community for the 21st century.







































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