

THE BROOKINGS INSTITUTION

A CONVERSATION ON THE FUTURE OF CENTRAL AMERICA:
THE CHALLENGES OF INSECURITY AND TRADE

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PARTICIPANTS:

Welcome Remarks and Introduction:

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PANEL 1: THE CHALLENGES OF CITIZEN INSECURITY AND ORGANIZED CRIME IN CENTRAL AMERICA:

Moderator:

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Panelists:

BRIAN NICHOLS
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PROCEEDINGS

MR. CARDENAS: All right, well, good morning, everyone. I am Mauricio Cardenas, a senior fellow and director of the Latin America Initiative here at the Brookings Institution. It is a real great pleasure to welcome you all to this event, which we have entitled "A Conversation on the Future of Central America: The Challenges of Insecurity and Trade."

Central America is a topic that is gathering more and more attention in this city. Last Wednesday, we convened here at Brookings a group of six former presidents from Latin America to talk about the future of this hemisphere, and Central America was a key player in that conversation, and it's emerging again today.

We had dinner that night with the secretary of state, and the topic of Central America emerged again. So, with this, I just highlight the point that there is an understanding that there are challenges in Central America: economic, security, and political challenges. We need to gain more insight and more understanding not just on the causes and the roots of those problems, but on the solutions, and the purpose of these conversations is precisely that; to help us understand and help us design better policies to deal with these challenges and overcome current problems.

For this purpose, we have a group of panelists. I'm going to leave it to Diana Negroponete, who will introduce the participants of this panel. But before I hand it to her, we're going to do two things. One is to acknowledge a great partner that we now have in our work in Central America. We hope that we are able with this event and future initiatives to forge a partnership with the Central American Bank of Economic Integration. We've done that in the past with other of the regional organizations, particularly with CAFTA, that covers mostly the South American countries, and I think these regional players are key allies in this idea of promoting the debate the conversation about the key topics in our region.

And we have the great privilege of having today with us the president of the Central American Economic Integration Bank, who is Dr. Nick Rischbieth. He's a long member of the bank. He's been there for almost 15 years now. Now as president, but before as vice president. He has a PhD in finance from the University of Hamburg in Germany. He has a MBA, also, from Washington University in

St. Louis. A key friend of this house, by the way. Washington University was founded by the same person who founded Brookings. So, we have a great connection.

I'm going to turn the floor over to him for his initial remarks, and then we'll go into the first panel. I sincerely hope you stay for the entire event, which will end with a closing lecture by President Laura Chinchilla of Costa Rica. We're also delighted that she's going to be with us. And I think this will allow us to really take advantage of a person who knows this region very well and has already shown in the first year in government tremendous leadership not just in her own country, but in the entire region as a whole.

Let me finish this also by saying that this is all the great work of a great colleague and a great friend, Kevin Casa-Zamora, who's a senior fellow here at the Brookings Institution, a Costa Rican national, former vice president of Costa Rica, who took the initiative and has taken the leadership of putting all these programs together, and not just to this event, but our entire work on Central America has been benefited tremendously from his views and his leadership. So, thanks, Kevin, for your hard work on this account so, with that, I'll turn it to you, Nick, for your initial remarks.

DR. RISCHBIETH: Good morning, ladies and gentlemen. Thank you, Mauricio, for those kind words. Ladies and gentlemen, Central American Bank for Economic Integration, CABEI, the financial arm of the Central America integration process, is very pleased to be organizing this event together with such a prestigious entity such as Brookings Institution. We hope that today's event marks the birth of an alliance between both our institutions. We further our hope that this event contributes to firmly place Central America on the agenda of Washington political and diplomatic circles, thereby fostering studies and research that will contribute to the formulation of policies aimed at our countries. Undoubtedly by doing so, we will highlight the role that integration organizations in general and CABEI in particular, can play in particular consolidating integration and economic and social development in this sub region.

Today's event held to coincide with a visit of Costa Rica's president, Ms. Laura Chinchilla, seeks to commence this cooperation by addressing two highly-relevant topics for Central America.

The first is the trade agenda, a critical variable for the successful performance of the Central American countries and their economies. As you well know, DR-CAFTA was formally adopted five years ago by several countries in the region, a short time thereafter by the Dominican Republic, and finally by Costa Rica. To this day, it still is the most debated and controversial free trade agreement ever signed by Central America. As soon as the United States of America announced her willingness to sign the FTA, protracted discussions started in all and each of the different countries. Two camps soon emerged: all the apologists on the one hand for the FTA and their staunch opponents. In the case of Costa Rica, it was even necessary to call for a popular referendum in order to obtain its approval.

What is now clear five years later, after its formal adoption is that the DR-CAFTA was neither an economic miracle that would fuel the take-ups of Central America as its proponents were envisioning, nor the nightmare that would cause the collapse of our economies, as the most zealous adversaries were forecasting. DR-CAFTA has born fruits. However, the results have not yielded a bountiful crop. On the one hand, Central American countries have not managed to implement the complimentary agendas that would have permitted the optimization of the free trade agreement. On the other hand, the international economic crisis has not allowed us to measure and quantify the benefits of the implementation of the free trade agreement.

Soon after its formal adoption, a recession struck the U.S. and engulfed the world. The former, by far, the region's leading trading partner. U.S. imports contracted considerably, undoubtedly impacting severely on the opportunity for expansion the Central American exports. In this respect, it could be said that although we have an FTA that has been fully implemented, it is still to a certain point not fully effective. Not fully effective because Central America proceeded to negotiate additional trade agreements, thereby neglecting the profound reform of its institutions and policies to optimize the advantages of a DR-CAFTA agreement. Not fully effective because U.S. imports were substantially reduced at a moment in time when supposedly Central America would have profited substantially from this preferential trade relation.

The second topic is also very relevant. Challenges to citizen security and organized crime in Central America. The civil wars have for several decades have effected what Guatemala, El

Salvador, and Nicaragua have ended, but they have been replaced by citizen insecurity, particularly in Guatemala, El Salvador, and Honduras. To a lesser extent, they have also affected other countries, such as Belize, Nicaragua, Panama, and even Costa Rica. The homicide rate, the variable criminologists usually have employed to determine the degree of relevant insecurity of a country because of its rather accurate measurement has risen dramatically in the first three countries, but has also increased in the others, including the peaceful Costa Rica.

Once again, this is a reflection of the international situation, but must also be seen within the context of the internal weaknesses of the region. The aggressive and effective fight against drug trafficking in Colombia and the ongoing efforts to combat this plague in Mexico has driven the cartels into the Central American region. An additional twist has been the in-kind payment to local drug dealers and the proliferation of criminal gangs that migrated from the United States.

The institutional weaknesses of the region as it refers to both law enforcement agencies and the judiciary system together with individual mistakes, such as the precipitated demobilization of armies in several countries has allowed drug traffickers to practically take over certain territories.

