

**PROSPECTS FOR FREE AND FAIR ELECTIONS  
IN PERU**

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**HEARING**  
BEFORE THE  
SUBCOMMITTEE ON  
THE WESTERN HEMISPHERE  
OF THE  
COMMITTEE ON  
INTERNATIONAL RELATIONS  
HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTH CONGRESS

FIRST SESSION

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MARCH 14, 2001  
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## PROSPECTS FOR FREE AND FAIR ELECTIONS IN PERU

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WEDNESDAY, MARCH 14, 2001

HOUSE OF REPRESENTATIVES,  
SUBCOMMITTEE ON THE WESTERN HEMISPHERE,  
COMMITTEE ON INTERNATIONAL RELATIONS,  
*Washington, DC.*

The Subcommittee met, pursuant to call, at 2:18 p.m. in Room 2200, Rayburn House Office Building, Hon. Cass Ballenger [Chairman of the Subcommittee] presiding.

Mr. BALLENGER. This is the Western Hemisphere Subcommittee's first hearing in the 107th Congress, and I anticipate that we will have a busy schedule during this session.

For the last 35 years or so, my wife, Donna, and I have worked in Central and South America providing a wide variety of humanitarian relief for the poor of the hemisphere. During our time in the Americas, we built hospitals, schools and homes in an effort to heal the wounds caused by poverty, war and natural disaster. We have grown to love the people of our hemisphere and have a deep, abiding interest in the welfare of our neighbors.

As Chairman of the Western Hemisphere Subcommittee, I plan to work hard to refocus American foreign policy toward the Americas. We are fortunate to have the distinguished gentleman from New Jersey, Mr. Menendez, serving as the Ranking Member of the Subcommittee. Congressman Menendez shares my enthusiasm for the hemisphere and for reinvigorating our policy toward this important part of the world.

I very much look forward to working with him, and I want to thank the Members of our Subcommittee on their continued interest in the Western Hemisphere and extend a warm welcome to the Members who are new to the Subcommittee. I want you all to know my door is open to you.

This afternoon, we will hear testimony regarding the prospects for free and fair elections in Peru. Today's hearing will primarily focus on the U.S. efforts to support new presidential and congressional elections that will take place in Peru on April 8, 2001, with a likely second round between the top two presidential candidates taking place in May of 2001.

The United States is providing some \$7 million in assistance for these elections. This represents more than half the outside election aid that Peru is receiving. This substantial U.S. response in support of Peru recognizes the importance of that South American nation. Our involvement underscores that the United States cares very much about the fate of a democracy in this hemisphere. This

hearing continues a bipartisan effort here in Congress that now spans the preceding Democratic Administration and the new Republican Administration to support the efforts of the Peruvians to restore their eroded democratic institutions.

Today, we will hear testimony that by and large conveys good news. The interim government of President Valentin Paniagua has done an extraordinary job of creating a new electoral apparatus that has restored the public confidence Peruvians historically enjoyed in their elections.

The time at hand before the elections are held April 8 is short, and, as we will hear, challenges remain. The greatest challenges, however, will await the president and the representatives that the Peruvian people elect. Consolidating democratic institutions and reinvigorating the Peruvian economy will take some really hard work. We intend to continue to follow Peru's progress and to lend a helping hand when we can.

We will hear from three panels, and I will ask the witnesses for each panel to testify separately and to briefly summarize their prepared statements. Each panelist should then be prepared to answer questions from our Members after summarizing their statement. The full text of their statements will be included in the hearing record.

The first panel will feature Ambassador Luis Lauredo, who is currently U.S. Ambassador to the Organization of American States. I want to take this opportunity to thank Ambassador Lauredo for doing a fine job representing our Nation's interests and values at the OAS.

The second panel will feature Ms. Susan Westin, Managing Director for International Affairs and Trade, who is testifying on behalf of the United States Comptroller General, David M. Walker. Her testimony is an interim report and is part of a larger review of the U.S. democracy assistance to Peru being undertaken at the request of the International Relations Committee. We thank Ms. Westin for personally leading this important effort.

The third panel will feature Mr. Patrick Merloe, Senior Associate for Electoral Process at the National Democratic Institute for International Affairs. We look forward to hearing Mr. Merloe's expert assessment of the election situation on the ground in Peru.

Before proceeding with the witnesses, I wish to recognize our Ranking Member, Mr. Menendez of New Jersey, for any opening remarks he may wish to make.

[The prepared statement of Mr. Ballenger follows:]

PREPARED STATEMENT OF THE HONORABLE CASS BALLENGER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NORTH CAROLINA, AND CHAIRMAN, SUBCOMMITTEE ON THE WESTERN HEMISPHERE

The Subcommittee will come to order.

Good afternoon. Before proceeding with hearing testimony from today's witnesses, we will, as notified, mark up H. CON. RES. 41, "Expressing sympathy for the victims of the devastating earthquakes that struck El Salvador on January 13, 2001, and February 13, 2001, and supporting ongoing aid efforts."

This is the Western Hemisphere Subcommittee's first hearing in the 107th Congress. I anticipate that we will have a busy schedule during this session.

For the last 35 years or so, my wife Donna and I have worked in Central and South America providing a wide variety of humanitarian relief for the poor of our hemisphere. During our time in the Americas, we have built hospitals, schools, and homes in an effort to heal the wounds caused by poverty, war and natural disaster.

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We are fortunate to have the distinguished gentleman from New Jersey, Mr. Menendez, serving as the Ranking Member of this Subcommittee. Congressman Menendez shares my enthusiasm for the hemisphere and for reinvigorating our policy toward this important part of the world. I very much looking forward to working with him. I want to thank the returning Members of our Subcommittee for their continued interest in the Western Hemisphere and extend a warm welcome to the Members who are new to the Subcommittee. I want you all to know that my door is open to you.

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This substantial U.S. response in support of Peru recognizes the importance of that South American nation. Our involvement underscores the United States cares very much about the fate of democracy in this hemisphere. This hearing continues a bi-partisan effort here in Congress that now spans the preceding Democratic administration and the new Republican administration to support the efforts of Peruvians to restore their eroded democratic institutions.

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Before proceeding with the witnesses, I wish to recognize our Ranking Member, Mr. Menendez of New Jersey, for any opening remarks he may wish to make.

Mr. MENENDEZ. Thank you, Mr. Chairman. Let me first state that this is the very first hearing and formal opportunity we have had to congratulate you on your chairmanship and to tell you how those of us on the Democratic side are really delighted that you have taken the chairmanship because we needed someone who cared about the hemisphere, one of the parts of the world for which we should pay so much attention since it is our neighbor. It is our backyard, our front soop and our wraparound porch. It is just about everything.

We have growing trade with the hemisphere, a faster rate of growth than other places in the world, and many challenges as well. To have someone as a Chair who really cares about the hemisphere is really an exciting period of time, so we congratulate you.

Having traveled with you within the hemisphere, I know about your interest and your longstanding concern. I think it is going to be an exciting period, and we look forward to working with you. I can assure you that the Members from our side of the aisle come to the Committee's work with that sense of both commitment and expectation.

Mr. BALLENGER. Thank you.

Mr. MENENDEZ. Let me, if I may, speak just briefly on the hearing we are about to embark on. Let me thank the three witnesses who will be here today and the organizations they represent. All three have done tremendously valuable service over the past few weeks and months to help Peruvians get their country back on a democratic path.

The State Department, represented here by my good friend Ambassador Laredo, along with the Agency for International Development, have done a tremendous job in responding to the huge challenges faced by democrats in Peru—small 'd', Mr. Chairman, just so you know—striving to clear the web of corruption and despotism woven by former President Fujimori and his intelligence service chief, Vladimir Montesinos.

Ambassador Laredo, I want to thank you for all the work that you have done with your colleagues in the Department and at the Organization of American States to ensure the OAS was doing everything possible to support democracy and a democratic electoral process in Peru.

[Maria, I hope you are taking notes there.]

The GAO will testify that USAID's election related assistance has been timely, responsive and coordinated with other donors. Not a unique occurrence certainly for an agency that I believe does this time and time again, but, nevertheless, music to an overseer's ears.

I believe at least some of the credit for any success in the provision of U.S. assistance goes to Ms. Westin and her excellent team at the GAO. In agreeing to take up the task that Chairman Gilman and I asked them to, namely looking into United States assistance toward democracy in Peru, the GAO has helped to ensure timely, appropriate and accountable aid.

The National Democratic Institute has been a big player on the democratic scene in Peru not because it plays a role bigger than the Peruvian institutions, political parties and candidates themselves, but precisely because it has for years now stood behind the democrats in Peru, supporting their efforts to forge a new, stronger democratic order.

I want to thank particularly Pat Merloe, who will testify today, as well as Ken Wollack, Gerardo LeChevalier, Matt Dippell and the NDI and Carter Center field representatives in Lima for their tireless and extremely constructive work.

Now, of course, I hope these plaudits are not premature. All our witnesses today will discuss not only the great hope surrounding the elections, but also the challenges still facing Peru. It will be worth our while to dwell today at least somewhat on the dramatic

political turnaround we have witnessed over the past year, but we will do well I think also to discuss the fact that these elections next month may be the final turn in the about-face, but only the first step toward a more democratic path.

The Peruvian Government, led by President Paniagua, has worked wonders to create the conditions for fair elections. An unshackled media, including Channel 2 back in the hands of its rightful owner, Baruch Ivcher, access to the airwaves for all parties and a revamped electoral system are all major contributors to a fairer, freer process. President Paniagua has overhauled the government to ensure neutrality of public officials and programs. The political parties, encouraged by Transparencia and others, have signed a pact of civility. Things are generally looking up, and that is good news indeed.

Anyone looking at the so-called Vladivideos, though, knows that there is still a lot to clean up. I am concerned, as I believe many Peruvians are, about the potential for political manipulation of these videos, and, even more obviously, the sheer extent of the video collection shows that the clean up will not be easy.

If Peru is to emerge from darkness into the light of transparent and fully participatory democracy, it must do all it can to rid itself of corrupt influence and to strengthen the rule of law under which democratic citizens must live in order for them to maintain their liberty and for the state to maintain its legitimacy.

We look forward to the testimony, Mr. Chairman. I think it is a great hearing to start off the Western Hemisphere tour.

[The prepared statement of Mr. Menendez follows:]

PREPARED STATEMENT OF THE HONORABLE ROBERT MENENDEZ, A REPRESENTATIVE  
IN CONGRESS FROM THE STATE OF NEW JERSEY

Thank you, Mr. Chairman. First, let me thank our three witnesses here today and the organizations they represent. All three have done tremendously valuable service over the past few weeks and months to help Peruvians get their country back on a democratic path.

The State Department, represented here today by Ambassador Lauredo, along with the Agency for International Development, have done a tremendous job in responding to the huge challenges faced by democrats in Peru striving to clear the web of corruption and despotism woven by former President Fujimori and his intelligence service chief, Vladimir Montesinos.

Amb. Lauredo, thank you for all the work you have done with your colleagues in the Department and at the Organization of American States to ensure that the OAS was doing everything possible to support democracy and a democratic electoral process in Peru.

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But, if Peru is to emerge from darkness into the light of transparent and fully participatory democracy, it must do all it can to rid itself of corrupt influence and to strengthen the rule of law under which democratic citizens must live in order for them to maintain their liberty and for the state to maintain its legitimacy.

I look forward to your testimony. Thank you.

Mr. BALLENGER. I thank the gentleman. For those of you in the audience, if I can stay close to Mr. Menendez through this whole session I will learn how to roll my Rs. My wife always teaches me. One of these days I will learn to speak some Spanish.

Ambassador Lauredo, if you would please, sir?

**STATEMENT OF THE HONORABLE LUIS LAUREDO, U.S.  
AMBASSADOR TO THE ORGANIZATION OF AMERICAN STATES**

Ambassador LAUREDO. Thank you, Mr. Chairman and Members of the Subcommittee. As previously stated, my name is Luis Lauredo, and I have the honor and privilege of representing the people of the United States before the Organization of American States.

I would like to thank the Committee for inviting me here today to testify on the recent important developments in Peru and the role of the OAS. The OAS' success in Peru was a watershed event. Today, a troubled country is back within the democratic fold, thanks in no small part to the quick and measured response of the OAS and the United States Government.

I want to briefly run you through the events that have brought us to this point. We believe that the chain of events that was triggered by last April's flawed elections will end this April with a new political consensus and free, fair and democratic elections.

The United States Government made clear from the beginning of the electoral process in Peru that our focus would be on ensuring a free and fair process. To that end, we funded credible domestic and international observers to review the pre-electoral conditions, document problems and suggest remedies. We raised these findings repeatedly with the government of Peru, publicly and privately, and urged the international community to join us in calling for a democratic contest.

When the possibility of fraud was raised after the first round of voting, we spoke out immediately to call for an honest count of the ballots. Following the deeply flawed second round, we worked with

our partners in the hemisphere to table the Peru elections as an item for discussion at the OAS General Assembly in Windsor and supported the passage of a resolution creating a special OAS mission to Peru to strengthen democracy.

We provided funding for this mission to do its work and stressed repeatedly to the then President Fujimori that the future of our bilateral relations would depend on his full compliance with the OAS mission and the passage and implementation of democratic reforms.

The OAS played no small role in bringing about this change in fate. The observation mission led by former Guatemalan Foreign Minister Eduardo Stein was successful because he listened to the persistent reports of irregularities, questioned the credibility of the elections and ultimately boycotted the second round of elections because of the Peruvian Government's refusal to address irregularity.

The Organization of American States' boycott was joined by all other international election observers and set the stage for a show-down at the OAS General Assembly a few days later and ultimately for the new elections. The crisis in Peru consumed the OAS General Assembly, and by its end Peru stepped back and accepted a high level mission led by the OAS Secretary General and the then Foreign Minister of Canada Axworthy.

The mission organized talks between the government, opposition and non-governmental organizations and developed a 29 point reform agenda. The OAS sponsor led to a transition government that has renewed its commitment to the rule of law and human rights, tangible reforms to the electoral process and the reestablishment of an independent judiciary.

The United States has offered its full support to the current government headed by President Valentin Paniagua, including \$7 million in assistance to help ensure fully democratic elections this April 8. We look forward to working with whomever the Peruvian people put in office in a free and fair process.

The success of the Peru mission is by no means a lucky accident for the OAS. Over the last year, the OAS has been at the forefront of protecting and promoting democracy in the hemisphere. In addition to facilitating the transition to democracy in Peru, it has also helped avert coups in Ecuador and Paraguay.

The United States has led the way for this new proactive and preventative diplomacy. At the General Assembly we created an OAS democracy fund to pay for preventative diplomacy initiatives, which was immediately tapped to support the OAS sponsored dialogue in Peru.

The OAS dialogue broke ground in more ways than one. It engaged the Peruvian people in a confidence building process. It created institutional mechanisms for advancing reform and created a space, a political space, in which the players could define a common agenda.

As a result of the Peruvian experience, there is a growing hemispheric consensus that the OAS should systematize the principles and methods it has developed for the promotion of democracy and address appropriate responses for its breach. Peru is currently leading an effort, with U.S. support, to make this happen at the OAS General Assembly this June in San Jose, Costa Rica.

