



Integrated Country Strategy

Chile

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1. Chief of Mission Priorities

The United States and Chile enjoy a mutually beneficial and mature bilateral relationship founded on our common commitment to democracy, market economies and fair trade, security, human rights, and the rule of law. Mission Santiago will continue to strengthen and refine these shared values, ensuring the U.S.-Chile partnership remains one of the most vibrant and mutually productive relationships in the Southern Hemisphere. Promoting trade and investment that benefits all, furthering positive perceptions of the United States, and working together to address global peace and security challenges are among our most important national interests in Chile. In an era of global volatility and uncertainty, with heightened competition in the region from China, and to a lesser extent, Russia, we will preserve and expand the influence of the United States, and strengthen the U.S.-Chile partnership.

A Reliable Partner

Chile is a like-minded and reliable partner of the United States with a global outlook and common commitment to advancing shared priorities in such areas as free trade, regional security, military cooperation, sustainable environmental management, energy security, and science, technology, and innovation. As Chile's economy and political institutions have matured, so too has our bilateral relationship in terms of technical cooperation, trade, and movement of citizens between our two countries. The most economically prosperous country in South America also has one of the world's highest usage of social media networking, which has created new opportunities to advance American influence, and champion U.S. values.

The inauguration of President Sebastian Pinera in March, 2018, returns to Chile a proven and experienced statesman. The Pinera Administration objectives of improving the business climate to stimulate foreign investment, while simultaneously reducing the budget deficit, creates both challenges and opportunities for the bilateral relationship. Trade, energy, and collaboration on science, technology, and innovation represent key pillars of our bilateral engagement. Since the 2004 bilateral free trade agreement, trade with Chile has been strong, making the United States Chile's second-largest trading partner (after China), and generating a continuous trade surplus. Of some concern, U.S. exports to Chile have been declining, and the trade surplus steadily shrinking. We will leverage the Pinera government's focus on attracting investment to push for a streamlining of regulatory processes for large-scale investment projects. We will work to expand U.S.-Chile bilateral trade and investment even while Chile's focus on Asia continues to grow under the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). Chile also will host APEC in 2019.

Chile is an active participant in the international arena and shares our vision of strong, democratic institutions and respect for human rights. Chile is committed to protecting peace and stability at home, in the region, and around the globe. Under the U.S.-Chile Trilateral Development Initiative, we collaborate on development projects in several Latin American and Caribbean countries focused on issues such as governance, citizen security, and improving

agricultural standards. Chile is committed to supporting the peace process in Colombia and the restoration of democracy in Venezuela. Chile is a regional exporter of security with its highly capable and professionalized military, and is a recognized leader in the area of Women, Peace, and Security initiatives. We will continue to emphasize military interoperability with the United States and NATO, and ensure we remain Chile's Partner of Choice. Mission Santiago and U.S. law enforcement will continue to work proactively with Chilean counterparts through training and collaboration to protect the U.S. Embassy and American citizens, sustain operational capacity, and respond to requests for cooperation on law enforcement and judicial matters.

Chile remains the only country in Latin America that is a member of "Visa Waiver Program (VWP)," a source of immense pride in Chile. VWP is a key pillar of our relationship and a reflection of Chile's status as a stable, secure and prosperous country. The number of visits by Chileans to the United States has more than doubled since the implementation of VWP, climbing to over 580,000 in 2017, and the number of Chileans studying in the United States has grown substantially. Concurrently, the number of American citizens, retirees, and Social Security beneficiaries residing in Chile continues to increase. American tourism to Chile, increasingly drawn to the diverse beauty, rugged geography and welcoming culture, continues to rise. However, amid the obvious affluence of urban areas, Chile struggles with persistent social and economic inequality, leading to insecurity. Protecting the homeland through measures like strict compliance with VWP security protocols, while also protecting and serving U.S. citizens abroad, is our fundamental responsibility.

Energy Security and Sustainable Environmental Management

Chile looks to the United States for technology and foreign direct investment to boost its energy security. We will deepen collaboration with Chilean counterparts on mechanisms that facilitate trade and investment in the energy sector. Chile has assumed a leadership role on environmental protection and conversation, including through the establishment of multiple new national parks and marine protected areas. We will step up cooperation on management of protected areas as part of our strong bilateral cooperation on sustainable environmental management under the U.S.-Chile Environmental Cooperation Agreement.

Science, Technology and Innovation

The United States enjoys an advantage in the competition for influence in Chile: we are respected as the most scientifically advanced and innovative country in the world. We will capitalize on this advantage through the U.S.-Chile Council on Science, Technology, and Innovation to drive policies and programs that help the United States and Chile achieve economic success, including by opening up markets for U.S. technology exports. This public-private initiative resonates with Chileans across all sectors and aligns closely with one of President Pinera's top priorities for the bilateral relationship.