An initiative worth highlighting is the recent approval of the Central American security strategy, which evidences the concerted commitment of the individual governments to face the challenge on a regional basis. The prospects for this initiative, however, will depend on the continuous dialogue and cooperation with extra regional countries, such as the United States of America, the European Union, and other Mesoamerica countries.

I hereby would like to express today's satisfaction that these topics will be addressed in this morning's forum of highly-distinguished speakers. We consider these to be utmost relevance for both the pursuit of economic and social development and the integration of Central America, both of which are reflected in CABEL's original mandate and furthermore set out forth in the bank's charter that dates back to 1960, the year we were founded.

Thank you very much. (Applause)

MS. NEGROPONTE: President Rischbieth of CABEL, thank you for your sponsorship and for joining us at Brookings and presenting a morning on topics which we believe are of critical importance to us in the United States.

I didn't know how many of you followed the news of Guatemala this week. We have many experts, wonderfully knowledgeable people in this room. But 25 people were beheaded and 2 murdered in a ranch in the Peten, that northeastern part of Guatemala. One woman escaped to tell the story, but massacres and bestiality of this kind so near to us and affecting those Guatemalans and other citizens who live here mean that the problems of Central America are not just Central American; they're part of our problems, too.

We're going to start off this morning with a panel which is expert in the area of public security or insecurity, the strengthening of the rule of law, and the U.S. response to it. Kevin Casas has been bringing to and enriching Brookings' study on Central America since he joined us two-and-a-half years ago, and we are very grateful that a vice president of Costa Rica would come and share relatively squalid rooms after the palaces in San Jose. (Laughter) He also drives himself to work.

MR. CASAS: You'd be surprised.

MS. NEGROPONTE: Carlos Castresana was the first director of the Commission on Examination of Crime in Guatemala, known I think by all of us here with the Spanish acronym CICIG.

JUDGE CASTRESANA: Yes.

And on my left is Brian Nichols, who has taken on the role as the deputy assistant secretary in the Bureau of International Narcotics and Law Enforcement at the Department of State, and you can make the acronym up for that. I know it as INL.

These gentlemen are going to speak for about 15 minutes each, which after which I want to open it up to a discussion because we have the first director of the Central America Regional Security Initiative in our audience, the ambassador of Guatemala, representatives from the Embassy of Honduras, Nicaragua, Costa Rica. You know as much in the certain cases as the people on the panel, and we could have a really useful discussion. We will end with closing statements from our panelists.

Kevin, can I ask you to begin?

MR. CASAS-ZAMORA: You may. Thank you very much, Diana, and thank you all for being here. It's a real honor for me, I have to say, to share the floor with such distinguished speakers. And it's great that we have this turnout for an event on Central America. I suspect that part of that turnout

has to do, sadly, with some of the bad news that are coming from the region. Hopefully, when we talk about trade issues later on, more good news will come our way.

When President Obama signed last September the list of countries with very significant drug-trafficking and drug-trafficking problems, five out of the six Central American countries made the cut. That's a very tangible sign that the security situation in Central America has reached the level of crisis. And it's a crisis that really puts at risk the very significant achievements that the region has made over the past two decades. There's a region that made a very remarkable decision to put an end to civil wars that were truly destroying their societies. And not just that, but it is a region that has made very significant strides, including in place a perfect but reasonably good democratic systems. All that is at risk now.

And what is happening in Central America when it comes to violence is really a tragedy of biblical proportions. Just to give you a couple of figures, over the past decade or so, about 125,000 people have perished in Central America as a direct result of crime. If you worked out the numbers, this is not only more people than were dying at the height of the civil wars, but if you make the conversion, it is as though about 1.2 million Americans have perished over the past decade as a result of crime. So, this is truly extraordinary.

And I'll give you another figure, which I find remarkable as much as it is terrifying. Just a couple of years ago, Guatemala, Honduras, and El Salvador, each of them have more homicides than the 27 countries of the European Union combined. So, at this point, it has become clear that particularly the northern half of Central America is by some margin the most violent region in the world outside of active warzones.

The roots of this violence that seems to be spinning out of control are very, very complex, but one can at least mention two or three contributing factors that are very clear and very obvious.

An obvious factor is that a drug-trafficking tsunami has befallen the region. Just to give you a number, cocaine confiscations have multiplied by a factor of six over the past decades in Central America. Over the past four years, the region has confiscated three times as much cocaine as Mexico. And whereas in 2005, 2006, about a quarter, about one-fourth of the cocaine that was traveling north towards the U.S. was going through Central America. The figure is now closer to 70 percent. So, this is not just a very bad situation, but it's a situation that is getting worse at an alarming rate.

But the penetration of organized crime and of drug-trafficking in Central America merely reflects as much as compounds two very structural issues that in some ways were mentioned by President Rischbieth in his words.

One of them is the marginalization of a significant proportion of the Central American youth. Twenty-five percent of young people in Central America are neither at school nor at work. This is a huge time bomb for the region and it is a reserve army for crime syndicates and youth gangs.

And the problems of law enforcement, the terrible weakness of law enforcement institutions in Central America is arguably worse. Law enforcement institutions, police institutions, and the judiciaries in the region are terribly under-trained, under-equipped, and prone to very severe corruption. Not surprisingly, the levels of trust that they elicit from the Central American population are very low, and this has very concrete consequences for this discussion.

One obvious consequence is that when people don't trust law enforcement institutions, they don't report crime. Just to give you a figure, even in Costa Rica, less than one-fourth of crimes are actually reported to the authorities. And there can only be one result out of this, which is impunity. Pervasive impunity.

So, in a way, one of the crucial factors that is behind this violence that Central America is experiencing is very easy to identify. Law enforcement institutions in Central America are not merely ineffective to deal with crime; in actual fact, they compound the problem.

The consequences of this are several, and I'm just going to mention some. And that is even if we go beyond the obvious human consequences, I mean, the human consequences are staggering. I mean, half of the people that are dying as a direct result of violence in Central America are young men between 15 and 29-years-old, at the peak of their productive and reproductive lives. Actually, if you work out the numbers of the homicide rate in this particular group of a population, they approach the homicide rates that would define a situation of genocide. I mean, that's how bad it is.

But beyond that human consequences, there are economic consequences. The best estimation, this is, of course, an inexact science, but the best estimation of the direct and indirect cost of violence in Central America approach 8, 9 percent of GDP, which is a huge deadweight for any region, particularly a region as vulnerable and as poor as Central America.

But there are also, and I would like to emphasize, there's the political consequences. You would be hard-pressed to identify outside Costa Rica a very democratic culture with deep roots in Central America. So, this kind of problem plays into a set of authoritarian attitudes that are very entrenched in the region. And the risk of this, rather than merely an authoritarian reversal as a result of the fear of crime, which I would say that it's a distant prospect, the real problem is that there's a cavalier attitude towards the rule of law. There's the real danger that basic civil liberties and basic principles of the rule of law will be hollowed out in Central America. And there's also the risk, and this has become very visible throughout the region, that there are places in Central America where the state monopoly over legitimate coercion is no longer assured. And this is happening in different ways. I mean, one way in which this is happening is the pervasive privatization of public security. The proliferation of private security throughout the region often would scant regulation. But there's also the role of organized crime. I mean, there are parts of Central America, and not just in Central America, this is happening in the Favelas, in Rio, in other places in Latin America, where drug-trafficking organizations are the law of the land really, and they provide public services and they really run the show.