The OAS can make a difference. We are working to streamline and modernize the organization, to strengthen its capacity and realize the huge opportunities we face for positive change in the region.

Mr. Chairman, that concludes my prepared remarks. I will just take 1 more minute to give you some personal observations that were not in the prepared remarks.

It is also probably one of the clearest manifestations of how foreign policy and foreign bipartisan policy can work when the U.S. Congress and the Executive work together. Throughout this long ordeal that I have had the pleasure or displeasure of having been involved in, close consultations with the Congress on a bipartisan basis offered leverage at the right moments that made this process move forward, and I think all of you individually need to be commended.

Second of all, the people who need the most praise are the Peruvian people. All we did is provide them an opportunity to help themselves, and they have had the courage, the conviction and commitment to democracy to turn the situation around with hardly any casualties. It is nothing short of extraordinary, some of you who are versed in Latin American history, how peaceful that transition has been.

However, picking up on some comments that the gentleman from New Jersey made earlier, this Ambassador is quite skeptical, as some of your staff knows. It is not over until it is over, so I have always been and will continue to be right on this issue because while we are all very euphoric about the progress we have made, we have a long way to go. We have April 8 and then a runoff most likely, and we still have fundamental structural changes, particularly as it relates to judicial independence and other things.

Let me just tell you that this was really a paradigm shift in the Organization of American States. This is the furthest we have ever collectively pushed the traditional envelope—some people call it sovereignty, a non-intervention theory—by which for too many years abuses of human rights and abuses of the free and open democracies people have hidden behind.

It was usually the cop out clause in international relations, and we, without breaking any of the sacred concepts of non-intervention, were able to push just a little bit further to the point where, as I think I alluded more formally in my remarks, there is now talk of a new democratic charter which will codify this new preventive and proactive democracy that we have been advocating.

Democracy, Mr. Chairman, threats today in the hemisphere are more subtle than ever. We talked about this long before it became a crisis when it started with slight suppressions that were not so subtle for some of us of the press, and it became the full fledged crisis that we knew. While these threats are more subtle, they are, therefore, more dangerous than ever because we have to be very prepared to identify them ahead of time.

This Ambassador had the most incredible experience last week because we had a session to address some problems or perceived problems in Guatemala, and here I was on behalf of the United States trying to slow down my colleagues who just 6 months ago I was trying to push in the direction of this preventive and

proactive democracy because I thought they were, given the circumstances, and it is a subject of this hearing, of the situation it did not merit that kind of intervention, but it was kind of a sweet/sour position to be in where I am holding them back, but let us get in and help preserve the Guatemalan democracy.

It truly is, Mr. Chairman, in my concluding, a paradigm shift. It is a historical turning point and, I may add, the best and most efficient way that this government can carry on its principles and its policies in a shared way under the new philosophy of shared values/shared responsibilities in this hemisphere.

It is my pleasure to be here before you.

[The prepared statement of Ambassador Lauredo follows:]

PREPARED STATEMENT OF THE HONORABLE LUIS LAUREDO, U.S. AMBASSADOR TO THE ORGANIZATION OF AMERICAN STATES

Mr. Chairman, members of the Subcommittee on the Western Hemisphere, ladies and gentleman, I would like to thank the Subcommittee for inviting me here to testify on the recent important developments in Peru and the role of the Organization of American States.

The OAS' success in Peru was a watershed event. Today, a troubled regime is back within the democratic fold, thanks in no small part to the quick, but measured response of the OAS and the United States Government.

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in Peru, it also has helped avert coup attempts in Ecuador and Paraguay. In Haiti, it pushed Aristide to resolve electoral irregularities and work with the opposition.

The U.S. has led the way for a new pro-active and preventative diplomacy. At the General Assembly, we created an OAS Democracy Fund to pay for preventative diplomacy initiatives, which was immediately tapped to support the OAS sponsored dialogue in Peru.

The OAS dialogue broke ground in more ways than one. It engaged the Peruvian people in a confidence-building process, created an institutional mechanism for advancing reforms, and created a space in which the players could define a common agenda.

As a result of the Peruvian experience, there is growing hemispheric consensus that the OAS should systematize the principles and methods it has developed for the promotion of democracy, and address appropriate responses for its breach. Peru is leading an effort, with U.S. support, to make this happen at the OAS General Assembly this June.

The OAS can make a difference. We are working to streamline the Organization, to strengthen its capacities, and realize the huge opportunities we face for positive change in the region.

Mr. BALLENGER. Thank you, kind sir. Let me just say that you mentioned the sovereignty, and that is something that everywhere I have gone in Central and South America I cannot speak Spanish, so that makes me even worse Yankee than everybody else, but the basic idea of what you have done and what your group is led, to my way of thinking, is a real super positive.

I have been in Nicaraguan elections and Guatemalan elections and Salvadoran elections with OAS, and it never was as forcefully and well done, in my considered opinion, as you did this time, so I highly commend you.

I am just curious. Is the OAS going to be involved in the elections in Haiti? I hate to be——

Ambassador LAUREDO. You promised me this was going to be a nice hearing. I just got off a long delayed flight. I flew out of the wrong airport. I was in New York last night. I should have flown on the New Jersey side of the Hudson.

The Foreign Minister of Haiti is currently in town, sir. I missed the meeting this morning where he made a presentation. The OAS is engaged in the Haitian process. It is a broad coalition. Not only the OAS; for the first time the CARICOM countries have organized themselves to help try to bring correction to that country.

As you know, there is again a very encouraging sign of continuity, of general continuity, of bipartisanship. President Bush submitted a letter to President Aristide outlining that as a minimum base for skeptical measuring progress that the promised eight points would be carefully monitored.

There has been considerable frustration in the international community, which also includes European countries. There is a group of Haiti groups that includes European countries, and basically everybody is looking for results and promises.

One of the great accomplishments of my tenure and one that I will always be honored to have been a part of is the election of an American citizen for the first time as Assistant Secretary General to the OAS, Ambassador Luigi Einaudi, who not too many years before me had this portfolio and a distinguished diplomat.

He has made an enormous difference in the organization and particularly in the meeting, the effort, if one can call it that, in trying to bring reforms in Haiti. It is a difficult task, but the short answer is we are engaged.

Mr. BALENGER. You have my condolences.  
The gentleman from New Jersey?

Mr. MENENDEZ. Thank you, Mr. Chairman.

Mr. Ambassador, thank you again for both your work and your testimony. Let me ask you a couple questions.

This OAS democracy fund that you talk about. What exactly is a democracy fund, and what are the guidelines for engagement?

Ambassador LAUREDO. What we tried to do when I came into this job, and I give you this only as a background. It seems that they had failed a couple of times under different names because we have had a bad behavioral pattern in the United States of showing up at the OAS General Assembly with the U.S. resolutions at the last minute, and I usually—first of all, a U.S. resolution usually has immediate negative impact, given historical relationships.

I have strived, and in fact I cannot recall of any resolution that we intervened that we thought significant that was introduced by the United States alone. Every one of them, including the Peru and this one we are going to talk about, were I have first behind the scenes lobbied so we would have five or six countries. It was not the U.S. It is a subtle, but significant change in operations, which I hope my predecessor will continue. It is a very healthy way of gearing.

It seems that this effort had failed a couple of times. Then Under Secretary for Political Affairs Pickering told me about it, and we changed the name, lobbied before and got lost in the Peruvian crisis hearings during the General Assembly, but it basically is for the first time creating the words that give the Secretary General the power to common sense-wise see problems, you know.

We do not need to wait for the whole thing to fall apart. We can see that there are problems in specific countries, and we can offer because, you know, the OAS cannot get into any area, but we can offer what we call the good offices of the Secretary General to mediate or to explore or to visit and hopefully resolve problems.

It is a new preventive democracy. We call it democracy fund, and we funded it so that it would be the beginning of what we hope we can build on. In June we hope to build on that and the success that I alluded to in my testimony to take it to the next level, what we call the post-1080 world.

It has been ironically 10 years almost to the day since the OAS adopted the famous Santiago declaration in Santiago, Chile, in the year 1991. That created the first step into this new proactive method, so this creates another building stone toward what hopefully will be, you know, that shared value that we cannot stand by and watch democracy and human rights and values that we take mutually—34 out of 35; one tragic exception, as you know. Share the values of simple electoral democracy and that we can mutually help each other. This creates the infrastructure by which we can do that and actually fund it.

Mr. MENENDEZ. Do you think the OAS is moving—it sounds like what your testimony is is that it is moving in the direction that no longer uses the concept of interventionism and sovereignty as excuses for not getting engaged in some of the issues that we have faced in the hemisphere.

Ambassador LAUREDO. If I had to tell you the single, most significant thing that underlines all of this I talked about today is that we pushed the envelope on that. I tried to stay away from certain words because, you know, words have these loaded, heavy historical baggage.

Sovereignty may not be the right word, but they have in fact been. Non-intervention is another word where people in these multilateral organizations say well, behind my walls I can do whatever I want. I think we have now said no, you cannot without violating the principles of non-intervention.

We have to always be invited, but we have been able to marshal opinions. Of course, this is easier to do when you are nurturing the commonality of values. We have 34 nations that share the concept of democracy with one exception again. Not all perfect. They are all in transition.

As I always say in my speeches, ours is not perfect either in the United States, but we certainly now share those values so this is the most significant development, and I hope they can continue to with your help have a mentor.

Mr. MENENDEZ. We had a recent lesson in that, so I am fully aware. Ours is in transition as well.

Last question. What do Peruvians tell you about having Montesinos have to come back and stand trial as part of their sense of cleansing and closing one chapter on the question of corruption in Peru?

Ambassador LAUREDO. What have they said?

Mr. MENENDEZ. In your discussions. Have they talked to you about the importance of having Montesinos return to Peru to stand trial so that they can really move beyond the corruption that existed during the Fujimori regime?

Ambassador LAUREDO. Yes. Not within the content of the OAS, but bilaterally with the United States, as you know, there is cooperation between our two countries to identify the whereabouts of this individual. Recently the United States has cooperated with the apprehension and extradition of Victor Benero, who is a very close associate with Montesinos.

There is an open debate, Congressman, and it is one that you should chew on as you go along in your work. There is the school of thought in Latin America where this is healthy. They want to just say well, it is better to just forgive and forget, or at least forget and not forgive.

I fall more in the school that even though that may be short term, because also under that theory you threaten the stability that you have just created in this case in Peru, but the government of Peru is committed certainly in their contacts with us, their Justice Minister, et cetera, in pursuing aggressively this individual and others.

Mr. MENENDEZ. I for one believe that it sends the wrong message if in any way our country takes the view that simply for the sake of a temporary stability you do not bring people to justice that in fact violate Peruvian law.

This is obviously for Peruvians to decide, but as something that we espouse I would hope that we would bring people to justice. Otherwise the message is anywhere in the hemisphere or, for that

fact, anywhere in the world that you can go ahead and do the incredible scope of corruptive acts that Montesinos permitted to take place under his power in Peru and get away with it, and for the sake of stability you will be given a happy life thereafter in some exile in some place. That is a very dangerous precedent as a principle to send, whether it is in the hemisphere or in the world.

Thank you for your testimony. Thank you, Mr. Chairman.

Mr. BALLENGER. The gentleman from Michigan?

Mr. SMITH. Mr. Chairman, thanks.

Ambassador, the question is partially to you and partially to Mr. Merloe. The \$7 million that the United States is contributing to the election process, how is that being used? What are other countries contributing? What is the involvement of OAS?

Ambassador LAUREDO. Congressman, I am never too involved with my ego to admit that I do not have the full answer to your question. I will attempt to partially answer it, and then maybe perhaps the following witness.

I have another full-time job. As you know, the Summit of the Americas, which is the meeting of all the heads of states of this hemisphere, is coming up 37 days from now, and President Bush has asked me to stay on to help as I am the U.S. coordinator for that, so I have been kind of what we say in the private sector really focused on April 20 through 22.

There are substantial international contributions. We have bilaterally over the last few months pressured other countries. Pressure may be too strong a word. I am a non-diplomat. We have talked to others about contributions, and they have contributed. I do not have the exact numbers, sir. I know our U.S. contributions.

We also have tried, or at least I have tried, to make sure that we have immediate attention both in money and resources and attention to the problem of guaranteeing an election April 8. Four weeks later we will have to have a runoff if no one wins more than 50 percent of the vote.

Also in the area of building a lasting institution, I am particularly concerned and continue to talk within my government and everywhere I go about building political parties. There is kind of an untold division of labor in our government's NGOs or our country's NGOs. NDI you will hear from later today, and IRI has had more of an expertise in kind of developing political parties, which are fundamental pillars to lasting democracies.

In my view, one of the things that Peru is lacking is it has absolute political parties. Fujimori, in one of his last visits here, I visited with him. He told me that there are no parties in Peru. There are movements, including his Movimientos, but there are no parties.

I have tried to push that hopefully some of this money can be seed and can be used to build long-term stability. To focus the thought, we get through April 8, and it was a free, fair election.

Mr. SMITH. I guess I do not understand. Long-term stability? My impression was it was to help assure and provide support for the election.

Ambassador LAUREDO. Correct. I just went a little bit beyond your question to say that my personal reflection—

Mr. SMITH. Okay.

Ambassador LAUREDO [continuing]. Is that I think we would be wise to invest in things that are long-term besides guaranteeing obviously our immediate problem is to make sure that these are free and open elections, but you cannot have long-term stable government until you have political parties, operating political parties, and in Peru today, in my opinion, there are not.

We have an enormous amount of expertise. I alluded to the IRI, which does a lot of work throughout the world.

Mr. SMITH. So the representatives from the OAS will be there observing, monitoring, or—

Ambassador LAUREDO. Yes.

Mr. SMITH [continuing]. Helping to assure the kind of election process that we are looking for this year?

Ambassador LAUREDO. We have a mission, as well as others are going to have. NDI/Carter Center will have a mission. Not only that, but we prevailed on Foreign Minister Eduardo Stein that I alluded to earlier.

Mr. SMITH. So is Eduardo Stein part of the OAS representation?

Ambassador LAUREDO. He is the head of the delegation.

Mr. SMITH. And he was there last go around when we—

Ambassador LAUREDO. Yes.

Mr. SMITH [continuing]. Apparently had—

Ambassador LAUREDO. Yes.

Mr. SMITH [continuing]. Some failure?

Ambassador LAUREDO. And the United States worked very hard to get his consent to take this job again because I think he did a historical job and knows the players well, and so we feel comfortable with him leading that delegation.

Mr. SMITH. Thank you, Mr. Chairman.

Mr. BALLENGER. The gentleman from Samoa?

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. I certainly want to offer my personal welcome to Ambassador Lauredo for testifying before this Subcommittee.

You had alluded earlier, Mr. Chairman, to the fact that you do not speak Spanish, but this Member would like to personally for the record commend you and Donna for the tremendous work that you have done for the Latin American people over the years, so I might say that you may not speak Spanish, but we know where your heart is, and we appreciate it.

Mr. BALLENGER. Thank you.