2. Mission Strategic Framework

Mission Goal 1: Mission Santiago Protects America's Security at Home and Abroad by being Prepared to Protect and Serve American Citizens (AMCITs) in Chile During an Emergency or Natural Disaster, and by Supporting Chile's Full Compliance with the Visa Waiver Program (VWP).

Mission Objective 1.1: Mission Santiago is fully prepared to protect and serve American (United States) citizens in Chile during an emergency or natural disaster by maintaining strong relationships with local emergency services; implementing a new American Liaison Network; establishing clear communications channels with American citizens in Chile; and by conducting regular contingency/response exercises.

Mission Objective 1.2: Chile overcomes provisional status and is accorded unrestricted membership in the Visa Waiver Program (VWP), ensuring the maximum level of security and integrity of Chileans travelling to the United States.

Mission Goal 2: Mission Santiago Supports Chilean Resolve to Strengthen Hemispheric Democratic Institutions and Regional Security by Deepening the Positive Network of Bilateral Relationships.

Mission Objective 2.1: Chile is a resilient and capable regional partner on common policy objectives countering threats and illicit networks through peacekeeping, humanitarian aid/disaster response (HA/DR) expertise, and gender issues.

Mission Objective 2.2: Chile supports, advocates for, and leads on common policy objectives at home, in the region, and in global fora.

Mission Objective 2.3: Chile's security institutions effectively confront domestic and transnational crime, and contribute to a democratic and secure hemisphere by confronting foreign terrorism, drug trafficking, cybersecurity, Trafficking in Persons (TIP), and money laundering.

Mission Goal 3: Expand U.S.-Chile trade and investment, prosperity, and social inclusion.

Mission Objective 3.1: Promote U.S. business interests through policy engagement and commercial diplomacy to help Chile achieve streamlined regulatory processes and enhanced compliance with our bilateral free trade agreement, supporting U.S. jobs and facilitating two-way U.S.-Chile trade and investment flows.

Mission Objective 3.2: Position Chile as an economic model for the region and promote sharing of best practices related to trade facilitation, agriculture, entrepreneurship, small business development, and economic inclusion.

Mission Goal 4: Enhance U.S.-Chile cooperation on science, technology, innovation, energy security, and sustainable environmental management to reinforce Chile as a partner and ally on regional and multilateral issues, create opportunities for U.S. exports and investment, and enhance American security.

Mission Objective 4.1: Cooperation on science, technology, and innovation, to include the defense sector, positions Chile for innovation-based growth, creates opportunities for U.S. exports, helps U.S. companies meet workforce needs in Chile, and strengthens US national security.

Mission Objective 4.2: Energy sector cooperation enhances energy security in Chile and facilitates energy exports and large-scale energy infrastructure investments for U.S. companies.

Mission Objective 4.3: Cooperation on sustainable environmental management helps Chile balance conservation and economic development, creates a level playing field for U.S. companies, and opens up commercial opportunities for U.S. technologies related to environmental monitoring and protected areas management.

Mission Goal 5: Advance American Influence in Chile through Strategic Outreach and Balanced Engagement that Prioritizes People-to-People Relationships; Professional and Cultural Exchanges; and English-Language Proficiency to Position the United States as Chile's Partner of Choice.

Mission Objective 5.1: Decision makers, regional audiences, and youth have an accurate understanding of U.S. policies, and are receptive to U.S. leadership and values.

Mission Objective 5.2: People-to-people relationships strengthen institutional and civil-society networks between the United States and Chile. More Chileans attain English language proficiency, increasing engagement opportunities.

Management Objective 1: Support the implementation of Mission Goals by providing the highest quality and most cost-effective services to all employees and family members, while maintaining safe and secure working and living conditions conducive to high morale and productivity.

3. Mission Goals and Objectives

Mission Goal 1: Mission Santiago Protects America's Security at Home and Abroad by being Prepared to Protect and Serve American Citizens (AMCITs) in Chile During an Emergency or Natural Disaster, and by Supporting Chile's Full Compliance with the Visa Waiver Program (VWP).

Description and Linkages: Protecting America's border security, countering the threat of terrorism, and securing the safety of American citizens in Chile is the Embassy's fundamental mission. We will prevent illegal immigration and strengthen U.S. border integrity through vigilance and enforcement at the first point of control. Our mission goal contributes to a secure hemisphere, protects the American people and homeland, and supports the first pillars of the National Security Strategy (NSS), the Department of State – U.S. Agency for International Development Joint Strategic Plan (JSP), and the Joint Regional Strategy (JRS) of the Western Hemisphere Bureau, Department of State.