And when one talks about this, it is inevitable to make reference to the situation in Guatemala. Guatemala has long played a crucial role in the drought followed by narcotics of the way north. Not just cocaine from South America, but also increasingly methamphetamines from India and Bangladesh. And for this to happen, the country has a set of features that make it very vulnerable. It is about geography, but it's also about institutional makeup, and I want to emphasize here one point. The Guatemalan state is an extremely weak state by almost any indicator. Particularly tax revenue, and I'll come back to this at some point.

And, so, the end result of this is that even though we don't know the exact figures, it is very clear that a very significant proportion of the Guatemalan territory is outside the effective control of the state. And it's very clear that what's happening in Mexico has driven drug-trafficking organizations to expand their operations south of the Mexican border.

What needs to be done? It is fairly clear that Central America needs more than coercion. It really demands a comprehensive approach that gives priority to reforming corrupt and very ineffective law enforcement institutions, that give priority to introducing modern technology and information systems

as part of the policy-making process when it comes to security that gives priority to bolstering social ties in organization of communities and that, above all, gives priority to investing a lot more in education, health, housing, and opportunities for young people.

And there's nothing new about this. This is, in essence, what the successful cases of crime reduction in Latin America have done in places like Bogota and Sao Paulo. So, if you want to put it in a sound bite, this is about balancing zero tolerance for crime with zero tolerance for social exclusion.

But in order to make this happen, the policy interventions needed are very complex and very expensive, and I think there's a very clear case as to why the U.S. could and should help, and the U.S. is helping. I mean, there is the Central American Regional Security Initiative, which is a very well-conceived project of assistance to the region in its fight against organized crime, but the crucial point, and I would like to emphasize this, that we have to understand is that given the task at hand, given that the real challenge is how to rebuild law enforcement institutions almost from scratch and how to improve the opportunities for young people, it is really up to the Central Americans. I mean, these are challenges that the Central Americans themselves have to solve. The U.S. cannot do it for us. And this implies, amongst other things, that tax systems in the region must be reformed if we want Central American states to have effective control over their territory.

Tax revenues as a proportion of GDP are about 16 percent in Central America. That's lower than for Latin America as a whole. That's lower than for Sub-Saharan Africa. So, nobody can be really surprised that Guatemala is having problems in controlling effectively its territory when it's a state that collects 10 percent of GDP in taxes. That's a state that doesn't go beyond the –

What can the U.S. do? And with this, I finish. Several things. Number one, I think there's a case for scaling up CARSI. CARSI has dispersed or has allocated actually, dispersed is a different matter --

MS. NEGROPONTE: Kevin, just explain the acronym for our audience.

MR. CARDENAS: The Central American Regional Security Initiative.

MS. NEGROPONTE: Thank you.

MR. CASAS-ZAMORA: Known as CARSI. CARSI has allocated about \$250 million over the past 4 years to Central America. That's about one-fifth of the counternarcotics assistance that Mexico has received. That's an indefensible disproportion.

So, it can be scaled up. However, it's very important from my perspective that CARSI's funds are not spread thin in myriad projects, that CARSI focuses on a few programs with catalytic effect. The creation of vetted units that are able to handle multinational investigations. The use, the adoption of modern information technologies, the strengthening of prosecutorial capacities when it comes to money laundering, that's the kind of thing that needs to be done badly.

And I would say something else, and this is crucial. Any increase in U.S. counternarcotics assistance to the region should be done in a way that forces Central American countries to come up with money and put it on the table. There should be a mechanism of matching funds. The U.S. should not let Central American elites off the hook on this one.

Second thing, and a very concrete one, the U.S. should support CICIG, Guatemala's impunity commission. I'm not going to go into details of this, but they are running out of funds, literally. Their funding is running out in September, and whatever limitations CICIG might have, I think there's a very strong record, and Judge Castresana can give us more details about this. And the bottom line is that CICIG is a vetted unit and a good one at that, in a country where the penetration, the capture of law enforcement institutions is rampant. So, it would be a tragedy if the U.S. and the international community let CICIG fall through.

Number three, and this was mentioned, the U.S. should partner with Mexico and Colombia, that are crucial actors in this story. They should be brought in this picture, and they actually have developed in their own right very significant capacities when it comes to fighting organized crime that would be useful for their far weaker Central American neighbors.

Finally, last but not least, the U.S. should rethink its counternarcotics policies, and, I mean, this is a very complex discussion. I'm just going to mention it. I mean, Central America needs more than economic assistance from the U.S. In its current shape, the war on drugs is a failed endeavor, and we all know that. So, it would be terrific if the U.S. started having a conversation about counternarcotics policies and started paying attention to alternative approaches to counternarcotics. And

this is not code for legalization; this is simply a passionate call to look at the international evidence available in a dispassionate way. The price that not just Central America, Latin America as a whole is paying for the current approach to drug-trafficking is colossal. It's colossal in terms of violence, it's colossal in terms of corruption, and it's colossal in terms of the erosion of the work ethics of an entire generation. So, this is something in which the fate of Central America can and should be affected by decisions made in Washington.

So, anyway, and with this, I close. It would be great if Washington started paying if not intense attention, at least steady attention to Central America. Given the fact that it is a region that is showing disturbing signs of political instability, that is very close to the U.S. geographically and historically, and that has sent 3 million people to the shores of this country, doing so, I think, on the part of the U.S., would not be anything else than enlightened self-interest. Thank you. (Applause)

MS. NEGROPONTE: Kevin, the fact that you are a Central American citizen gives enormous credibility to what you have shared. I don't think a U.S. citizen could have made a presentation that you have just done.

MR. CASAS-ZAMORA: Thank you.

MS. NEGROPONTE: So, I thank you very much for your passion and commitment.

We're now going to move on to Judge Castresana, whose Spanish accent should not bely the fact that he is a UN employee who designed and founded the *Comision Internacional Contra la Impunidad en Guatemala*, CICIG, who would come to Washington with the equal passion that Kevin has to raise the funds for CICIG for its two years and its extension for a further two years, but who is now spending a well-earned sabbatical in Stockholm, I hope thinking and writing about the work of CICIG and considering where it might be improved and whether it is the right instrument to extend to other countries in Central America.

Carlos?

JUDGE CASTRESANA: Thank you very much. Well, thanks for this wonderful presentation and thanks to Brookings Institution for the opportunity to discuss, to think together about the situation of security and justice in Central America and the influence of organized crime.

I could not agree more with the position of Kevin. I think he understands perfectly the region, understands the problem, and proposes the measures to be taken. Organized crime is a global challenge for democratic societies, for the international community, for the United Nations, is obviously a Latin American problem, but this right now today, a Central America problem. So, the battle of organized crime against society is now being fought in Central America. It was a critical situation in Colombia many years ago, it is a critical situation in Mexico, but Mexico has made progresses, but it is a complete acting situation right now in Central America.