Mr. FALEOMAVAEGA. Over the years I have always wanted to be a Member of this Subcommittee, but somehow my turn never seemed to come at the proper time and place, so I am very happy to be a Member of this Subcommittee and certainly also my good friend from New Jersey as our Ranking Democrat.

Mr. Ambassador, from a distance I have been observing some of the things happening in Latin America. A couple of times I have even traveled with our Chairman also to Latin America. OAS seems to be coming with a new wind, I sense, because over the years OAS has only been just an identification tag noted for do nothing and just has not been at all effective in any way as far as handling issues affecting the interests of 34 nations representing Latin America.

Probably you know more than any one of us here because you have personally been involved in associating and getting the sense from the other countries throughout Latin America. What seems to be the sense of now that OAS is coming to the forefront and being proactive? Is it because of the personalities of who holds the Oval Office here in Washington, or is it just a sense of maybe because of the changes in the times?

I know that even our own Nation has been guilty of a just do not care attitude or just let Latin America go on its own sort of over the years, our policy of do nothing as well. Can you share with us what seems to be the driving force now within OAS to be proactive and to do the things?

I suspect that it is all in the rule books what OAS can do, but this is the first time that I have ever heard that OAS has been very, very much a part of this country's very existence on a very important issue like the elections.

Can you share with us—

Ambassador LAUREDO. Sure.

Mr. FALEOMAVAEGA [continuing]. Why the change of atmosphere?

Ambassador LAUREDO. I would be happy to. Some of you who know me are sure I am almost fanatical about bipartisan foreign policy and what I call in this hemisphere sustained engagement. One of the things Latin Americans will tell you all the time is that the United States has this series of high engagements and then benign neglect, if you were to graph it.

In giving you that perspective, you can certainly begin to measure a new era in this hemisphere, which started on or about 1990–1991 under President Bush. On the democracy side it started with what I alluded to earlier, the Santiago Declaration 1080. Ironically Ambassador Einaudi was the U.S. Ambassador at the time.

On the economic side, which is part of these two pillars to the summit process and not the subject of this hearing, but economic integration started with, of course, the NAFTA treaty, and President Bush's initiative was called Enterprise for the Americas.

President Clinton came in and assumed at great political cost, I may add, within his own party and negotiated the NAFTA treaty, as you will recall, a very difficult fight that he led to get approval to that. That was an enormous paradigm shift of continuity.

Let me tell you something about NAFTA because one thing we understand in this country obviously is numbers, you know, because now it is easy to look back. The numbers are overwhelming. It is our number two trading partner, Mexico. The largest significance of NAFTA is for the first time in the history of this hemisphere the two "anglo" countries of this hemisphere, Canada and the United States, accept a Spanish speaking neighbor as a full partner in its broadest sense.

That partnership was clearly demonstrated if anybody had any doubt in 1995 right after we finished Summit of the Americas I with the financial crisis in Mexico and where the United States stepped in and saved the day. I mean, you know, it is nice to have partners when there are rainy days. Everybody likes to be in on the party side. It released a lot of positive energy just psychologically, something we cannot measure in our work, but to me that was the most significant thing of NAFTA.

That process immediately after NAFTA began changed its name with the Summit of the Americas process. We are about to enter the third where all the leaders have met in 1994 in Miami, 1998 in Santiago, and we are meeting now in April in Quebec City. It is basically a world that has changed. It is post Cold War.

We are united by the value of democracy, you know, with the tragic exception of Cuba. We are united with a general commitment that free market economies work. Centralized economies do not work. They are inefficient. We are moving in a direction of opening up the economies and integrating at the same time, creating a common market.

So it is a new spirit and all throughout this period I think a new perspective of respecting each other and not having the heavy handed American U.S. hand in organizations, you know, sitting there and listening for a long time, as I just did in a meeting with a country of 60,000 people, who has the same vote at the OAS and the same weight in the Summit of the Americas as the United States with 250,000,000.

Mr. FALEOMAVAEGA. Perhaps it would be——

Ambassador LAUREDO. So it is a question of attitude. You know, in the end the short answer is it is a question of leadership.

Mr. FALEOMAVAEGA. Yes.

Ambassador LAUREDO. I think if we lead with the right motives, I think it stays. We are going to go through some difficult times, so I hope we can stay the course in this area because otherwise we regress back to an area of the——

Mr. FALEOMAVAEGA. Perhaps also with the demographics and the fact now that the Hispanic community now——

Ambassador LAUREDO. Yes.

Mr. FALEOMAVAEGA [continuing]. Is the largest minority group here in the United States with 35.2 million people. California in another 10 years will be more Hispanic. The majority will be Hispanic, the largest state in the country.

I do not know if the demographics have any issue, but specifically on the question of Peru, and maybe I am being too specific, what percentage of the population in Peru are Native Indians?

Ambassador LAUREDO. Very high, but I do not have the numbers at the top.

Mr. FALEOMAVAEGA. I noticed too that——

Ambassador LAUREDO. Indigenous people.

Mr. FALEOMAVAEGA. I noticed too there is a woman candidate also running for president.

Ambassador LAUREDO. There is a woman candidate, yes, a former congresswoman.

Mr. FALEOMAVAEGA. I see.

Ambassador LAUREDO. Actually, it is moving up in the polls rather significantly.

Mr. FALEOMAVAEGA. Mr. Chairman, I sincerely hope that maybe Members of our Committee might be able to go there to observe the elections.

Mr. BALLENGER. I think we can bring it up with the next question.

Mr. FALEOMAVAEGA. Will they accept observers?

Ambassador LAUREDO. Yes.

Mr. BALLENGER. They used to beg us to come. I do not know.

Ambassador LAUREDO. Again, I have not been, and I just got off the plane, involved. The NDI/Carter Center. I believe President Carter is going to go.

The NDI people are coming behind me, but we certainly will entertain the Congressional delegation. It should be a very significant election, and you really have had a role. I am not trying just to tell you this to get it on the record. You were part of the solution.

There were some very dark moments that when you all stepped in just brought in the right pressure in other circles that make this process move forward, so I think Congress in this case, and I was very involved, was clearly shown so I think we should have Congressional—

Mr. FALEOMAVAEGA. In view of all this, is there still a strong sentiment among Latin American countries that the U.S. is still trying to tell them what to do?

Ambassador LAUREDO. You know, it is hard to turn whole hundreds of years of history around, but it is turning around. We have had three presidents now that have not had that; at least those three presidents, and I think that permeates throughout. We still have some problems, but I think we are moving.

You know, we are the United States of America, the fifth largest Spanish speaking nation in the world. Those things are beginning to show. Congressman Ballenger, you better hurry up and learn Spanish.

Mr. FALEOMAVAEGA. Thank you, Mr. Chairman. Thank you, Mr. Ambassador.

Mr. BALLENGER. At least my wife speaks Spanish, so I am safe.

Mr. MENENDEZ. The Chairman says he does not speak Spanish. That does not mean he does not understand Spanish. This way he gets away with a lot of it here in meetings. He hears what they are saying.

Ambassador LAUREDO. Those are the most dangerous types.

Mr. BALLENGER. I would like to thank you, Mr. Ambassador. Thank you very much.

Ambassador LAUREDO. May I steal one more minute from your time? I may not be able to come back.

Mr. BALLENGER. A very quick one.

Ambassador LAUREDO. Yes. I will tell you. It is absolutely amazing to me that I am sitting here before this Committee with two Members, the Ranking Democrat and the Republican who is not here, my good friend, Ileana Ros, and myself, all three of whom are immigrants to this country. Serving the United States is nothing short of extraordinary about what this country is all about.

Mr. BALLENGER. I never thought about that.

Ambassador LAUREDO. There you go. It is my honor to have been here.

Mr. BALLENGER. Thank you very much.

Ms. Westin? Very good. Go right ahead.

**STATEMENT OF SUSAN S. WESTIN, PH.D., MANAGING DIRECTOR FOR INTERNATIONAL AFFAIRS AND TRADE, UNITED STATES GENERAL ACCOUNTING OFFICE**

Ms. WESTIN. Mr. Chairman, the first thing I would like to do is introduce my two colleagues who are accompanying me today. They both played a critical role in the leadership of the team that went to Peru to prepare for this testimony. Ms. Virginia Hughes and Mr. Juan Tapia-Videla.

Mr. Chairman, Members of the Subcommittee, I am pleased to have the opportunity today to discuss the results of our review of U.S. assistance to Peru's presidential and congressional elections next month. In my remarks, I will summarize the steps the current Peruvian Government has taken to ensure a credible electoral process in Peru. Next, I will discuss the U.S. election related assistance to Peru through the U.S. Agency for International Development, and, finally, I will present some of the major challenges that Peru faces before the election.

The main message of my testimony this afternoon is that Peru is on track to free and fair elections, but there are major challenges to overcome. In addition, we found that the election assistance provided by USAID has been timely, responsive and well coordinated with other donors.

Let me turn first to the steps the Peruvian Government has taken. The Peruvian Government has acted decisively to address the serious problems that affected last year's elections. The Paniagua administration has committed itself to ensuring the neutrality of the government and the armed forces during the upcoming elections, including prohibiting the use of government resources for political purposes.

Also, the government named new leaders to the two electoral agencies responsible for overseeing and implementing the elections, and these leaders have emphasized their full commitment to conducting free and fair elections.

Second, USAID's \$7 million of election related assistance has been timely, responsive and coordinated with other donors. Both religious and other international donors told us that the agency has expeditiously disbursed its election related assistance. U.S. officials noted that the assistance had been programmed, approved and delivered faster than any other USAID assistance to Peru this year.

The agency's election related assistance has been responsive to Peru's needs in several areas, including technical assistance, electoral observation and electoral education. For example, in the area of electoral observation \$2.4 million will support several Peruvian and international electoral observation missions throughout the pre-election period and on election day.

In addition, the agency has coordinated its election related assistance with the other international donors, such as Canada and the European Union. While conducting field work in Peru, we attended one of the weekly donor coordination meetings and observed that the donors were aware of each other's specific activities.

Finally, while Peru appears to be on track to conduct free and fair elections in 2001, Peru faces several important challenges over the next three and a half weeks before the first round of elections. Let me emphasize three of these challenges.

Number one, the electoral agency responsible for implementing the election will continue to face very tight time frames for preparing and distributing voting materials, counting the votes and releasing information on the results. The challenges of these tight time frames is compounded by the inexperience of both the leadership and the staff of this agency.

Two, the electoral agencies need to educate as many as 15,000,000 voters on the recent changes to the electoral system and how to vote their choices on complicated, multi-party and multi-district ballots. We brought a sample of the actual ballot, and perhaps we should discuss this ballot if the Subcommittee plans to go to Peru to observe the election.

Number three. Perhaps the most difficult challenge is that the presidential and congressional candidates face a major difficulty in getting their messages to the Peruvian public. Daily revelations of the Fujimori regime's corruption scandals have made it difficult for the candidates to get the voters' attention on specific issues important to Peru's future. However, the completely different political climate surrounding this election is evident in all the media and in the atmosphere of free political expression.

While recognizing the challenges that Peru faces, we are nevertheless encouraged by the decisive actions of the interim government in promoting an open political environment and an impartial government approach during the electoral period. The electoral authorities are regarded as honest and hardworking, and they have sought to meet high standards for the conduct of the election.

Election day may not be free of imperfections, of course, but it will be important to distinguish between the kind of intentional fraud and intimidation that arose last year and the type of incidental mistakes that can arise in any large election.

Once the elections take place and are judged to be fully credible and legitimate, it will be important for Peru's new government to continue on the path toward strengthening Peru's democratic institution. Free and fair elections are only the first step on this path.

Mr. Chairman, Mr. Menendez, this concludes my prepared testimony. My colleagues and I would be happy to respond to any questions.

[The prepared statement of Ms. Westin follows:]

PREPARED STATEMENT OF SUSAN S. WESTIN, PH.D., MANAGING DIRECTOR FOR INTERNATIONAL AFFAIRS AND TRADE, UNITED STATES GENERAL ACCOUNTING OFFICE

Mr. Chairman and Members of the Subcommittee:

I am pleased to have the opportunity today to discuss the results of our review of U.S. assistance to Peru's efforts to conduct free and fair presidential and congressional elections in 2001.

As you know, last year's Peruvian presidential and congressional elections were considered flawed by Peruvian and international observers. The organizations observing the elections, including the Organization of American States, shared the view that the repeated irregularities in the electoral process prevented the Peruvian citizenry from participating in credible democratic elections. As a result, President Alberto Fujimori began his third presidential term under a cloud of illegitimacy in late July 2000.

In September 2000, President Fujimori's hold on power began to crumble, with the release of videotapes depicting the widespread corruption affecting the Fujimori administration. Further events last fall led to the November congressional ousting of Fujimori, the installation of an interim government headed by President Valentin Paniagua, and preparations for a new round of elections. These new presidential and congressional elections will take place on April 8, 2001, with the likely second

round between the top two presidential candidates taking place in May 2001. The new Peruvian President and congress will assume power in late July 2001.

In order to support President Paniagua's efforts to remedy past election abuses and strengthen the electoral process, the United States, through the U.S. Agency for International Development, is providing \$7 million in election-related assistance to Peru. At your request, we (1) identified the steps the current Peruvian government has taken to ensure a free and fair electoral process in Peru; (2) reviewed the U.S. election-related assistance to Peru to determine whether it had been timely, responsive, and coordinated with other donors; and (3) identified some of the major challenges that Peru faces before the first round of presidential and congressional elections.

We based our work on interviews with officials from the Peruvian government, including the three Peruvian electoral agencies and the Ombudsman's Office (Defensoria del Pueblo); members of the news media and public opinion research organizations; leaders from civic, business, and religious institutions; representatives from the State Department, the U.S. Agency for International Development, and the U.S. embassy and agency's mission in Peru; officials from other bilateral and multi-lateral donor organizations; and representatives from organizations implementing international election-related assistance to support electoral observation efforts, fund technical assistance efforts, and support the delivery of electoral information. We also reviewed key documents assessing the April 2000 Peruvian elections and describing the U.S. and other donors' election-related assistance for the 2001 elections. We visited Peru for 2 weeks, from February 11 to February 24, 2001, and we updated the information collected in Peru by following up on contacts made in Washington, D.C., and Peru.

#### SUMMARY

The Peruvian government has acted decisively to address the serious problems that affected last year's elections. The Paniagua administration has committed itself to ensuring the neutrality of the government and the armed forces during the upcoming elections, including prohibiting the use of government resources for political purposes. Also, the government named new leaders to two electoral agencies—those responsible for overseeing and implementing the elections—and these leaders have emphasized their full commitment to conducting free and fair elections.

The U.S. Agency for International Development's election-related assistance has been timely, responsive, and coordinated with other donors. For example, the agency has expeditiously programmed and disbursed its election-related assistance to support various aspects of the electoral process. The agency's election-related assistance has also been responsive to Peru's needs by funding electoral observation efforts before and during the elections; supporting technical assistance efforts to the Peruvian electoral agencies; and funding the delivery of election-related information to voters, journalists, candidates, and political parties. In addition, the agency has coordinated its election-related assistance with the other international donors, such as Canada and the European Union, that are also helping Peru hold democratic elections in 2001.