So, let me go to the problem, what we found in Guatemala when we right there without too much knowledge of their situation of the country, sent there to build the rule of law, basically, but if the situation is similar in all the region, it is very similar, extremely similar in the triangle of the Northern Central America.

So, Honduras, Guatemala, and El Salvador. For the criminal groups, there are not borders in this triangle. So, for the Maras(speaking in Spanish) for the juvenile (inaudible) gangs who is a juvenile army of around 25,000 potential murderers, there is not a border, there is not any difference between Tegucigalpa(inaudible) or Guatemala city or El Salvador. So, we should understand this.

And even if Honduras had not an armed conflict, El Salvador and Guatemala had, Honduras was involved in the conflict in Nicaragua, so all the region is the same, and what happened after more than three decades of armed conflict, wars in the 90s, there were disagreements. And I think that the signatories of those peace agreements were genuinely persuaded to put an end to hostilities, but in my view after three years there, I have a very clear idea, one thing is to make peace and a very different thing to build peace. To build peace, you need to address the causes and the consequences on the conflict, take the lessons, and build a new country. A democratic one, putting an end to extreme inequality, to elites not paying taxes, to giving the instruments of development, education, housing, and everything, and you need, obviously, to address the consequences of the armed conflict. You need to bring justice, you need to give reparations, and even if the consecutive governments after the peace agreement had the will, they could not. And the consequence 15 years after the armed conflict is that they are still in a conflict, maybe not an armed one in the sense of the Geneva Conventions, but a very armed one and very war oriented in many other different ways.

Today, in Guatemala, they double number of people that doing the conflict. In the first presidency of the peace, President Arzu, 12,000 people were killed. In the current presidency, President Colom, will end probably with more than 25,000 people violently died. What is the reason? Basically because those societies are playing the game without periphery. So, it is obvious that if there is not an institution in order to solve peacefully, legally the conflicts, the conflicts will always end in violence, in confrontation.

So, this is what is happening. The terrible consequence of the armed conflicts was just formal democracies, but with nonfunctional, non-operational security and justice institutions. So, justice doesn't work, police is not reliable, prosecuting offices are not able to build cases that you can sustain before a court of justice. This is what we found. And this is not an accident. During the armed conflict where factual powers involved in a lot of violence, they were interested in enjoying impunity after the return of democracy. So, they infiltrate the institutions, and in that moment, it was part of the counterinsurgent. Therefore, in the armed conflict, but 15 years later, they become naturally common criminality and then organize it criminality.

So, you cannot think of Guatemala, Honduras, or El Salvador as failed states because they are functional. They functional very well for many different purposes. They have wonderful universities, hospitals, ports, airports, they have all the financial services. What they have not is justice, and then these transform those countries in heaven crime. You can go there, you can establish there, you can make businesses, and you will always be safe because nobody will ever prosecute you. And if someone tries, you can always bribe the judge or the prosecutor or kill because there are not consequences. So, we are thinking in countries where 98 percent of murderers go unpunished.

So, what can we do? It is not a question of failed states. I say it is a question of absent states because between citizens and criminals, there is nothing. In countries with rule of law in what we can call in deep democracy, there are authorities between criminals and citizens, and those authorities, better or worse, protect citizens from criminal activities. This is what is not functioning in countries like Guatemala, in the Central American region. So, what we did in CICIG, what should be done in all the region.

First, I think we were all the time insistent in this, Guatemala, Honduras, El Salvador, all the region, probably in many ways to a global level, but let's go to the region. They need a criminal policy. They need a plan, a roadmap, a long-term consensus agreement of building this wall between citizens and criminal organizations. So, they need a model of national police, they need a reliable prosecution office, they need independent, impartial, and strong judiciary.

But what's the problem? The problem is that there is a paradigm that has changed, and nobody seems to have understood. In the 90s, 80s, 70s, the most important violator of human rights were the states, but this paradigm has changed completely. Today, the violator of human rights are not state actors, are the gangs, are the criminal groups, are those who traffic with human beings, drugs, arms, ammunition, who lend them the money, those are the enemies. And the problem is that the legal systems are not only unfunded and not prepared and are not reliable, the problem is that the legal system, even the legal system, so the constitution, must be changed because the constitution of Guatemala was written in the 80s with the idea of protecting citizens from the state. But, today, the problem is that the state must protect citizens from criminals, not state groups, and have not the legal dues. Because according to the Guatemala Constitution, an arrest cannot be longer than six hours. And according to the constitution, a search cannot be done except from 6:00 a.m. to 6:00 p.m. As if we were among lords saying I'm sorry, I am late, I will be back tomorrow morning. No, it doesn't work. So, they need their constitutional amendment; they did not do in the 90s. They need to do it now, right now.

And they need to build independent, professional careers. If you go to the judiciary in Guatemala, there is an initiation of process, so they recruit more or less professional judges, but when they go to the level of Courts of Appeal, begin to be politically influenced, and when you are right to the Supreme Court and to the Constitutional Court, it is 100 percent a political process. So, there must be a professional career. When a judge, an honest one, a professional one, can be magistrate of the Supreme Court just because of his or her professional merits with or without a godfather that promote his career. So, this must be built.

Then what the region needs, needs a plan. Needs a clear plan in the long-term establishing what must be done, who must do it, what is the timing, so what must be done before, what is the line to do everything, how much it will cost, and who will pay, where the money will come from? And

this policy for all the region must be negotiated and must be agreed and cannot depend on this president or the other president, the next party, or this government from the different countries of the international community supporting you or not. It must be agreed, and it must be sustained at least during three presidencies.

The example for the region, the national police of Chile. So, it took three consecutive presidencies to get a reliable national police in Chile. So, it will happen the same in Central America. It is not a question of this presidency, but this one, the next one, the next one, and the next one because police is like wine, takes time. (Laughter) Okay, so, more or less, that's the problem.

At the same time, in the short-term, you cannot leave the possibilities of leaving with security, democracy, and some kind of safety making businesses, sending your children to a school, and everything waiting 10 years. So, you need something in the short-term, and this is what CICIG was.

The experience was good because, for the first time, the United Nations did something in the middle of the way, it is my interpretation, between the traditional approach of international cooperation, so just technical assistance, and then delivering the problem to yourself, and the intervention model of funding international court. So, you are unable, I will take care, I will take the cases. Then something in the middle of the way was done, and international prosecuting process in order to bring the cases before domestic courts. And with the domestic prosecutors in a joint venture, in a partnership, it makes, obviously, the performance much more difficult. It is easier to take the guy to the Hague (inaudible) and put a life imprisonment. If you need to do it there, it is much more dangerous, it is much more expensive, and it is much more difficult, but it can be done.

Ambassador Rosenthal from Guatemala before the United Nations said to the donor countries what she has shown to Guatemalan people is that, yes, we can. It can be done. They can enjoy justice, they can live in a safe environment, and we find reliable public servants in every institution. They are there. They just need a friendly environment to perform their duties. They are not doing now because they are threatened because they know they are risking their lives, but if you go there, you identify them, you train them, you give them the legal tools, they will do.

And this is what we did, and it is very simple, do we say it, not that simple to be done but this is what we do. Right there, we didn't find reliable counterparts in the police or in the prosecuting office or in the judiciary, but we began to build this reliable counterparts.

So, we took 100 policemen from the police academy, not even graduated, and we trained them, and put them to protect our witnesses to wiretaps, something that everyone does in Guatemala, but nobody did legally before we arrived, and we make them good investigators and it worked. But to give you an idea of the amount of the task ahead, we trained 100, but the institution has 20,000. We trained 15 prosecutors, but the institution has more than 2,000. And we persuaded the congress to pass a law creating an expanded jurisdiction court in Guatemala City with the capacity of taking cases in all the territory, this part of the territory, which is beyond the control of this state, but there are 6, and the judiciary in Guatemala has more than 1,000.

So, can you imagine the task ahead in this long-term 10 years new system of building a wall between criminals and citizens? So, but this is what must be done. When we took those few public servants, Guatemalans, committed, reliable, trained and put them to work, it worked. It worked. The cases were built, were strong cases, and we get until my departure in seven trials, seven convictions. So, 100 percent. When the situation was 2 percent. So, was passed dramatically from 2 to 100, but it is obviously just a little corner of the system, so we made a very little experimental, you could say, functional justice system.

What you need to do is multiply. Transform this exception into the rule because people, obviously, prefer to live in a reliable rule of law system. People don't want to have to kill their neighbor because had a car crash or to solve a divorce killing your wife or these kind of things, but people use violence because it is an armed country. And nobody has taken the responsibility of disarming a country after more than 30 years of an armed conflict where around half a million weapons are still circulating without any kind of control. But it can be done.

So, we made the reliable counterparts, we persuaded the congress with a lot of political pressure to pass the legal reform, the minimum legal reform, not to speak about the constitution, just the basic things. Police reform, the plea bargaining, permitting us to make agreements with members of the

criminal organizations in order to help us to dismantle the organization themselves. And then we went in a process of bidding or lustrations of the institutions.

But we did not what the Guatemalan authorities did. So, in the first year, the minister of Interior, with the support of international community, fired 1,700 policemen, which is 15 percent of the institutions. And then in the second year, the president asked the attorney general the resignation, and we were able to find the 10, cheap prosecutors of all the special prosecuting offices.

And then in 2009, we went in the process of renewal of the Supreme Court, and we got 3 judges of the Supreme Court fired after having been appointed, and 2 others dismissed before being appointed. And then something began to change because people, even not very committed in the institutions, began to understand that something was changing, and that they should take the way of rule of law, and it worked.

And then we went with criminal cases. The first one was a complete failure, even if it was a very well-built case, because we were phasing impunity, and impunity means that judges in that situation extremely dangerous do the easiest possible thing, which is normally to acquit if they're risking their life. You need to put them in a friendly environment to protect them, to buy armored cars, to put the family south of the country, and they will begin to do different things.

What is happening right now? well, we were successful basically because we had the surprise factor. Nobody was expecting that something as political as the UN could achieve this goals in so short-term. So, this surprise factor is no longer working, obviously, so my successor has a much more difficult task ahead. But, at the same time, there is some kind of tired international community because the ambassadors who are activists all the time putting pressure on the government, the congress, the judicial, everywhere, and as soon as the pressure of the international community has begun to lower their results, too. Because those groups infiltrating the institutions perceive clearly the pressure, and if they feel that they can come back to do what they did forever, they will do it again and forever.

So, we need to have a clear agreement in the international community, basically the United States and Canada and the European Union, not only giving money for the reform of the institutions, but, at the same time, sustaining in the long-term the process of intervention in the system like a Trojan horse,

but mainly the most importantly, the process in the long-term of transferring the capacity and the responsibility.

So, when should CICIG leave Guatemala? When Guatemalan institutions are prepared to take themselves the responsibility. But there must be, again, a planned ending. That's the question. We can come back and discuss any possible thing.

The challenge today is Article I of the Inter-American Convention of Human Rights, which is the same of Article II of the International Covenant on Civil and Political Rights. So, we are coming from a time where states were violators. So, there are two duties. You can go to those articles, Article I or Article II, and there are two duties that every state has with their citizens concerning human rights. The duty to respect and the duty to ensure.

Twenty, thirty years ago, states were violating the duty to respect. They were not respectful of human rights. Now, the states are failing the duty to ensure. They do not prosecute, they do not investigate, they do not punish, they do not repair. So, they do not restore the legal order after an offense has been committed, and this is a duty of all the international community.

We cannot leave Guatemala alone because, clearly, Guatemala, whatever the government can be, is unable itself to solve a problem that clearly surpasses their capacity. So, it is a concern of all the international community, and it is a question not only of technical assistance, so providing something that you need, but establishing clear what are the standards in the region, what are your duties, and then helping you to fulfill your duties.

You need to have a reliable police, but it is your duty. You must do it yourself. You must own the process, and I will help you, but this is the kind of shared responsibility between member states and the organization, and ending. I agree that we need to deprive organized crime groups of their windows of opportunity. So, BRACs is one thing, but meagerness is another thing, arms and ammunitions is another thing, and there must be an agreement of how to deal internationally with money laundering. Thank you.

MS. NEGROPONTE: Judge Castresana, thank you. Thank you very much. (Applause) I think you give us a clear sense of why you didn't quite make the three years in that job, with threats on your own personal security must have been rising to an intolerable point. We've had the UN response. I

now want to turn to the deputy assistant secretary for INL for the U.S. response. What's the role for the U.S. Government?

MR. NICHOLS: Thanks very much. I agree with so much of what has been said already, and, in fact, much of this already is central to our policies. When I came into the foreign service, Central America was the issue, and almost all of my contemporary served somewhere in Central America. I served in El Salvador, and I think that Central America has remained a policy priority for the United States for an incredibly long period of time.

Before we poured billions into Afghanistan or Iraq, we poured billions into Central America, and at the end of the civil wars and internal conflicts in the region, the concern that those of who were there were is what is going to happen to these profoundly damaged people who have suffered so much violence, been a part of so much violence? And I remember as I was working as the desk officer for El Salvador in 1995, I would hear stories of people robbing buses, using hand grenades to rob buses in San Salvador, and the violence there and throughout the region, I think, predates the growth of the drug trade in the region, which is not to say that that has not exacerbated the problem tremendously, but violence there is something that has been a longstanding problem.