While Peru appears to be on track to conduct free and fair elections in 2001, Peru faces several important challenges over the next 3½ weeks before the first round of elections. Specifically, these challenges involve the following issues.

- The two electoral agencies responsible for, respectively, overseeing and implementing the elections have experienced major changes in leadership and staffing. These new leaders and staff are working hard to overcome their inexperience in overseeing and conducting national elections.
- The electoral agency responsible for implementing the elections will continue to face very tight time frames for preparing voting materials, distributing and collecting ballots and related documents, arranging for the development and testing of computer systems for tabulating and transmitting voting results, getting ready for processing voting information on election day, and releasing information on the results of the vote.
- The two electoral agencies responsible for overseeing and implementing the elections are in the process of hiring about 15,000 temporary workers. These personnel need to be screened, trained, and put in place throughout the country.
- Because these two electoral agencies had initially disagreed on the nature and extent of oversight that one exercises over the other, these agencies have to ensure that potential disagreements do not interfere with the work of these

institutions. Recent reports note an increasing level of cooperation between the leaders of these electoral agencies.

- These two electoral agencies need to educate as many as 15 million voters on the recent changes to the electoral system and on how to vote their choices on complicated multiparty and multidistrict ballots.
- The presidential and congressional candidates face a major difficulty in getting their messages to the Peruvian public, because public attention is focused on the daily unveiling of videotapes depicting the corruption that permeated the Fujimori regime.

#### BACKGROUND

Peru's April 2000 elections took place amid a climate of intimidation and corruption that favored the campaign of President Fujimori. Opposition candidates for the presidency and for congress were harassed by the government-controlled media and by government agencies, including tax authorities. Several organizations involved in observing the 2000 Peruvian elections, such as the Organization of American States; the National Democratic Institute/Carter Center; and Transparencia, a Peruvian nongovernmental organization, documented the many abuses of the Fujimori administration's conduct of the election. The National Democratic Institute/Carter Center considered the election to be "among the worst ever observed in this hemisphere."

Although President Fujimori assumed his third term of office in July 2000, his hold on power began to crumble in mid-September 2000 with the release of a videotape revealing an effort to bribe a member of the Peruvian congress. Vladimiro Montesinos, the chief of the National Intelligence Service, had made this and hundreds of other videotapes of high-ranking Peruvian government officials, members of the media, businessmen, and private citizens. Many of these tapes documented the corruption that permeated the Fujimori administration, such as attempts to blackmail or bribe some of these individuals. Montesinos left Peru for Panama in September 2000. After returning to Peru in late October, Montesinos went into hiding and is believed to have left the country. While visiting Japan in late November, President Fujimori resigned from the presidency. The Peruvian congress rejected his resignation and voted to remove him from office. Valentin Paniagua succeeded to the presidency on November 22, 2000. Also, the Peruvian congress, responding to the popular demand for democratic elections, passed a constitutional reform and a related electoral law in November 2000 scheduling new presidential and congressional elections for April 8, 2001. If no presidential candidate wins over 50 percent of the vote, a second round of elections will take place between the top two presidential candidates in May 2001. The new Peruvian President will assume power on July 28, 2001.

Peru has three electoral agencies—the National Elections Tribunal (Jurado Nacional de Elecciones, JNE), the National Office for Electoral Processes (Oficina Nacional de Procesos Electorales, ONPE), and the National Registry of Identification and Civil Status (Registro Nacional de Identificación y Estado Civil, RENIEC). The JNE is responsible for overseeing the entire electoral process, including administering justice on electoral matters, maintaining a registry of political organizations, inscribing political candidates, and proclaiming the winners of elections. The ONPE is responsible for organizing and implementing elections, including preparing and distributing ballots and related voting materials, running the elections on election day, and reporting information on the results of the elections. The RENIEC is responsible for preparing the electoral registry; issuing national identification cards; and registering births, deaths, and marriages.

In response to the new opportunity for Peru to conduct credible presidential and congressional elections, the United States and other international donors began supporting efforts to help Peru conduct free and fair elections. Since December 2000, the United States has provided \$7 million to Peru for holding free and fair elections in 2001, more than half of the international assistance provided to Peru for this purpose. The European Union and various European countries have provided the second largest amount of election-related assistance to Peru. (See app. I.)

The U.S. Agency for International Development (USAID), through various implementing organizations, has provided this \$7 million in election-related assistance to Peru. (See app. II.) Specifically, about half of this assistance funds technical assistance for the two main Peruvian electoral agencies, the JNE and the ONPE. Another third of the assistance supports electoral observation activities conducted by both Peruvian and international organizations. The remaining U.S. assistance funds electoral information activities conducted by Peruvian organizations in support of voters, journalists, political candidates, and political parties. (See app. III for a description of selected organizations mentioned in this statement.)

## PERU HAS TAKEN MEASURES NEEDED TO CONDUCT FREE AND FAIR ELECTIONS IN 2001

Peru's political environment has fundamentally improved since last year's election period, as a result of the collapse of the Fujimori administration and the actions taken by the Paniagua administration and the Peruvian congress since late November 2000.

The Paniagua administration is committed to ensuring the neutrality of the government and the armed forces during the elections. For example, the Paniagua administration forbade the use of public office or government resources for political purposes. Also, President Paniagua removed many high-ranking military officers and government officials from their positions due to their allegiance to the Fujimori regime and in order to ensure his control over the government.

The Peruvian government replaced the heads of the two major electoral agencies, which are in charge of overseeing and implementing the elections, because these agencies had played a central part in last year's election abuses. The new head of the electoral agency in charge of implementing the elections (the ONPE) subsequently fired about 80 percent of the agency's 200 permanent staff. According to Peruvian media representatives, these restructured electoral agencies are more trusted by the electorate.

To strengthen the rule of law, President Paniagua replaced the Attorney General and emphasized the independence of the Attorney General position. The government of Peru also reinstated three justices of the Constitutional Tribunal who had been removed from office because they opposed a law authorizing President Fujimori to seek a third term. In addition, the Peruvian government addressed various deficiencies of the justice system, such as eliminating the use of temporary judges who had seriously compromised the independence of the judiciary.

Also, a special congressional commission and an independent prosecutor began investigating the illicit activities carried out by the Fujimori administration. They have paid special attention to the hundreds of videotapes that were seized from Vladimiro Montesino's house (referred to as "Vladivideos"). Tapes have been released almost daily and played on television for everyone to see.

In addition, the Paniagua administration and the Peruvian congress have improved the electoral legislation. To increase the representation of local interests in the congress, congressional representatives will now be selected not from a single district, but from 25 electoral districts. The proportion of women candidates legally required on party lists per district increased from 25 percent to 30 percent. Also, all political parties and groups participating in the elections are receiving 10 free minutes per day on the broadcast media during the 60 days preceding election day, with government funds covering the cost of the free time.

Moreover, in contrast to last year's election period, the government is providing no direction and exercising no influence over the news media, according to all our contacts in Peru. The government also returned television channels 2 and 13, which had opposed the Fujimori regime, to their rightful owners.

However, we met with numerous observers who were concerned about the potential for remnants of the Fujimori regime to influence the election atmosphere and results. In particular, these observers expressed concerns that Montesinos' domestic network would try to find ways to discredit or sabotage the elections.

For these reasons, we would describe the current political atmosphere in Peru as improved but somewhat uneasy about possible threats from remnants of the Fujimori regime. In this context, the presence of the international donor community serves to contribute to the stability of the interim administration and the conduct of free and fair elections.

## U.S. ELECTION-RELATED ASSISTANCE TO PERU HAS BEEN TIMELY, RESPONSIVE, AND COORDINATED

The \$7 million in U.S. election-related assistance to Peru has been provided on time, has been responsive to Peruvian needs, and has been coordinated with other donors.

The United States has provided its election-related assistance to Peru on a timely basis, according to representatives from the three Peruvian electoral agencies, other donors providing similar assistance to Peru, and organizations implementing the U.S. and other donors' assistance. In December 2000, the electoral agencies responsible for overseeing and implementing the elections started to get organized. During this period, USAID started to work with subcontractors to design the needed assistance efforts. USAID also supported an independent evaluation in late December of the electoral registry that will be used during the 2001 elections. This evaluation was requested by the electoral agency responsible for overseeing the electoral process, and it was conducted by a Peruvian nongovernmental organization funded by

USAID. Based on this review, officials from the electoral agencies are confident that the electoral registry is adequate and comparable to electoral registries used in other countries in the region.

In January 2001, while the two electoral agencies responsible for respectively overseeing and implementing the elections were undertaking major reorganization efforts, USAID started to provide technical assistance to both agencies. USAID began providing the bulk of its technical assistance to these agencies through two international contractors in February 2001. Later that month, USAID provided additional funding for technical assistance directly to the ONPE. Although USAID was ready to start providing the funding earlier, the agency had to delay delivering this funding until the ONPE had all the required internal controls and qualified staff in place, according to U.S. and Peruvian officials.

U.S. officials noted that the USAID election-related assistance to Peru had been programmed, approved, and delivered faster than any other USAID assistance to Peru this year. Officials from other donors' institutions commended the level and the speed of the election-related assistance that the United States gave to Peru, highlighting that this U.S. assistance had been provided much more quickly than the assistance their institutions gave.

The U.S. election-related assistance has been responsive to the current needs of Peru in the areas of technical assistance, electoral observation, and electoral information, according to representatives from the three Peruvian electoral agencies, other donors providing similar assistance to Peru, and organizations implementing the U.S. and other donors' assistance. According to these representatives, the United States has provided an appropriate mix of different types of electoral assistance to Peru. The technical assistance directly helps the agencies overseeing and conducting the elections; the electoral information activities benefit the voters; and the assistance for observation efforts helps ensure the transparency and legitimacy of the elections.

USAID's \$7 million in assistance includes the following:

- \$3.3 million in technical assistance, including
  - \$1.52 million to the ONPE for training pollworkers, educating citizens, setting up the new Voter Ombudsman in coordination with the Ombudsman's Office, and setting up the International Cooperation Office to help the ONPE strengthen its ability to manage donor contributions for the elections.
  - \$1.3 million to the International Foundation for Electoral Systems to help the ONPE in the areas of election administration, information management, and electoral education and training. This organization is also providing limited assistance to the JNE in the areas of electoral training; design of electoral education programs and materials; and reconstruction of the computer systems, which were destroyed in a fire in July 2000.
  - \$478,438 to the Centro de Asesoría y Promoción Electoral to help the JNE carry out its oversight role during the elections.
- \$2.4 million to support electoral observations, including
  - \$767,349 to the National Democratic Institute/Carter Center to fund two pre-electoral assessments, an international observation mission on election day, and a small, on-the-ground presence during the pre-electoral period.
  - \$602,534 to Transparencia to fund a comprehensive, Peruvian observation effort during the pre-electoral period, field 20,000 observers on election day, and conduct a quick count of the results of the presidential race.
  - \$600,000 to the Organization of American States to support an international electoral observation mission throughout the pre-electoral period and on election day.
  - \$400,000 to the Ombudsman's Office to fund 15 supervision modules/units around Peru focused on receipt and follow-up of election-related complaints prior to the elections and election day, and a random supervision of election day activities.
- \$1.3 million to fund the electoral information activities, including
  - \$429,949 to Promujer to conduct electoral education focused on women and to promote the participation of women candidates in television programs, discussion forums, and debates.
  - \$394,315 to Servicios Educativos Rurales to train a network of election promoters who will develop orientation and electoral education activities and materials in 37 provinces in rural areas.

- \$294,382 to the Instituto de Dialogo y Propuestas, in collaboration with two other Peruvian nongovernmental organizations, to fund a national campaign for responsible and informed voting through intensive and massive use of local radio and regional television networks and a special campaign aimed at younger voters.
- \$189,300 to Transparencia to inform and educate trainers, party pollwatchers, pollworkers, and election observers from Transparencia in the electoral process.

The United States has regularly coordinated its election-related assistance with the other donors. The organizations responsible for implementing the technical assistance provided by the international community to the two main Peruvian electoral agencies also coordinate their activities. Since December 2000, a donor coordinating committee has met weekly to coordinate international election-related assistance efforts. While conducting fieldwork in Peru, we attended a donor coordinating committee meeting and a coordinating meeting of the organizations responsible for implementing the donors' assistance. We observed that the donors were aware of each other's specific activities and that the donors and the implementing organizations exchanged information and discussed current issues.

#### PERU'S ELECTORAL CHALLENGES

The challenges facing Peru at this point are primarily managerial and logistical, although the undercurrent of political uneasiness about the possible continued influence of Montesinos and his network affects the election atmosphere.

##### *First Challenge*

The initial challenge for the new leaders of the electoral agencies has been the need to learn the day-to-day tasks of how to conduct elections, while reorganizing their agencies. The new head of the ONPE is a recognized university professor who is an expert on election systems, but he first started at the ONPE only on December 8, 2000. He had to fire over 80 percent of the ONPE staff, screen and hire replacement staff, and begin arranging all the election preparations. The top leadership at the JNE was also replaced and has had to decide how to carry out its oversight role in the electoral process, because in last year's election the JNE played virtually no oversight role.

##### *Second Challenge*

A second key challenge facing the new electoral authorities is the need to adhere to an extremely tight timetable for setting up electoral processes, preparing voting materials, planning the logistics of distributing and collecting the ballots, and arranging for the development and testing of computer software for counting the ballots. Peru is a country where voting is mandatory for all citizens between the ages of 18 and 70 (with certain exceptions, for example, excluding the military and the police from voting). It is also a country where its mix of mountainous, jungle, and coastal terrain presents special logistical problems for conducting elections. We were told that in numerous areas of the mountains and jungles, Peruvians may have to walk a full day or more in order to get to a voting station. And distributing and collecting the ballots to the approximately 90,000 voting stations around Peru is a difficult task that may require the use of military personnel and vehicles to reach some rural locations. The ONPE has established its timetable for accomplishing its specific goals, and while the agency is proceeding on schedule, it has little room in the schedule to accommodate unexpected delays. We note that the ONPE has built into this timetable measures designed to help ensure the smooth running of the elections. These include, for example, provisions for running two simulations of the vote counting, 1 and 2 weeks before the election, in order to test the vote tabulation processes, including the new computer software.

##### *Third Challenge*

A related, third challenge is the need for the ONPE and the JNE to hire and train about 15,000 temporary workers to staff their regional offices around the country and the voting stations and collection points on election day. These workers are needed only during the election period. Because last year's elections were so corrupt, the ONPE and the JNE have had to screen the lists of potential new staff to make sure the new workers were not involved with previous electoral abuses. Screening this many new people in such a short period of time is a difficult task, and there is concern among observers in Peru that Montesinos' network may still find a way to infiltrate the electoral processes.

*Fourth Challenge*

A fourth, management-related challenge lies in the need for the JNE and the ONPE to continue to agree on the nature and extent of oversight that the former can exercise on the latter, so that no disagreements emerge that may interfere with the work of these organizations. The JNE, as the top electoral agency responsible for announcing the official results of the election, has recently sought to exercise its oversight responsibilities over the overall electoral process, including the ONPE's efforts to conduct the elections. Due to the very tight timetable for this election, the two agencies need to continue working together closely and cooperatively to accomplish their shared goals expeditiously.

*Fifth Challenge*

A fifth challenge is to educate up to 15 million voters on the recent changes to the electoral process and on how to vote their choices for the presidency and congress. Peru recently moved from a single electoral district to 25 electoral districts to expand the representation of local interests. The ballot is a complicated, multiparty ballot with several choices for the presidency and for the congress. The voter actually votes for a political party associated with a presidential candidate and a political party associated with a list of congressional candidates. In the President's section of the ballot, the voter chooses a President by marking a party symbol that is next to a picture of the candidate. The ballot does not have the names of the presidential candidates. In the congress' part of the ballot, the voter can choose at the most two representatives in most districts by marking a party symbol that is associated with a party list of candidates. If the voter wants to pick particular candidates from the party list, the voter must write in two boxes next to the party symbol the numbers linked to the names of the candidates in the list. At a minimum, voters need basic information on where to vote and how to vote for the presidency and the congress, in addition to having information about the candidates. In addition, as oversight and implementing organizations are aware, special attention is needed to find ways to provide such information to illiterate and non-Spanish-speaking voters in Peru.

*Sixth Challenge*

Finally, daily revelations of the Fujimori regime's corruption scandals have made it difficult for the candidates to get the voters' attention on specific issues important to Peru's future. According to numerous observers, the frequent release of new videos depicting the flagrant corruption of the previous regime has heightened public cynicism, distrust, and alienation. However, the completely different political climate surrounding this election is evident in all the media and in the atmosphere of free political expression.

While recognizing the challenges that Peru faces, we are nevertheless encouraged by the decisive actions of the interim government in promoting an open political environment and an impartial government approach during the electoral period. The electoral authorities are regarded as honest and hard working, and they have sought to meet high standards for the conduct of the election. Election day may not be free of imperfections, of course, but it will be important to distinguish between the kind of intentional fraud and intimidation that arose last year and the type of incidental mistakes that can arise in any large election. Once the elections take place and are judged to be fully credible and legitimate, it will be important for Peru's new government to continue on the path toward strengthening Peru's democratic institutions. Free and fair elections are only the first step on this path.

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Mr. Chairman and Members of the Subcommittee, this concludes my prepared testimony. I would be happy to respond to any questions you or other Members may have.

## CONTACT AND ACKNOWLEDGMENTS

For future contacts regarding this testimony, please contact me at (202) 512-4128. Individuals making key contributions to this testimony included Virginia Hughes, Juan Tapia-Videla, La Verne Tharpes, and Venecia Kenah.

## APPENDIX I

U.S. AND OTHER DONORS' ELECTION-RELATED ASSISTANCE TO  
PERU, FISCAL YEAR 2001

Donor	Amount	Percent of total
United States	\$7,000,000	51.2
European Union	1,661,550	12.2
Germany	1,200,000 <sup>1</sup>	8.8
United Kingdom	1,000,000 <sup>1</sup>	7.3
United Nations	1,000,000	7.3
Canada	500,000	3.6
Japan	500,000	3.6
Switzerland	500,000	3.6
Sweden	111,000	0.8
Spain	100,000	0.7
The Netherlands	65,000	0.5
Finland	25,000	0.2
<i>Total</i>	<i>\$13,662,550</i>	

<sup>1</sup> These funds are supporting election and other democracy-related efforts in Peru.

Source: GAO analysis of U.S. Agency for International Development (USAID) data.

## APPENDIX II

## USAID ELECTION-RELATED ASSISTANCE TO PERU, FISCAL YEAR 2001

Type of assistance and implementing organization	Amount
Technical assistance	\$3,298,438
Oficina Nacional de Procesos Electorales	1,520,000
International Foundation for Election Systems	1,300,000
Centro de Asesoría y Promoción Electoral	478,438
Electoral observation	\$2,382,673
National Democratic Institute/Carter Center	767,349
Transparencia	602,534
Organization of American States	600,000
Ombudsman's Office	400,000

## APPENDIX II—Continued

USAID ELECTION-RELATED ASSISTANCE TO PERU, FISCAL YEAR 2001

Type of assistance and implementing organization	Amount
Assistance to be determined	12,790
Election information	\$1,318,889
Promujer	429,949
Servicios Educativos Rurales	394,315
Instituto Dialogo y Propuestas	294,382
Transparencia	189,300
Assistance to be determined	10,943
<i>Total</i>	<i>\$7,000,000</i>

Source: GAO analysis of USAID data.

## APPENDIX III

SELECTED LIST AND DESCRIPTION OF ORGANIZATIONS INVOLVED IN THE 2001 PERUVIAN ELECTIONS

Organization	Description
Centro de Asesoría y Promoción Electoral	A component of the Inter-American Institute for Human Rights based in Costa Rica that conducts electoral observation missions, provides technical assistance to electoral agencies, and disseminates electoral information to the public.
Defensoría del Pueblo (Ombudsman's Office)	An autonomous Peruvian government agency established to protect and defend the constitutional rights of all Peruvians and to ensure that the state fulfills its responsibilities in providing services to the public.
International Foundation for Election Systems	A U.S. nongovernmental organization that provides technical assistance for democratic development and good governance to elections commissions, governmental entities, private institutions, and civil society organizations.
Instituto de Dialogo y Propuestas	A Peruvian nongovernmental organization dedicated to the promotion of citizen development.
Jurado Nacional de Elecciones (JNE)	An autonomous Peruvian government agency responsible for overseeing the entire electoral process, including ruling on all matters regarding the election process, maintaining a registry of political organizations, inscribing political candidates, and proclaiming the winners of elections.

## APPENDIX III—Continued

## SELECTED LIST AND DESCRIPTION OF ORGANIZATIONS INVOLVED IN THE 2001 PERUVIAN ELECTIONS

Organization	Description
National Democratic Institute/Carter Center	U.S. nongovernmental organizations that have conducted more than 100 impartial pre-election, election-day, and post-election observation missions around the globe.
Oficina Nacional de Procesos Electorales (ONPE)	An autonomous Peruvian government agency responsible for organizing and implementing elections, including preparing and distributing ballots and related voting materials, running the elections on election day, and reporting information on the results of the elections.
Promujer	A consortium of four Peruvian nongovernmental organizations that promote women's political participation at the national and local levels.
Registro Nacional de Identificación y Estado Civil (RENIEC)	An autonomous Peruvian government agency responsible for preparing the electoral registry; issuing national identification cards; and registering births, deaths, and marriages.
Servicios Educativos Rurales	A Peruvian nongovernmental organization that focuses on expanding the opportunities of citizens in rural areas.
Transparencia	A Peruvian nongovernmental organization that focuses on strengthening the electoral legislation and processes and increasing citizenry participation in elections.

Source: GAO analysis based on information from organizations in the list.

Mr. BALENGER. Considering the great and wonderful election we just had, how are these counted?

Ms. WESTIN. It is a very detailed process of how they are going to be counted. They have paper ballots. This is a sample of an actual ballot that they gave us. You can see it is stamped "Invalid" so that there was no way that we could flood the electorate with these ballots.

The votes are counted at each polling station, and the polling station may have many voting tables. The three polling officials at each voting table must agree on the count of the vote. You have observers from NDI perhaps, Transparencia, and OAS that can watch from a distance and also observers from the political parties.

Then the vote count is calculated on what is called the tally sheets. These are signed, copied and transported by the president of each voting desk physically accompanying them to one of 57 computer stations. At the computing stations is where the typists will enter the data.

It was explained to us when we were there by the electoral authority that two different typists will enter the same data from the tally sheets independently of each other, and then a supervisor reconciles any discrepancies before the data become official. Once they

are entered, the data become available on the internet for people to see.

They are going to conduct trial runs of the vote counting process both on March 25 and then again on April 1 to do a simulation of counting the votes to make sure that this is going to work, including the entry of the data and running the computer system. That is essentially how the votes are going to be counted.

Mr. BALLENGER. Very good.

Mr. MENENDEZ. The challenges that you listed. Do you have a sense of whether they will be met and to what degree they will be met so that the election, while not perfect, and no election is, but will be able to be viewed as credible, assuming everything goes right?

Ms. WESTIN. Well, the first challenge that I mentioned was about the tight time frame.

Mr. MENENDEZ. Right.

Ms. WESTIN. That is a fact of life that they have to live with. This was a very short time within which to conduct the election. The leadership and the staff of the electoral agency were just named in December and started really working in January to conduct an election on April 8.

My team and I had extensive meetings with them, and they do seem to be living up to the standards of a clean election and seem to have it well under control. We just raised it as a challenge because any time you have to do such a job in a short period of time and the people are inexperienced it does present a challenge, but we think that, yes, that challenge will be met for the election.

The second challenge that I emphasized was about the need to educate as many as 15,000,000 voters. In my prepared statement we gave you a breakdown of some of the ways the money has been spent to go to different organizations to help educate voters.

For example, when I was there in Peru a few weeks ago, I attended one simulation of training the people that were going to be sitting at the tables. There were people that would be going back to different parts of Peru, different parts of the country, to talk and be able to answer questions about the voting process.

When we were there, and this is really the third challenge, the emphasis was still very much on the daily release of the videotapes more than on seeing the candidates espouse their positions on what they would do to solve various problems. But as we were leaving we did start to see more billboards which presented congressional candidates, presidential candidates with their pictures and the congressional candidates with the number they are on the voting list to try and solicit votes.

I think that there is a good chance that these challenges will be overcome, but, of course, nothing is certain until the election is held.

Mr. BALLENGER. Thank you very much, Ms. Westin. I think what you are trying to do is wonderful, and I do hope that it has every success because the rest of the world is kind of looking at, you know, since OAS finally decided to show itself and turn down an election, the effort that we have made through AID I think is an excellent showing on our part that we believe in democracy.

Again, we thank you for coming. We greatly appreciate it and look forward to success in your next effort there.

Ms. WESTIN. Thanks very much.

Mr. MENENDEZ. Thank you for your work.

Mr. BALLENGER. Mr. Merloe? Mr. Merloe, I am not trying to cut anything off, but I have to be at the White House.

Mr. MERLOE. Yes, sir.

Mr. BALLENGER. Go right ahead if you would, please, sir.

**STATEMENT OF PATRICK MERLOE, SENIOR ASSOCIATE FOR  
ELECTORAL PROCESSES, NATIONAL DEMOCRATIC INSTI-  
TUTE FOR INTERNATIONAL AFFAIRS**

Mr. MERLOE. Thank you, Mr. Chairman and Members of the Subcommittee, for this opportunity to comment upon the election process in Peru. I promise that I will briefly summarize my statements for you that have been submitted in writing.

First, Mr. Chairman, I would like to thank you and thank Congressman Menendez for your opening remarks and also, Congressman, for your kind words for my colleagues. Your work and your contribution has been tremendous in this effort, and I would like also to single out the members of your staff of this Subcommittee. Throughout the last 16 months, this Committee, your Members and your staff, have provided tremendous encouragement and support not just to us, but, more importantly, to the Peruvians.

I would also like to associate myself with the comments of the prior panelists. It has been a pleasure working with them over the years, and in particular, as you have done, I think it is not too much to commend the role of the OAS and particularly Ambassador Lauredo. He has been tenacious throughout this process in the pursuit of a just result.

Mr. Chairman, as you know and as we have said in our written testimony, Peru is at a dramatic moment in its history. Positive changes in democratic development are taking place that we can witness on a day by day process.

The situation in Peru as compared to last year is fundamentally different. What we saw last year in Peru was one of the worst electoral processes ever witnessed by NDI or by The Carter Center in this hemisphere and in my case in more than 35 elections around the world.

What we see today is a tremendous progress being made by the government of President Paniagua and by the electoral authorities that have been reconstituted. There is also a tremendous effort being put forth on the part of the Peruvian population, which should be commended.

Even more so, civic and religious organizations—groups like Transparencia, which has monitored the election process in that country since 1995—have been brave in coming forward and speaking truth to power, which has allowed both Peruvian citizens and the international community to make policy decisions and to judge the process last year as being an illegitimate process, one that was fraudulent in nature, and this year to see the gains that are being made.

I would also like to say, Mr. Chairman, that the progress that is being made is also on the part of the political parties and the

contestants. There is a level of maturity being demonstrated in the signing of the pact of civility that was mentioned by Ambassador Lauredo. Seven of the eight presidential candidates or their vice-presidential running mates have signed the civic pact pledging not to attack one another on a personal basis and to eliminate political violence and the threat of retribution. This has made a big contribution to a positive election environment.

It also has helped address the concerns of the citizenry, which is the fundamental point, of course. There is understandably a remaining reticence on the part of the citizenry in Peru about the nature of the political process, given the trauma that they went through under the Fujimori regime. It is a fragile environment, one in which we hope the candidates will respect one another, which will help the citizens themselves come forward with confidence in the electoral process and provide a strong mandate to the government going forward.

Indeed, the lack of a genuine mandate to the Fujimori government as a consequence of the fraudulent election was a contributing factor to the collapse of that government under the weight of the scandal that we all know.

I would comment on one other aspect of concern, and that is that the revelation of the corruption through the so-called Montesinos videos has a dual aspect. On the one hand it presents a tremendous opportunity to identify the actual scope and breadth of the nature of the corruption. It is unusual around the world to be able to point to something so tangible, that shows corruption has taken place, that points to the people who are responsible and, so that a government can then hold them accountable. In that sense the videos are a quite positive and dramatic development.

At the same time, the constant revelation of these videos to the citizenry can have the effect of distracting them and perhaps even discouraging them from participating in the process and hurting their faith in government. We believe that steps need to be taken and are being taken in the investigation to move with dispatch and to move with respect for the rights of the people who may be implicated, so that they can get through this process in the weeks and months ahead.

Lastly, for the sake of brevity, let me say that we think that these elections, the prospects of which are quite good, are just one but fundamental, critical point in the democratic development in Peru. If the elections do transpire positively as we hope, then the new government will have a strong mandate, but it will be faced with tremendous difficulties and challenges in providing for economic and democratic development going forward.

We think that the role of Peru is important far beyond its quarters, even beyond this hemisphere. It is not too much to say that the world is watching Peru. We hope that the role that has been played by the international community and the support that you have provided and that this government has provided will continue after the elections for constitutional and judicial changes, the strengthening of the legislative process, and strengthening civil-military relations.

The strengthening of the political parties, as Ambassador Lauredo said, will be another critical component of this and to help

the citizens and their organizations to participate in governmental and political processes.

I will conclude and take any questions. Thank you.

[The prepared statement of Mr. Merloe follows:]

PREPARED STATEMENT OF PATRICK MERLOE, SENIOR ASSOCIATE FOR ELECTORAL PROCESSES, NATIONAL DEMOCRATIC INSTITUTE FOR INTERNATIONAL AFFAIRS

Mr. Chairman, Members of the Subcommittee, thank you for this opportunity to comment on the electoral and political processes surrounding the 2001 extraordinary elections in Peru.

Peru is in the midst of dramatic, positive changes in its democratic development. The conditions for organizing genuine elections in 2001 have been established in Peru, and the prospects for achieving them are strong. At the same time, important challenges face Peru's electoral and broader political processes that should not be underestimated in the weeks and months ahead. Further, concerted efforts will be needed following Peru's elections to strengthen institutions and processes that are essential to a functioning democracy.