When you look at the trajectory of events, planned Colombia in the beginning of this century and the progress that we have seen in Colombia in institution-building, strengthening their security forces, reducing the level of cocaine cultivation and the yield of that cocaine has greatly improved the lives of average Colombians, but it also opened the door to Mexican traffickers, Mexican cartels to come in and take over the business that Colombians once ran. The response from the United States and the Mexican Government to confront that problem in a serious way through the Merida Initiative, then as the first result leads to traffickers re-warranting their efforts through Central America, and Kevin talked about nearly 70 percent of the drug trade going through Central America now. Actually, when you take out the European flow, which is an increasing part of the drug trade, it's more like into the 80s that goes through Central America. So, if you're going to bring your drugs to the United States, much of that flow, the vast majority of that flow is going through Central America.

I think that as we look toward how do we frame our response, number one is Central American leadership. Earlier in the week, I was with our Central American colleague in Madrid in a SECA

sponsored meeting hosted by the Government of Spain to prepare for the Summit on Central America Security that will take place in Guatemala at the latter part of June. I think the Central American nations have formulated a very comprehensive, coherent response to the threat that they are facing to the extreme levels of violence, and we have sought to support and respond to that first through CARSI, as Kevin noted, but also through the initiative that President Obama announced when he went to El Salvador in March, the Central American Security Partnership.

That initiative seeks to enlist not only a direct bilateral U.S. response, but to partner with the region and draw upon the experience, the talents of Colombia and Mexico on either side of the isthmus and to make sure that we are coordinating fully with our European, Canadian, and multilateral partners in this effort, and I think that is a big change from what we've done in the past.

In terms of how do we advance the changes that are necessary within the countries themselves, we are proposing as part of our response challenge grants. Initially, we have identified \$20 million that we will use for challenge grants so that the nations of Central America will have a greater incentive to use their own resources, which we will match, for worthy projects to promote citizens' security. Obviously, the social component of this is vital. The people who fall into violence, you talked about what I think they refer to in Colombia as the NiNis the people who don't work and don't study ni trabaja ni estudia and trying to find a social response to those problems, those dislocations.

Fiscal reform, that is absolutely vital. Every conversation that we have within the donor community as well as with our Central American partners talks about fiscal reform, and I think when you look at the issue of fiscal reform, it translates almost immediately into a conversation about political dislocation, political conflict within the countries. I believe that every president in Central America has called for some type of a fiscal reform, and in some cases, they've been successful.

Panama has already passed a comprehensive fiscal reform, and they are using those resources, spending \$1 billion of their own money over the next few years on security. Costa Rica President Chinchilla has proposed it, but as I understand the situation, and Kevin, you know better than I would, but that has not progressed within the legislature there.

So, the idea that you can separate the political problems in the countries from the fiscal reform issue, I think, is something that just cannot be done, but we in the international community need to

make it clear that we are not going to finance the solution to this problem alone. We will contribute, we will provide human capital, technology, capacity-building, but if you look at what Colombia has done, if you look at what Mexico is doing, they are spending 10 times more than what they receive in cooperation from the United States and the international community. So, the nations themselves have to step up and provide those resources.

In terms of some of the things that you've identified, we are prioritizing police development, model precincts, judicial capacity-building, prosecutorial capacity-building. We are enlisting the experiences of those countries that have preceded Central America in some of these processes like Chile, like Colombia, Mexico is ongoing in their judicial transition to the oral accusatory system, but we want to leverage those past experiences within Central America as we go forward.

President Uribe when he was travelling in Central America, spoke to a number of the business communities and said to them, among other things, in talking about the Colombia experience, you cannot finance security on the backs of the poor. And I think that is vital. Those people with economic resources need to contribute to a stronger state, stronger institutions rather than using their money to buy private security. Carlos could tell you about I think it's a four or five to one ratio of private security to public security in Guatemala. So, if everybody who has money just hires security guards and lets everyone else perish on the streets, that is not the kind of society that people want to live in.

CC is a vital partner for the international community and a priority for the international community. The United States has traditionally provided about \$5 million a year through CC. we intend to continue our contribution. We are not walking away or backing away. We believe that the role in addressing the really serious failings in Guatemala in terms of impunity and lack of transparency and high level violence and corruption cannot yet be addressed by the Guatemalan state and that CC has a vital role to play in that process.

Speaking very frankly, I think the criticism that one can make toward what CC has done in Guatemala is that there has not been a capacity-building role that has transferred those abilities to the Guatemalan Government and built up Guatemalan institutions sufficiently. I think that the example that data has set has shown Guatemalans that it can be done. Now as we think about what is the future, we

need to think about a great capacity-building role and ensuring that in the next 5 years or 10 years, there's no longer a need for an international presence.

I think if you want to look at the beginning of CC's presence in Guatemala, I think that the mandate was far too short. I think the short renewal periods were a mistake. I think we needed to say to the Guatemalan people and the international community that this was going to be a long-term effort, and I think if you look at what probably I think the biggest criticism of how the international community as a whole approaches societies with conflicts and crises is that we kid ourselves or try to kid ourselves that they are going to be quick fixes.

There are not quick fixes. When people talk about all the progress that has taken place in Colombia, it's been a decade, and certainly three or four years into that effort, there are a lot of people who said this is not working, it's not going to work, it's going to be a failure. Well, I think events have proved otherwise that it's been tremendously successful, but it is something that takes time, and when we look at Central America, we need to realize that even with our best efforts and important dedication of resources, things are going to take time, and I think in order for you all to ask your brilliant, enlightened, and incisive questions of my colleagues, not of me, I don't want any questions. (Laughter)

MS. NEGROPONTE: You're getting them.

MR. NICHOLS: I'll stop there.

MS. NEGROPONTE: Brian, thank you very much for that. (Applause)

Before I open it up to the floor, Brian Nichols raised a point with you, Judge Castresana, about the failure to train the judiciary in Guatemala and he also raised, and I'm going to ask the Guatemalan ambassador to answer this, why only two years? So, would you do the transfer?

JUDGE CASTRESANA: Well, I think it's a long-term effort, and it is a permission between the member state that need to be supported and the international community willing to support. The question is, in my view, if CC is the response of the time, I have a clear idea that CC is like an icebreaker. It is surgery, it is in the short-term just to make the difference to build the change, but then in the long-term probably other institutions even in the UN system, all the agencies UNODC or other international partners like OAS in Central America can take the responsibility of the long-term.

So, we need to train, and, as I told, it takes time. If you want a reliable institution, it takes you 10 years. CC probably has to do too many things at the same time. So, fundraising, lobbying, legal reform, training, criminal prosecution, in disciplinary actions. Too many things in a very short term and are a good idea, but you need to be sure that somebody takes care that the ice is not frozen again behind you as soon as you leave. So, probably a sustained effort because the training can perfectly be done by you and ODC because the question, the idea is the standards are there. I think it is the assumption we should understand, the standards for the problem we are dealing with in Central America are the United Nations' convention against organized crime, so Palermo, and the United Nations' convention against corruption, so Merida. So, you have a clear agenda, Merida, Palermo.

You need to implement this because the easiest part of the process is ratifying the convention. The problem is implementing. Developing the domestic law, raising the money to make the institution reform, and it is much more difficult. But if we are able to agree in a regional agenda of security and justice and having very clear the idea that it is a right of the people, but a duty of the correspondent government, then we can make a plan, and this plan can be successful. Obviously, funds can come, must come from the international community, training, the experience. We did this, this is the good part of the United Nations, so we brought Italian prosecutors, Colombian, Canadian policemen, people from 27 different countries to help Guatemala.