These findings were reaffirmed this past Friday, March 9, by the second joint NDI/Carter Center pre-election delegation to Peru's 2001 elections. A copy of that delegation's statement as well as a copy of the statement of the January 26 NDI/Carter Center delegation appear for the record as appendices to this testimony. The most recent delegation was the seventh multinational NDI/Carter Center election assessment delegation to Peru in the last 16 months. We have continually monitored developments over this period through our field representatives in Lima, our respective headquarters and visits in addition to our delegations. Our efforts in Peru have been funded by a cooperative agreement with USAID.

Mr. Chairman, the environment surrounding Peru's 2001 extraordinary presidential and parliamentary elections is fundamentally different from that of last year. The circumstances surrounding the 2000 elections in Peru were among the worst ever observed in this hemisphere by NDI and The Carter Center. It is clear that the Fujimori government perpetrated election fraud. As a result, the 2000 elections failed to provide the Fujimori government with a mandate based on an expression of the will of the people. The lack of a democratic mandate contributed to that government's collapse under the weight of scandal.

The fraudulent 2000 elections exposed the corruption by the Fujimori government of the institutions and processes in Peru that are central to national development, including the electoral authorities, the courts, large segments of the news media, the military, the intelligence agencies, and the state apparatus in general, even assistance programs that deliver food to the poor. It was the forceful efforts of Peruvian democrats, in opposition political parties and alliances, in civic, religious, labor, business and professional organizations, including nonpartisan election monitoring efforts by citizen groups like *Transparencia* and *Consejo por la Paz*, by the Peruvian Human Rights Ombudsman's Office (the *Defensoria del Pueblo*) and by segments of the news media that exposed the corruption of the political and electoral processes.

The international community helped—through its assistance to those struggling for democratic elections and a fair political process in Peru, as well as through international efforts to monitor the process in a comprehensive way—to shine a spotlight on the systematic nature of political corruption under the Fujimori government. We hope that efforts of NDI and The Carter Center throughout the last 16 months have encouraged Peruvians to strive for a democratic political process that is required for genuine elections, just as we hope that our efforts helped to better inform the international community of the nature of developments in Peru.

Mr. Chairman, we would like to commend the efforts of the Organization of American States for its contributions to the electoral processes in Peru in both 2000 and 2001, through the outstanding leadership of Dr. Eduardo Stein in monitoring the 2000 elections, through the dialogue (*Mesa de Dialogo*) led by Dr. Eduardo Latorre and through the re-established election observation mission again led by Dr. Stein. We have closely coordinated our efforts in Peru with the OAS and have enjoyed the support and cooperation of the US Mission to the OAS, as well as other offices and branches of the US government, including Members and staff of this Subcommittee from both political parties. We are grateful for that support.

Experience around the world demonstrates that when a country passes through the trauma of fraudulent elections and the collapse of a government under the weight of scandal, more than the bare legal minimum must be done to reestablish the public's trust in government and confidence in the election process. I am pleased to report that the government of President Valentin Paniagua has undertaken de-

terminated steps to guarantee the political neutrality of state institutions, including the armed forces and the forces of public order. Important strides have been made under the interim government to improve the independence of the judiciary and to break the pattern of impunity for corruption and human rights abuses by the military and others. News media are operating with a new openness and in the absence of political repression. Although faced with a short time period, the reconstituted electoral institutions have made significant progress in organizing the electoral contest and restoring citizen confidence.

Recent public opinion polls show high approval ratings both for President Paniagua and for the electoral authorities. This demonstrates that Peruvian citizens appreciate the significance of the democratic reforms that are underway.

Other positive developments include the fact that seven of the eight presidential candidates or their vice presidential running mates signed a "civic pact" (*Pacto Civico*) sponsored by *Transparencia* and witnessed by the Conference of Catholic Bishops of Peru (*Conferencia Episcopala Peruana*), the OAS, the United Nations Electoral Mission and the NDI/Carter Center election observation project for Peru. Through this Pact, the political contestants pledge to campaign based upon mutual respect, to debate issues and programs of public import and to eliminate politically motivated violence, intimidation and reprisals. A blue ribbon commission organized by *Transparencia* is acting to help the candidates respect their pledge.

Electoral authorities are making concerted efforts to prepare for the elections. While much remains to be done in the 25 days before the election, a number of critical steps have already been completed, including: evaluating and replacing personnel at the electoral tribunal (the JNE) and the electoral administration body (the ONPE), where 78 percent of former staff have been replaced; hiring and training approximately 12,000 temporary election employees; identifying the thousands of officials who will work the polls on election day; opening 49 Decentralized Electoral Process Offices (ODPEs) and Special Election Tribunals (JEEs) nationwide; initiating the printing of the voter lists, tally sheets and the ballots; designing a new software program to tabulate the election results; and submitting a copy of the new software to political party representatives and election observers for their review. Political contestants are being provided with substantial free broadcast time on national radio and television stations to present political messages, which is another important improvement from the 2000 elections.

Voter education remains a central need, particularly in light of Peru's newly adopted system of 25 multi-member electoral districts for determining Congressional representation. Electoral authorities are conducting a voter education campaign in several languages through the mass media, and 250 full-time "election promoters" are working on the campaign throughout the country. Civic organizations are also conducting voter education.

The candidates and political alliances are paying increased attention to training their pollwatchers and other agents to review technical and legal issues. Political parties, however, remain organizationally weak in Peru. Citizen organizations, particularly *Transparencia*—which has played a vital role in guarding the public's interest in Peruvian elections since 1995 and which carried the weight of the country by demonstrating that a presidential runoff was required last year—is actively monitoring the election process. NDI is proud of our relationship with *Transparencia*, which began with its founding and included technical assistance throughout its formative stages. *Transparencia* has found that the electoral registry is sound. It is monitoring media access for the political contestants and other pre-election issues and will once again mobilize thousands of election-day observers and conduct a rapid, independent evaluation of the vote tabulation process (a quick count).

The Human Rights Ombudsman's Office (*Defensoria del Pueblo*) established 25 mobile election teams, which are working in coordination with the *Defensoria's* eight permanent offices around the country to supervise the electoral process at the local level. In addition, the ONPE and the *Defensoria* are collaborating in the operation of the recently inaugurated "Office of the Defense of the Voter," to receive electoral complaints relating to the ONPE or ONPE personnel. These efforts, as well as those of *Transparencia* and others, illustrate the continued strength of domestic election monitoring for the upcoming elections.

Mr. Chairman, in addition to these developments there are a number of points of continuing concern for the Peruvian election process. The Peruvian population understandably retains a degree of unease about the possibility that elements of the former regime might undermine the election process in order to derail reforms, prevent themselves from being held accountable for abuses and weaken the mandate of the government that will result from the elections. The best way to address this concern is to encourage broad citizen participation and effective watchdog activities of organizations like *Transparencia* and the *Defensoria del Pueblo*. Of course, inter-

national election observers can also contribute to deterring manipulation of the process and to promoting public confidence.

An additional concern is the potential for political competition to become acrimonious to the point of hindering the election campaign and discouraging citizen participation. Several recent campaign incidents highlight this possibility as both the presidential and congressional elections enter the final stretch. Confidence in the electoral process is fragile, given the experience of the 2000 elections, and efforts are needed to encourage contestants to honor the political rights of their competitors, as pledged in the civic pact and required by law. Civic and religious leaders are exercising their moral authority through the commission to help enforce the civic pact, and electoral authorities should work to improve communications with political contestants down to the local level to ensure respect for the law.

The continuing investigations of corruption under the Fujimori government, including the release of the "Montesinos videos," present extraordinary opportunities to identify the nature and breadth of that government's efforts to illegally monopolize power. The incontrovertible evidence being discovered also provides the basis to dismantle the network of corruption that subverted Peru's democratic development. At the same time, the revelations create a potential for citizens to become distracted and even disaffected from government and the political process, unless the investigations are conducted with dispatch and with respect for the rights of those who may be implicated. The assignment of additional professionals, with well-defined and transparent procedures will help to avoid or minimize the negative potential of this process.

Another concern is that citizens obtain adequate accurate information upon which to make an informed choice at the ballot box and in order to maintain and build confidence in the electoral process. Efforts at voter education and access to national broadcast media will help voters to make informed choices. Voter choices in the congressional election will require sufficient information about the contestants outside Lima; however, free media access does not extend to local broadcast media. It is hoped that arrangements will be made to ensure that voters in all 25 election districts receive adequate information to make an informed and free choice on election day. Of course, the political contestants must direct their campaigns to substantive issues and programs, rather than concentrating on personal attacks. In addition, we hope that electoral authorities clear away all obstacles to citizens receiving timely information about election results, including reports on the quick counts conducted by *Transparencia* and others. Such information will limit the possibilities for misinformation causing tensions on election night and immediately following election day.

Mr. Chairman, Peru is facing pivotal elections. The prospects for genuine elections are good. If those prospects are realized, the resulting government will have a sound popular mandate to face the challenges of improving economic and political development in that important country. What happens in Peru is significant beyond its borders—not just in the Andean region but throughout this hemisphere and beyond. It is not too much to say that the world is watching Peru.

It must be stressed, however, that the elections themselves will mark one critical point in a larger effort of democratic reform in Peru. The Fujimori regime so weakened the institutions and processes that are vital to a democracy that a re-institutionalization effort will be needed.

The re-institutionalization being called for by Peruvians concerns constitutional issues affecting the balance of powers, strengthening the role of the legislature, ensuring the independence of the judiciary, as well as normalizing civil-military relations, building strong and responsive political parties and enhancing the roles of civic organizations and citizen participation in democratic governance and the political processes. The Peruvian electoral process deserves continued international support, and international assistance for those striving to advance democratic development in Peru will continue to be crucial beyond the elections.

#### APPENDIX I

##### STATEMENT OF THE NATIONAL DEMOCRATIC INSTITUTE (NDI)/CARTER CENTER SECOND PRE-ELECTION DELEGATION TO PERU

*Lima, March 9, 2001*

This statement is offered by an international pre-election delegation to Peru, organized jointly by the National Democratic Institute (NDI) and The Carter Center (TCC). The delegation visited Peru from March 5 through March 9, 2001 and was the second of two scheduled assessment missions prior to the 2001 presidential and legislative elections. NDI and TCC also opened a joint office in Lima at the end of January and will maintain a permanent presence in Peru throughout the election

and post-election period. The two institutes will organize a joint international election delegation to Peru for the April 8 elections. The delegation will include approximately 30 international political leaders and electoral experts, and will be led by former Presidents Jimmy Carter of the United States and Ramiro de Leon Carpio of Guatemala, and by President of Michigan State University and former Administrator of the United States Agency for International Development, Peter McPherson.

The delegation met with a wide range of Peruvian leaders, including: the President of the *Jurado Nacional de Elecciones* (JNE) and the head of the *Oficina Nacional de Procesos Electorales* (ONPE); the President of the Cabinet of Ministers; the Minister of the Interior; the Minister of Promotion of Women and Human Development; seven of the presidential candidates or their representatives; representatives of the news media and public opinion research organizations; the *Consejo Nacional de la Magistratura*; the President of the Supreme Court; the acting *Defensor del Pueblo*; civic leaders, including leaders of *Transparencia*; and representatives of the international community.

Presented below is a summary of the second pre-election delegation's observations, followed by a series of recommendations that might be considered in the four weeks remaining before April 8.

#### *Summary of Observations*

The delegation is pleased to reaffirm the conclusion reached by the January assessment mission that Peru's interim government has established the necessary conditions for a free, transparent and legitimate election of the next President and Congress of Peru. The delegation commends the extraordinary efforts that the government of President Valentin Paniagua has undertaken to guarantee the neutrality of state institutions, the armed forces and the forces of public order. Although faced with a short time period, the reconstituted electoral institutions have made significant progress in organizing the electoral contest and restoring citizen confidence in the overall process. This trust is reflected in the high public approval ratings that both the President and the electoral authorities have received in recent opinion polls.

Important steps have been taken to overcome most of the specific obstacles to the conduct of a successful election identified by NDI and TCC in January. These positive developments are specified later in this report. Nevertheless, there remains some reason for concern. The abuses of the Fujimori-Montesinos regime have left a legacy of public skepticism and suspicion that Peruvians are still struggling to overcome. This climate of mistrust is being exacerbated by the increasingly competitive electoral race.

Given this challenging electoral context, all Peruvians, including political candidates, journalists, civil society leaders and the citizenry, must make a concerted effort to focus public attention on the substantive issues of the campaign and seek full cooperation to address any difficulties. As such, political leaders and organizers should avoid using tactics that could be perceived as reminiscent of last year's electoral campaign and refrain from unsubstantiated criticisms of the electoral authorities. Such actions only serve those who may wish to destabilize or discredit the entire electoral process.

The high level of interest and unprecedented collaboration of the international community in this election process demonstrate the significance of Peru's democratic transition for the hemisphere and its regional organizations. The upcoming elections provide Peru with an extraordinary opportunity to begin the collective task of building those democratic institutions that the Peruvian people desire and merit.

#### *Developments in the Electoral Environment*

##### *Congressional Lists*

In response to public opinion and a desire for increased accountability, Peru's one-district system was restructured into 25 districts for the 2001 elections. The deadline for the registration of congressional candidates was February 7. The JNE has since announced that there are 314 congressional lists officially registered for the elections, representing 13 political movements and including more than 1,600 candidates. Seven groups have presented candidates in all 25 electoral departments: *Accion Popular*, *APRA*, *FIM*, *Solucion Popular*, *Somos Peru*, *Todos por la Victoria* and *Unidad Nacional*.

##### *The Election Authorities and the Electoral Timeline*

Faced with an extremely tight electoral calendar, the electoral authorities are working around the clock to meet deadlines and guarantee a credible election process on April 8. While much remains to be done, a number of critical steps have already been completed, including: evaluating and replacing personnel at the JNE and

the ONPE, where 78 percent of former staff have been replaced; hiring and training approximately 12,000 temporary election employees; identifying all of the *miembros de mesa* (polling station officials) who will work the polls on election day; opening 49 Decentralized Electoral Process Offices (ODPEs) and Special Election Tribunals (JEEs) nationwide; initiating the printing of the *acta-padron* (voter list and tally sheet) and the ballots to be used on election day; designing a new software program to tabulate the election results; and submitting a copy of the new software to political party representatives and election observers for their review.

In a further demonstration of openness and transparency, both the ONPE and the JNE are making extensive use of electoral experts from around the world to achieve their common goal of a credible election process. The ONPE has put a number of safeguards in place to ensure the technical accuracy of the vote count. Private companies will carry out an independent audit of the new computer software program. In addition, the ONPE will conduct two vote simulations to test its computer systems and correct any deficiencies as necessary.

Since the visit of the first pre-election assessment mission in January, NDI and TCC have noted a number of positive developments that relate to the recommendations made by the institutes' previous delegation. These developments include:

- Seven of the eight presidential candidates signed a Pact of Civility sponsored by the civic organization, *Transparencia* and witnessed by the *Conferencia Episcopal*, the OAS, NDI/TCC and the United Nations. A Commission was created to respond to complaints raised within the context of this Agreement and to ensure continued dialogue among the political groups competing in the elections. Now, it is up to the signatories to use this forum to resolve their complaints in a responsible manner.
- Almost all of the political parties competing in the election are benefiting from free advertising time in the media (*franja electoral*), aired every evening on national television and radio stations between 8 and 11 PM.
- *Canal N* and *El Comercio* have organized a series of programs designed to give both presidential and congressional candidates access to the media and focus public attention on substantive campaign issues. Last weekend, candidates to Congress from the interior of the country had the opportunity to make brief statements to the public, which were broadcast live on *Canal N*.
- The JNE issued a resolution that requires all parties participating in the electoral process to provide a statement detailing their campaign funding, including both the sources of this funding and its intended uses. So far, only two political groups, *Unidad Nacional* and *Todos por la Victoria*, have provided this information, and only in general terms. *Transparencia* signed an agreement with the JNE to monitor the parties' use of media time during the campaign and to share the results of this media monitoring effort with the JNE to help establish transparency in campaign spending.
- The ONPE has initiated a voter education campaign that includes the use of high quality educational materials produced by the ONPE in several languages and disseminated through the mass media. The campaign is being led by 250 full-time "election promoters" (*promotores electorales*) throughout the country.
- The transitional government has completed an overhaul of state-run institutions to ensure the neutrality of public officials in the electoral process. In particular, the Ministry of the Promotion of Women and Human Development has removed and replaced all personnel linked with manipulation of food assistance programs in the past election process. The Ministry of the Interior has replaced the prefects (appointed political officials at the departmental level) in all 25 departments and is removing lower ranking officials.
- The *Defensoria del Pueblo* has established 25 mobile election teams, which are working in coordination with the *Defensoria's* eight permanent offices around the country to supervise the electoral process at the local level. In addition, the ONPE and the *Defensoria del Pueblo* are collaborating in the operation of the recently inaugurated "Office of the Defense of the Voter," to receive electoral complaints relating to the ONPE or ONPE personnel. The *Defensor* reports that this Office has received very few substantive complaints thus far.
- The leadership of the armed forces has made a clear public commitment to preserving neutrality in the election process, although there are still some concerns about how these instructions will be carried out at the local level. Given the assurances provided by the military and the many logistical hur-

dles that the election authorities face, the authorities may want to consider accepting logistical support from the military where appropriate.

- The *Consejo Nacional de la Magistratura* has been reconstituted as an independent and autonomous entity and is committed to phasing out provisional judges in the judicial system.
- The Waisman Commission, charged with investigating the bank accounts and financial corruption organized by Montesinos, has released two reports since the last NDI/TCC delegation, and the Peruvian Congress has approved an extension of the mandate of the Waisman Commission until May 30.

#### *The Delegation and Its Work*

This delegation included: Arturo Valenzuela, Director of Latin American Studies at Georgetown University and former special assistant to President Clinton and Senior Director for Inter-American Affairs at the National Security Council; Horacio Boneo, senior consultant in democratic governance and former Director of the United Nations Electoral Assistance Division; Gerardo Le Chevallier, NDI Director for Latin America and the Caribbean; and Shelley McConnell, Associate Director of the Latin American and Caribbean Program at The Carter Center. The delegation was joined by the staff of the Election Observation Mission in Peru, Luis Nunes, Resident Project Director; Linda Frey, Deputy Resident Project Director, and Francisco Robles.

NDI and TCC are independent, nongovernmental organizations that have conducted more than 100 impartial pre-election, election-day and post-election observation delegations around the globe. The NDI/TCC Election Observation mission was invited by the government and election authorities of Peru, and by Peruvian civic and political leaders. The purposes of this pre-election assessment delegation were to express the support of the international community for a democratic election process in Peru and to assess the evolving political environment surrounding the upcoming elections, as well as the state of electoral preparations.

The delegation conducted its activities according to international standards for nonpartisan international election observation and Peruvian law. NDI and TCC do not seek to interfere in the election process nor, at this juncture, to make a final assessment about the overall process. Both institutions recognize that, ultimately, it will be the citizens of Peru who will determine the legitimacy of the elections and of the resulting government.

#### *Conclusions and Recommendations*

In the spirit of continuing international cooperation, the delegation offers the following conclusions and recommendations:

- *1) Adherence to the Code of Conduct (Pacto Civico)*  
The candidates who signed the “*Pacto Civico*” made a public commitment to focus their campaigns on substantive issues and to refrain from the tactics of harassment and intimidation that characterized last year’s fraudulent election process. Having made this admirable commitment in writing, the presidential candidates should now adhere to the Pact through their actions and ensure that their supporters do the same. Moreover, they should seek to use the Civic Pact Commission to address their concerns within the context of the campaign before publicizing these concerns in the press.
- *2) Concerns about Aggressive Behavior in the Campaign*  
In the past several days, there have been several disruptive incidents of aggression directed at candidates and their supporters during campaign events. The delegation urges all political leaders to condemn such acts and prevent them from recurring. Given the recent political history of Peru, political organizers need to make special efforts not to fall into the trap of using the same tactics that were used to destabilize the democratic process in the past.
- *3) Safeguarding the Credibility of the Election Process*  
The delegation has noted a problem of communication at several levels between the electoral authorities and political groups. In our experience, these problems are not unusual, and they can and should be addressed. Legitimate concerns and misunderstandings could have the unintended effect of causing unaffordable delays in the electoral timeline or increasing public skepticism. In recognition of the high levels of confidence expressed by Peruvian citizens and political candidates in the good faith of the election authorities, the delegation urges party representatives to address and clarify any concerns with regard to the election process through the appropriate channels before making them public. In return, the election authorities should maintain and

strengthen the lines of communication with all groups and be as responsive as possible.

- 4) *Debating Substantive Campaign Issues*  
Both political groups and the media should refrain from attacking the character of candidates. Such attacks will only serve to destabilize a fragile election process. Rather than debating issues of character, the candidates should enter into a debate of substantive electoral issues such that the Peruvian electorate can make an informed choice at the polls on election day. This public debate should be structured in such a way as to allow the candidates to challenge or affirm the policies and programs of their electoral competitors.

- 5) *Accurate and Timely Public Information on Election Day*  
The Peruvian population is accustomed to receiving result projections shortly after the polls close at 4:00 pm. However, due to problems during last year's elections, an agreement was reached at the OAS sponsored *Mesa de Dialogo* to restrict the release of projections until 10 pm, or until the ONPE releases its quick count results. Now that the ONPE has decided not to conduct a quick count, these restrictions create an information vacuum on the evening of the elections. This vacuum could be filled by unreliable data with the potential for misleading the population and the political contenders. The relevant authorities should seek a solution to address this concern.

Given the unreliability of exit polls, the delegation also strongly recommends the use of quick counts (statistically accurate projections based on a sampling of actual election results) as confidence-building measures on the night of the elections and welcomes the fact that organizations such as *Transparencia* will be conducting them. We further urge that the electoral authorities make a particular effort to help validate the reliability of such quick counts and to promote the sharing and dissemination of quick count results on election night in accordance with the law. Any release of electoral projections (either exit polls or quick counts) by the media should include an explanation of the method used to obtain these results and their margin of error.

- 6) *Investigations of Corruption*  
The massive quantity of evidence and the far-reaching web of corruption linked to the past regime will take many months, if not years, to uncover. Of particular concern is the perception that in this electoral environment the release of the videos could be in some way manipulated for political gain. Since the purpose of these investigations is to restore the rule of law and confidence in justice, prosecutors should take special care to respect these principles and be transparent in their proceedings.

- 7) *Equitable Media Coverage and Media Access*  
Media coverage of the 2001 election process has demonstrated a dramatic improvement over that of last year's campaign. The free advertising and radio time provided to political groups by the Peruvian authorities represents an important and much appreciated initiative. Unfortunately, this *franja* only applies to national media outlets; consequently, congressional candidates from departments outside of Lima do not benefit from this opportunity to present their ideas to voters. In addition, the delegation received complaints that some local affiliates of the national networks were not broadcasting the *franja* simultaneously.

State-owned media should also fulfill their obligation of providing free air time to all candidates and offering reduced rates for campaign advertising. Finally, both local and national private radio and television stations could help contribute to the success of this electoral process by offering advertising time to candidates at a reasonable cost and airing voter education programs and information as a public service.

#### *Issues for Future Electoral Reform*

The delegation hopes that genuine, open dialogue continues in the post-election period to frame lessons learned from these elections and address the continuing need to improve Peru's democratic process. As it would be difficult to make changes to electoral legislation at this late date, there are a number of issues that the delegation has noted as areas for future electoral reform.

- A mistake was made in calculating the number of seats to be filled by female candidates for the congressional lists of La Libertad, Ica and Callao. In these three departments, the 30 percent quota was not respected (La Libertad: 28.6 percent; Callao: 25 percent; and Ica: 25 percent). If it is not possible to solve

this problem during this electoral process, the election authorities should at least acknowledge this mistake to ensure that it will be avoided in the future.

- The fee for presenting an objection (*tacha*) to a candidate for public office is extremely high, at 3,000 soles. The JNE may want to consider reducing this fee in the future. Although the money is returned if the complaint is validated, the high fee may be deterring citizens from filing legitimate complaints.
- There is a serious need for effective campaign finance legislation in Peru. This would do much to increase transparency and equity in the conduct of election campaigns.

#### APPENDIX II

##### STATEMENT OF THE NATIONAL DEMOCRATIC INSTITUTE (NDI)/CARTER CENTER PRE-ELECTION DELEGATION TO PERU

*Lima, January 26, 2001*

This statement is offered by an international pre-election delegation to Peru, organized jointly by the National Democratic Institute for International Affairs (NDI) and The Carter Center. The delegation visited Peru from January 18 through January 26, 2001, and was led by former President of Guatemala, Ramiro de Leon Carpio. This was the sixth multinational NDI/Carter Center delegation to Peru since November 1999 and the first of a series of delegations to be organized for the 2001 election process. In addition, the National Democratic Institute and The Carter Center have visited Peru on a number of occasions in the last five months and have followed developments leading to the new elections and the recent change of government.

NDI and The Carter Center will maintain a continuous presence in Peru throughout the 2001 election process. This joint effort will coordinate closely with missions of the Organization of American States (OAS), European Union and other international organizations, as well as with efforts of domestic organizations, such as *Transparencia*, the Ombudsman's Office (*Defensoria del Pueblo*) and others to monitor and promote a democratic election process in Peru.

The delegation held intensive meetings with a wide range of Peruvian leaders, including: the President of the Republic Valentin Paniagua; the members of the JNE and the heads of ONPE and RENIEC; the Minister of Justice; the Minister of Defense and the Commanders of all three branches of the armed forces; leaders of the Congress; the *Defensoria del Pueblo*; 14 of the prospective candidates for President or their representatives; representatives of the news media and public opinion research organizations; civic and religious leaders, including leaders of *Transparencia*; the Permanent Secretary of the High Level OAS Mission in Peru Eduardo Latorre and other representatives of the international community. Presented below is a summary of the delegation's observations. Recommendations are presented at the end of this statement.

#### *Summary of Observations*

Peru is in the midst of dramatic, positive changes in its democratic development. The environment surrounding the 2001 extraordinary presidential and parliamentary elections is fundamentally different from that of last year. All of those with whom the delegation met expressed a high degree of confidence in the integrity of the new leaders of government and of the electoral authorities.

The conditions for organizing genuine democratic elections have been established in Peru, and the prospects for realizing them are strong. At the same time, important challenges face the election process in the weeks and months ahead that should not be underestimated.

These challenges will require concerted efforts by all electoral authorities and active support by all branches of government. They will require sufficient tolerance and respect among candidates and political parties towards each other and will require them to keep the long-term national interests in mind as they pursue their immediate goal of winning public office. The challenges also will require responsible actions by the news media and broad citizen participation—a "citizenization" of the elections—to support a democratic process and to provide a mandate for transparent, accountable governance. The delegation believes that these things can be accomplished.

The circumstances surrounding last year's elections in Peru were among the worst ever observed in this hemisphere by NDI and The Carter Center. It is clear that the Fujimori government perpetrated election fraud. As a result, those elections failed to provide the Fujimori government with a mandate based on an expression

of the will of the people. The lack of a democratic mandate contributed to that government's collapse under the weight of scandal.

Uncontrovertible evidence, more of which is still being uncovered, shows that political corruption committed by the former regime undermined democratic institutions and processes that are essential to national development. Fortunately, the process of dialogue developed under the auspices of the OAS in the post-election period provided a basis for important reforms already achieved, as well as improved channels of communication needed to advance the process in the period ahead.

Peru is now presented with an exceptional opportunity to expose and dismantle the network of intimidation and corruption that subverted its democracy. Important steps are being taken by the government, Congress, the judiciary and electoral authorities to eliminate corruption in the political process. Actions by citizens to take ownership of the process would not only strengthen the mandate of government but also would confirm that safeguards are being put in place to ensure that the people's will may never again be denied.

#### *Positive Developments in the Electoral Environment*

The following are among the positive developments noted by the delegation.

- An independent prosecutor and a special congressional commission have been investigating the massive network of corruption used by the Fujimori regime to maintain its power. This network is being revealed in large part through video tapes compiled by the former head of the intelligence service, Vladimiro Montesinos, who is now a fugitive from justice.
- The culture of impunity has been further broken by investigations of the military's connection to the network of corruption. More than 40 generals have been separated from military service as part of efforts to "rationalize and re-institutionalize" the military.
  - Steps are being taken to end the provisional status of judges and provisional mechanisms that undermined the independence of the judiciary.
- The three justices of the Constitutional Tribunal, who were wrongly removed from office due to their issuing an opinion against a law which authorized then-President Fujimori to seek a third term, have been reinstated to the Tribunal.
- Peru has returned to the jurisdiction of the Inter-American Court of Human Rights.
- News media are operating with new openness and in the absence of political persecution.
- Television Channels 2 and 13 have been returned to their owners, and Radio 1160 expects to reacquire its transmitters soon.
- Registered political parties are to be provided free of charge 10 minutes per day on the broadcast media, during the 60 days prior to the elections; this free time (*franja electoral*) is to be guaranteed by public funds to be provided by the ONPE.
- Government advertisements, with limited exceptions, are to halt for the 60 days prior to the elections.
  - Civic, professional and religious organizations are planning to monitor the election process, to educate and to mobilize greater citizen participation.
- The military has demonstrated its professionalism and respect for civilian authority through the transition to the new government. The President, the Minister of Defense and the Commanders of the three branches of the armed forces have ordered political neutrality of military units. The Minister and the Commanders made a public commitment to support democracy and to maintain political neutrality at an unprecedented news conference this week, which was held with the NDI/Carter Center delegation.
- The JNE has been reconstituted, and it is taking steps to ensure the integrity of the election process, such as calling for an examination of the electoral registry (*padron*).
- The ONPE's leadership has been replaced, and the ONPE is reorganizing itself as it works to prepare the elections. A new spirit of openness has been established at all of the electoral authorities, including the initiation of a coordinating group within the ONPE for the political parties (*mesa de coordinacion con los partidos politicos*).