It can be done, but, first, we need to involve Guatemala itself and it must be agreed that the weakest part of the agreement of the creation of the CC was this, that it was not really bilateral. So, the agreement, creating an institutional, international body to go there and be deployed in the field is the part of the United Nations, but what is the part of the duties of Guatemala?

So, next time, in my view, it is very clear that the agreement should say well, those are the advantages you will receive, but those are your duties. You need to reform your constitutions, you need to implement wiretapping, you need to implement witness protection obviously in Central America, and there is one in the SECA with so little countries, witness protection cannot be dealt in one very small territory like El Salvador. We had serious problems to hide our witnesses because Guatemala is very small. We had to send them out of the region, but a Central American witness protection system can work and work very well, and it is much cheaper to send in the witnesses to Canada or Europe. So,

these kind of things can be done must be agreed there are Central American institutions that can do, and, yes, it is a kind of mixture of funding local and international, short-term, long-term, but it must be done because all of us should know what is the roadmap, what everyone should do.

MS. NEGROPONTE: Thank you.

Ambassador Villagran, would you address the issue of why so short, and perhaps also expand to the opposition within Guatemala, within the Guatemalan body of politics to CICIG? Please.

AMBASSADOR VILLAGRAN: Well, I don't know if --

MS. NEGROPONTE: And, yes, no, there is a microphone coming towards you.

AMBASSADOR VILLAGRAN: Thank you. Thank you for the opportunity, and I want to congratulate all the panelists for their presentations. The work of CICIG in Guatemala has been critical to begin to see some light, begin to see some possibility of improving administration of justice. And I want to thank Dr. Castresana for his personal contribution. It was extraordinary his vision, his courage, his involvement was a fundamental contribution to Guatemala. We are all grateful for his work. He has said some very important things. He said that the paradigm has changed, that non-state actors are the perpetrators of violence. That has to be understood here because many people here still think of Guatemala and Central America in light of the cold war paradigm, where the state was responsible for violence against its citizens. That is no longer the case. That has to be understood. If people are interested in helping Central America, they have to realize this.

Now, about the work of CICIG, I think it has gradually contributed to strengthening the institutions responsible for administration of justice, not just the judiciary. CICIG has worked very closely with the public prosecutor's office, and it has transferred critical capabilities to the public prosecutor's office. I think that we begin to see a better prosecutorial work precisely because of the contribution of CICIG, precisely because of the role of CICIG.

Now, the attorney general has been able to solve some difficult cases because it has a know how that has been provided by CICIG. So, this has to be recognized. Of course, we want CICIG to do more with the judicial sector, with the Supreme Court. Dr. Castresana identified the shortcomings.

Now, one final comment about why has the mandate been limited in time. It doesn't really have to do with Guatemala. Guatemala has agreed to renew the mandate every time it has

come up, and Guatemala has asked the UN to renew the mandate even before it expires. I think that the reluctance to provide a long-term mandate comes from some permanent members of the Security Council, and this has to be understood. There are countries at the UN, important members of the Security Council, certainly not the U.S., who are concerned about this type of model being implemented in other parts of the world. So, it has to do with the dynamics of the UN Security Council, it has to do with other considerations among the important members of the United Nations. We are prepared to see the work of CICIG extended for a longer period of time. We know that other Central American countries are looking into this model and are looking into ways of replicating the model, but, again, the issue of the extension of the mandate is not something that is entirely up to the countries of Central America, the countries that have requested this assistance. It is up to key members of the United Nations and it is up to key members of the United Nations Security Council, permanent members of the United Nations Security Council. Thank you.

MS. NEGROPONTE: Ambassador Villagran, thank you very much.

We now open it up to the floor. Please, would you be very kind and give us your name and your affiliation and just wait for the microphone to come because we are recording this session.

Yes?

MR. ALVAREZ: My name is Carlos Alvarez. I'm --

MS. NEGROPONTE: I'm going to take the three questions together, yourself, the gentleman on the left, and the lady in the blue.

MR. ALVAREZ: I'm a consultant for the Department of Defense.

MS. NEGROPONTE: And your name, please?

MR. ALVAREZ: Carlos Alvarez.

MS. NEGROPONTE: Thank you.

MR. ALVAREZ: If you look at it on a long enough timeline, one of the ways the region -- I mean, the Deputy Assistant Secretary mentioned that violence predates drugs. One of the ways the regions has corrected for that traditionally is through political movement. Now, it seems to me that we've moved for ideological conflict or political conflict to capitalist conflict. So, in some ways, political movements, even if they happen, are less able to manage the situation.

So, my question is: How do we prevent political movements of huge consequence from taking place to respond to this? And if they do, how does that in any way address the fundamental problem of drug violence and market-driven violence and what kind of policy can you put in place from a political point of view to deal with this?

MS. NEGROPONTE: Carlos, thank you very much. We'll now go to the gentleman on the right side of the room.

MR. PARDO-MAURER: Thank you. Roger Pardo-Maurer. No affiliation, but I used to be the senior official at the Pentagon in charge of western hemisphere affairs from 2001 to 2006. So, I had a lot to do with Colombia at the time.

I'm also originally from Costa Rica, and my earliest political memories have to do with going to the marketplace at age 14 with petitions against the Central American Parliament, which would have people lineup for a mile to sign this petition and to avoid the reestablishment of the captaincy general, and President Arias was forced to basically withdraw his attempt to install Costa Rican representatives in the Central American Parliament.

MS. NEGROPONTE: Roger, a question, please?

MR. PARDO-MAURER: The question's coming. I am extremely skeptical of Central American regional institutions. What I find is when you get to regional institutions, they are corrupt, they are nice people, but they're ineffective. They have no traction in the region.

What are the institutions that you think actually could be strengthened that would have buy-in from even Costa Rica and would allow for a regional approach?

And I'll add one more thing. A question for the deputy secretary for INL. We took three years to deliver three helicopters to Mexico. I disagree that the violence in the historical violence in the region explains the levels that we're seeing now. We are back to a time like the cold war when Central America is being squeezed by forces from outside much larger than itself that need much more help --

MS. NEGROPONTE: Is the question timing for delivery?

MR. PARDO-MAURER: Yes.

MS. NEGROPONTE: Can we then move to the last person because we're running out of time.

MR. PARDO-MAURER: Okay.

MS. NEGROPONTE: Thank you.

MR. PARDO-MAURER: What are we doing about that? How are we not going to get trapped in three years to send three helicopters down to the region?

MS. SPECK: Thank you very much. Mary Speck with the International Crisis Group.