- *Transparencia* examined the electoral registry produced by RENIEC and determined that it is sound. The examination was conducted through an agreement with the JNE.
- Candidates and political parties have been registered for the elections, even though some questions have been raised about the signature collection and verification processes.
- After an intense public discussion, a political agreement was reached to restructure the election system into multiple districts.

#### *Challenges in the 2001 Electoral Process*

The delegation noted that the 2001 electoral process presents significant challenges, including the following.

- The elections are only 71 days away, which necessitates a tight election calendar (*cronograma electoral*). With great effort and if there are no delays, the ONPE should be able to organize elections properly for April 8. However, if further changes are made to the electoral process that require additional time, it will be extraordinarily difficult for the ONPE to meet the requirements of an April 8 electoral timetable.
- There are 10 certified candidates for the President of the Republic. Only one will win the office, and only two will enter the second round run-off if none obtains 50 percent plus one vote on April 8. Electoral competition for the Presidency therefore may become antagonistic, which could also be true for Congressional seats in the country's 25 new electoral districts. Nonetheless, the political environment remains fragile due to extreme political polarization in the recent past. The political contestants therefore will have to find ways to maintain civility in their respective campaigns.
- The past regime created an intricate and far-reaching web of corruption. Revelations about the corruption are continuing day-by-day. While investigations and prosecutions of those involved in the corruption are necessary, the potential exists for excesses that could affect innocent people. In addition, should revelations continue over a protracted period, the public could become distracted or even alienated from the election process. Balancing these competing interests will require careful attention.
- Last year's elections suffered from a number of manipulations, including of the media and of election results. As a consequence, a legal prohibition against publishing opinion polls about candidate choices will be enforced for one week before the elections; pollsters will be required to register with the JNE; no exit polls will be allowed on election day, and no independent vote projections (*conteos rapidos*) may be published until the ONPE has released official results or 10:00 p.m. arrives on election night. The combination of these restrictions will prevent the public from receiving available, relevant information. With this news blackout, various political contestants could claim victory early on election night, which could cause confusion and undermine confidence in the election process. It would be important to find a less restrictive balance more favorable to allowing the public to receive timely, relevant information from the media until close to election day and soon after the polls close.
- Many important steps have been taken in Peru to prevent manipulation of election and political processes. Some officials from the old regime, who rigged the last elections, however, may seek to sow confusion or obstruct the 2001 election. Maximum efforts to organize the elections properly and to ensure their integrity by the election authorities, political contestants, mass media and citizens organizations will be the best way to prevent attempts to undermine the process.
- Organizing genuine democratic elections this year will require the mobilization of tens of thousands of citizens. Broad campaigns will be necessary to inform citizens of the need to participate in the election process as voters, political party pollwatchers (*personeros*); electoral officials (*miembros de mesa*) and as nonpartisan election monitors (*observadores*). The mass communications media will be central to a successful citizen mobilization. Those who control media outlets therefore will have to find ways to address the national interests for citizen participation.
- While great efforts will be needed to organize successful elections, longer-term issues for democratic and economic development will extend well beyond the elections. Political contestants, the mass media and citizens themselves there-

fore will need to find ways to introduce into the election campaign such longer-term issues.

- According to electoral legislation, polling stations (*mesas de votacion*) may have no more than 300 registered voters. In practice, tables rarely have more than 200 voters, resulting in approximately 89,000 polling stations in Peru. This creates a huge burden for recruiting, training and deploying election officials, political party pollwatchers and nonpartisan election monitors. It is common in other countries to have many more voters assigned to each polling station. Increasing the number of voters per polling station by two or even three times, where distances and populations allow an increase, would improve the capacities of electoral authorities, parties and candidates and citizen groups to staff the stations. Although not approved for 2001, this should be considered for elections after this year.

In addition to these challenges to the election process, the delegation noted a concern raised by political parties that did not succeed in qualifying for the ballot. Approximately 360 groups took out petitions for ballot qualification, while 33 returned them, and three new parties were accepted for the ballot. In addition, 18 presidential candidates applied for ballot qualification, while 10 were approved.

Prospective political contestants collected approximately 6.8 million signatures, of which approximately only 1.8 million were ruled valid. Political parties indicated that they must collect up to five times the required number of signatures to ensure that the minimum valid number will be met. Even though the law allows citizens to sign for only one party seeking qualification for a given election, RENIEC reports that many citizens sign multiple times. The state's interest in limiting an excessive proliferation of political parties has to be balanced against citizens' rights to express support for political pluralism and to be free from intimidation. The same applies with respect to the rights of political parties and candidates to stand for public office free from overly burdensome obstacles. These issues merit further consideration after the elections.

#### *The Delegation and Its Work*

This delegation included: Hon. Ramiro de Leon Carpio, President of Guatemala (1993–96) and present Vice-President of the Congress of Guatemala; Monica Jimenez de Barros, founder and for 12 years Executive Director of PARTICIPA (a Chilean nongovernmental organization dedicated to strengthening democracy) and former member of Chile's Truth and Reconciliation Commission; Charles Costello, Director of The Carter Center's Democracy Program; Patrick Merloe, NDI Senior Associate and Director of Programs on Election and Political Processes; Gerardo Le Chevallier, NDI Director for Latin America and the Caribbean; and Denis Kadima, NDI's Election Observation Coordinator for the Southern Africa Development Community Parliamentary Forum. The delegation was joined by Luis Nunes, Project Director, and Linda Frey, Program Officer, of the NDI/Carter Center Joint Election Observation Mission in Peru.

NDI and The Carter Center are independent, nongovernmental organizations that have conducted more than 100 impartial pre-election, election-day and post-election observation delegations around the globe. The delegation was invited by the government of Peru and Peruvian civic and political leaders. The purposes of this delegation were to express the support of the international community for a democratic election process in Peru and to assess the evolving political environment surrounding the upcoming elections, as well as the state of electoral preparations.

The delegation conducted its activities according to international standards for nonpartisan international election observation and Peruvian law. NDI and The Carter Center do not seek to interfere in the election process nor, at this juncture, to make a final assessment about the overall process. Both institutions recognize that, ultimately, it will be the people of Peru who will determine the legitimacy of the elections and of the resulting government.

#### *Conclusions and Recommendations*

Peru is passing through a period of rapid democratic change. The fraudulent elections of 2000 led the OAS General Assembly to pass a resolution in June on the need for democratic reform in Peru. A dialogue was then established under the auspices of the OAS (*Mesa de Dialogo y Concertacion*). Soon after the dialogue was established, corruption scandals rocked the government of then-President Fujimori. When he announced his intention to step down within one year, the dialogue led to action by the Peruvian Congress amending the Constitution and setting the 2001 extraordinary elections. The opposition gained leadership of Congress, a development that led Fujimori to attempt to resign while on a state visit to Japan, where he remains today. The new President of Congress, Valentin Paniagua, then became

President of the Republic after the Congress removed Fujimori from office on grounds of moral incapacity.

It is vital to Peru's democratic development that the 2001 extraordinary elections build public confidence in government and in political and electoral processes. In this sense, it is important to do more than just meet minimum standards. Peruvian authorities, candidates and political parties, the mass media and citizen organizations should seek to achieve a process that the public and the political contestants will embrace. Therefore, these extraordinary elections merit extraordinary efforts to establish a solid foundation for Peru's democratic future.

At the same time, the 2001 election process is taking place in a compressed timeframe. The process of dialogue should continue after the elections to evaluate the strengths and weaknesses of the legal structure for the elections as well as ways to encourage citizen participation in determining further democratic reforms.

It is with this in mind and in the spirit of continuing international cooperation that the delegation offers the following recommendations.

- 1) *Caution in Changing the Electoral Framework Is Warranted.* The Congress and the JNE have legitimate powers to implement changes to the electoral framework and appear to have made changes properly. The delegation recommends that caution be used in approaching any further changes that could expand the electoral timetable in significant ways without adopting a corresponding delay in the election date. The delegation suggests that the ONPE be consulted in advance of changes in the electoral framework to ascertain the potential impact of any possible changes on the electoral timetable. In addition, the delegation urges political parties and the JNE to expedite processes, such as challenges (*tachas*) to polling officials, in order to safeguard the electoral calendar as much as possible.
- 2) *Civility Is Needed in the Election Campaign.* Elections provide a means for peaceful competition for public office, which nonetheless tends to foster sharp exchanges among candidates and political parties. The parties have agreed to restrict painting campaign slogans in certain places, and *Transparencia* and Prime Minister Perez de Cuellar both have proposed that agreements be reached for proper campaigning. The delegation recommends that the candidates for president and the leaders of the political parties participating in the 2001 extraordinary elections sign such agreements to respect the law, the rights of voters and each other's civil and political rights through the campaign and thereafter. The agreement should include a pledge to train their supporters in the law and a code of conduct corresponding to their agreement. The agreement could be witnessed by organizations and personalities, such as *Transparencia*, the Conference of Catholic Bishops (*Conferencia Episcopal Peruana*) and other religious, professional, business and civic organizations or leaders. That would add moral force to the agreement and send a positive signal to the population.
- 3) *Timely Review Is Appropriate for Corruption Proceedings.* Careful review of the "Montesinos videos" and other material concerning the network of corruption of the prior regime is required to prevent any unfair damage to the reputations of people who may appear in those materials but who were not involved in wrongdoing. At the same time, daily release of such materials throughout the election period could distract and even alienate citizens from the election process. The delegation therefore suggests that consideration be given to applying additional professional resources so that the materials can be reviewed properly and be released in a timely fashion.
- 4) *Citizens' Right to Information Is Central to Proper Elections.* Preventing undue influence on voters of inaccurate or potentially prejudicial information appears to be the basis for various legal restrictions affecting release or publication of opinion polls, exit polls and quick counts concerning election results. The right of voters to information about the elections as well as press freedoms also must be taken into account. The delegation recommends that consideration be given to dropping the registration requirement for opinion pollsters (or minimizing it), that the restriction against immediate release of quick count information be lifted, and that the limitation on publishing opinion polls be reconsidered. The delegation commends ONPE's efforts to provide real-time access to its computerized vote tabulations on election night and encourages that its computer software be tested in the presence of parties and impartial observers.
- 5) *Broad Citizen Mobilization for the Election Process Is Needed.* The will of the people expressed freely through genuine elections is the basis of authority of any democratic government. This is an extension of the internationally rec-

ognized fundamental right of citizens to participate in government and public affairs, directly by standing for office or indirectly by choosing representatives. Broad citizen mobilization as voters, party pollwatchers, polling officials and impartial election monitors is therefore needed to ensure a truly democratic election process. The delegation urges the ONPE, political parties, civic, religious, business and labor organizations, as well as the mass communications media, to call on citizens to participate in monitoring the election process.

- 6) *The Mass Media Should Assist Citizen Mobilization and Civic Education.* The news media is a key element to providing citizens with adequate, accurate information upon which to make a free choice at the ballot box. The media has a new opportunity to meet their responsibilities to provide accurate and balanced news coverage of political contestants and issues that affect voter choices. Professional responsibility is the key to this effort, and the delegation recommends that media outlets, as well as media and journalist associations, adopt a code of conduct for responsible coverage of the election process and the political process beyond the elections. The government and political parties reached an agreement as an outgrowth of the OAS dialogue, which provides for free broadcast media access for parties participating in the elections (*franja electoral*), to be guaranteed by public funds. This should be usable at the discretion of the parties for print media as well. In addition to this, media outlets should offer free time to civic and other groups for voter education and calls for citizen mobilization for the election process. During last year's elections, media owners provided some free time to political contestants; similar amounts could be provided to civil society groups this year.
- 7) *Further Consideration Seems Warranted for Replacing Some Officials.* Many officials of the prior regime have been replaced, and it is appropriate that those with integrity remain in their posts. Suggestions have been made by political parties and others to review prefects, governors and some other officials who serve at the will of the Ministry of Interior and to replace some such people with mayors, who have an independent elected mandate. Further consideration of such measures seems warranted to protect the elections and broader political processes from those who might seek to impede proper elections. The Ombudsman's Office could play an important role in reviewing any allegations that local officials may be acting to undermine electoral-related rights and claims that the rights of such local officials could be violated by false allegations.
- 8) *Dialogue about Democratic Reforms Should Continue after the Elections.* The 2001 extraordinary elections are being prepared in the context of dramatic, positive changes in Peru's democratic development. They also are taking place in a compressed timeframe and under ground-rules that were in many instances agreed in order to move quickly to establishing a government based on a popular mandate. The official components of the OAS dialogue headed by Eduardo Latorre have ended, but mechanisms such as ONPE's political party liaison meetings (*mesa de coordinacion con los partidos politicos*) and other efforts are continuing to build on the OAS process. The OAS observation mission again to be headed by Eduardo Stein, who conducted admirably last year's OAS election mission, will undoubtedly contribute to further dialogue during the election process. The dialogue process, however, should not stop with the elections. The delegation hopes that genuine, open dialogue continues in the post-election period to frame lessons learned from these elections and address the continuing need to improve Peru's democratic process.

The delegation was heartened by the positive developments it observed and by the firm expressions of political will it received from governmental, political, military, civic and religious leaders to organize open, democratic elections. NDI and The Carter Center will continue to monitor Peru's 2001 extraordinary elections and the surrounding political environment through its representatives in Peru and future delegations. Further statements and recommendations will be released as the election process develops.

Mr. BALLENGER. We thank you kindly. I would just like to say that somewhere along the line somewhere somebody in the news media should recognize the services provided by NDI and IRI because in my considered opinion, having been involved 15 or 20 times, I guess, in elections they do a wonderful job, and I commend

you for being involved in a good job as far as I am concerned in Peru.

Mr. MENENDEZ. A very quick question. How is the civic pact holding up, and what do you see—I asked the same question of GAO—as the challenges? Do you see them being met sufficiently?

Mr. MERLOE. I left this out for the sake of brevity, but I think this is perhaps the critical issue. It is inevitable that there will be a lot of heat as the campaign enters its final 25 days from today.

There are only two people who can make it into the runoff. There are eight who are contending. There are four who are serious. We know what happens in elections, and there is the possibility that the kind of acrimony could reach a level that it will discourage citizen participation.

We are encouraging Transparencia, and, more importantly, together Transparencia has brought the Conference of Catholic Bishops, a number of other noted individuals and representatives of the international community—we are honored to be part of this ourselves—to try to help form a commission that will bring the candidates together to discuss their problems and try to head off some of the issues. We think this should be a principal focus for our attention and for everyone's attention going forward.

I would just add, gentlemen, any Member of Congress, particularly of this Committee, and any member of your staff who are interested in coming to Peru are welcome on our delegation. It is multinational in character and bipartisan in character. There are prominent Republicans joining us, and we certainly would be very pleased to have you.

Mr. BALLENGER. Thank you very much. I again commend you for what you are doing.

Mr. MERLOE. Thank you, sir.

Mr. BALLENGER. I hate to say I have to run, but my leader is calling.

Mr. MENENDEZ. Thank you very much.

Mr. MERLOE. Thank you.

[Whereupon, at 3:28 p.m. the Subcommittee was adjourned.]