And I just got back from Guatemala a couple of days ago after a month in the capital and in the interior. I wanted to ask you, this is a question for Dr. Castresana. You mentioned your success rate which was very impressive with particularly high-profile cases such as Rosenberg, however, there was just recently a very high-profile loss, the acquittal of Former President Portillo, and I just wanted your brief analysis of the reasons and the impact of that loss. Is this just a particular case? Does this show weaknesses in the judicial system? And what could its psychological impact be? Does this really mean a loss of momentum? Certainly, the press came out, for example, with huge headlines such "Impunity," and things like that, so what are the reasons and the impact of this loss?

Thank you.

MS. NEGROPONTE: Mary, thank you very much.

Kevin, would you address Carlos Alvarez's question, as well as the first part of Roger? Would you be willing to address the second question of Roger?

And Mary Speck's is for you.

MR. NICHOLS: Okay.

MR. CASAS-ZAMORA: Are we going to be able to utter some reactions to the extremely interesting --

MS. NEGROPONTE: You can as long as you talk fast. (Laughter)

MR. CASAS-ZAMORA: Okay, good. Good. Well, first, the questions. First, the questions out of respect to the audience.

I'm not sure if I understood the question about political movements. I mean, what I can tell you in the way of political consequences of what's happening in Central America is very likely, we're going to see a radical loss of legitimacy of state institutions, not just law enforcement institutions. Actually, what has been shown empirically is that democratic institutions in general are highly-dependent

on the perception of the performance of governments in dealing with the crime issue. And on perceptions of crime. Not so much, and this is interesting, on the levels of victimization. Whether you're a victim of crime or not, it doesn't really influence your perception of democratic institutions. But whether you perceive the crime as a threat, it is very important for your opinion of democratic institutions in general.

And the second thing that I see happening is a rise to a very reactionary kind of politics that it's something that the region has a long tradition of. So, that's the kind of thing particularly concerning the erosion of civil liberties that I'm very concerned about.

Regional institutions, well, I'm Costa Rican, so I guess you have to take whatever I say with a pinch of salt when it comes to regional institutions. I mean, they are very weak. They are very weak. With the exception of those institutions that deal with the economic side of integration. They tend to perform much better, and I'm saying this year not just because the bank is here, but it's objectively true. (Laughter) That's a major concern.

My impression is that the only way to get a regional plan going is if the governments get involved, and by the "governments," I mean not just the region's governments, but also Mexico, Colombia, and obviously the United States, that at this point, it seems to me is the driving force behind this process. And to their credit, I have to say.

In a way, the short answer is that we have to work with whatever is in place and the way of regional integration, but we also have to go around that.

MS. NEGROPONTE: Kevin, thank you.

Brian?

MR. NICHOLS: Well, there are a couple of things here, but in terms of deliveries of equipment, I think one of the things that you see in any of the large programs is it takes time for both the donor country and the recipient to figure out how you're going to align your processes.

In the specific case of Mexico, our cooperation with Mexico is better than it's ever been. Mexico is an upper middle-income country --

MS. NEGROPONTE: Central America.

MR. NICHOLS: Right, but here he asked me about helicopters to Mexico, so I'll just say Mexico asked for something you would appreciate, M Model Blackhawks, which is like getting Ferraris

and they wanted them tricked out. So, that took a little bit of time. (Laughter) That said, we've delivered over \$460 million in assistance to Mexico, and this year, we will deliver \$500 million in assistance to Mexico.

In Central America, the needs are much more in the area of capacity-building, human capacity-building not as much in the area of sophisticated equipment, which is hard to get, even if you want ordinary sophisticated equipment, it takes time because it's in high demand all over the world. So, I expect that things like police training, equipment for police prosecutors, computers, things like that are much easier to deliver in a short amount of time, so I don't foresee that as being a problem with our assistance.

We've also already increased the size of the parts of our embassies that deal with this within the region and we're far ahead of where we were insuring our own response than we were in Mexico. So, I think we will do a better job there, and we're already seeing improved results in terms of delivery in Central America.

Just very briefly, the question about political movements, I think it's very interesting to look at the entirety of Latin America, and I think what we're seeing in the region as a whole is a great deal of weakness in traditional political parties, and but interesting, we are also seeing that the poll numbers show that there's a great deal of more support for democracy as the preferred form of government in Latin America, and in the confidence that that is yielding better results for the average person. So, I think that's an interesting dichotomy that we need to examine more closely.

Regional institutions, I think that regional institutions are proving their worth in Central America. I think SECA has done a very good job in bringing together disparate needs and focusing in the international community on a coherent and integrated response, and I expect to see more of that as we go forward.

MS. NEGROPONTE: Judge Castresana, that leaves you with two minutes for why Portillo was acquitted.

JUDGE CASTRESANA: Okay. I think it --

MS. NEGROPONTE: Impossible.

JUDGE CASTRESANA: It should be enough. No, it should be enough.

Well, one thing we have not mentioned is fear. Societies that have suffered so terrible and much conflicts are scared. People are scared. People don't get involved in institutions or make demonstrations because they have fear. You need to fight that psychological factor.

I told someday in Guatemala, and I promise you that it was very improvised. It was not marketing. We are looking the monster to the face and we are holding the gaze. That's the question. So, Guatemalan people need not only to feel that changes can be done, but that they should involve themselves in the changes, because, if not, it will not ever be successful. High-profile cases are a risk because you try with a very short investment to multiply the consequences like, well, non-political correct comparison by (inaudible) just a little and try to get a huge effect. The risk, obviously, is that if you fail, the reversal is also enormous.

I think that the Portillo case was perfectly built, there was enough proof to get him convicted, but the monster was there. So, this is the lesson we should learn. The monster is still there. Hidden but, obviously, showing its capacity every time he has the opportunity. So, if we are not able to persuade Guatemalans that we are still there, that we were still be there in the long-term and that we will still hold the gates of the monster, the reversal will come and will continue coming. So, this is a very clear message. We are here to stay, we are here to help in the long-term. You please do not be scared because this is your country, this is your future at the stake, and those are your children that will enjoy a better country. But we need to send a very clear and firm message for the long-term. If not, we will fail.

MS. NEGROPONTE: Kevin Casas, the members of the next panel have given you two minutes.

MR. CASAS: Okay, I mean, very, very quickly, I just want to stress what I think is the most crucial point of what I've heard here, and it was Justice Castresana who said this. I think the most crucial problem that one sees when it comes to citizen security in Central America and elsewhere in Latin America is a sense of perplexity. That no one really knows what to do with the problem. And I think this message that it can be done, that there is a way out is crucial at this point.

There are not only bad news when it comes to citizen security in Latin America. There are successful experiences. The problem is that we are having trouble understanding that there are no quick fixes and that the solutions, the things that need to be done take more time, are more costly, and

are more demanding of us as citizens. So, in the end, we're falling for this kind of short-term solutions of which the iron fist is the quintessential example. The iron fist is when it comes to public policy is no more than a drug fix. It's something that gives you a very intense satisfaction, but it's also a false and shallow satisfaction. The real solutions take much longer and are more demanding.

MS. NEGROPONTE: Kevin, thank you, and thank you to the members of this panel. I'm going to ask you all to express our appreciation. (Applause)

(Recess)