Mission Objective 1.1: Mission Santiago is fully prepared to protect and serve American citizens in Chile during an emergency or natural disaster by maintaining strong relationships with local emergency services; implementing a new American Liaison Network; establishing clear communications channels with American citizens in Chile; and by conducting regular contingency/response exercises.

Justification: As the number of Americans residing in and visiting Chile continues to rise, Post must continually review and improve our responsiveness to disasters and other emergencies to ensure an effective and timely response. Chile is a coastal country in a very active seismic zone. Earthquakes and volcanic eruptions are common, while the risk of tsunamis is high following a major seismic shift. A major earthquake or other disaster will require close coordination with Chilean authorities and Washington and communication and assistance to affected American citizens.

Mission Objective 1.2: Chile overcomes provisional status and is accorded unrestricted membership in the Visa Waiver Program (VWP), ensuring the maximum level of security and integrity of Chileans travelling to the United States.

Justification: Chile became a member of VWP in 2014, but since 2017 has been on provisional status pending full implementation of VWP requirements and evolving security enhancements. Ensuring Chile becomes an unrestricted member of the VWP and remains fully compliant with all future VWP program and security requirements is our first line of defense abroad in ensuring America is protected at home.

Mission Goal 2: Mission Santiago Supports Chilean Resolve to Strengthen Hemispheric Democratic Institutions and Regional Security by Deepening the Positive Network of Bilateral Relationships.

Description and Linkages: This mission goal seeks to increase Chile's capacity and resolve to strengthen hemispheric democratic institutions, and enhance national and regional resilience to counter terrorism and threat networks. We will champion American values as we increase Chilean capacity and will to counter terrorism, combat illicit networks, and deter malign actors. We will preserve American influence in the region at a time when global powers, principally China but also Russia, seek to challenge American values and security. This mission goal contributes to a secure and democratic hemisphere, and supports the first and second pillars of the National Security Strategy (NSS), the Department of State – U.S. Agency for International Development Joint Strategic Plan (JSP), the Joint Regional Strategy of the Western Hemisphere Bureau, Department of State, and the SOUTHCOM Posture Statement.

Mission Objective 2.1: Chile is a resilient and capable regional partner on common policy objectives countering threats and illicit networks through peacekeeping, humanitarian aid/disaster response (HA/DR) expertise, and gender issues.

Justification: Chile is and has the potential to become an even greater partner and regional net exporter of security. Externally, Chile has taken an outsized role promoting citizen security and contributing to peacekeeping in the region and beyond. Chile has supported Colombia implementing a Peace Agreement with the FARC, and through its "state of the art" peacekeeping training center, the Government of Chile has established itself as a regional leader on Women, Peace, and Security (WPS) initiatives. The U.S. military continues to pursue greater interoperability with Chile's armed forces to protect

shared interests, an objective furthered through officer exchanges, joint training, and operational exercises. Chile's participation with the Texas National Guard State Partnership Program is a model example of collaboration, while annual bilateral military and political talks support continued cooperation.

Mission Objective 2.2: Chile supports, advocates for, and leads on common policy objectives at home, in the region, and in global fora.

Justification: Chile can become an even greater partner and advocate for our common domestic, regional, and global security initiatives. Chile and the United States share a vision of liberal democracies and open economies both within the region and globally. Chile's commitment to democracy makes it an influential advocate in regional and international fora for protecting human rights, strengthening democratic institutions, and improving civilian security. In a region where populism has been on the rise, Chile remains a beacon of effective, accountable, democratic governance that has and can strengthen the ranks of prosperous, stable, and democratic states. Chile and the United States work together to support issues of mutual interest and are members of many of the same international organizations.

Mission Objective 2.3: Chile's security institutions effectively confront domestic and transnational crime, and contribute to a democratic and secure hemisphere by confronting foreign terrorism, drug trafficking, cybersecurity, Trafficking in Persons (TIP), and money laundering.

Justification: Chile's strong democratic credentials and stable, independent institutions have produced professional and capable national police forces that respect the rule of law and human rights. Mission Santiago will encourage and advocate for greater integration and collaboration within Chile's law enforcement agencies to promote more efficient joint task force solutions to transnational crime and threat networks. We will collaborate with and enhance Chile's capability to be a regional exporter of security, emphasizing law enforcement professionalism, gender integration, and respect for human rights. Our interagency effort will be coordinated by Post's Law Enforcement Working Group (LEWG).

Mission Goal 3: Expand U.S.-Chile trade and investment, prosperity, and social inclusion.

Description and Linkages: Expanding and promoting trade and investment that benefits both nations, while working together to address the challenge of social inclusion, are

among our most important national interests in Chile. Advancing bilateral trade and improving the investment and business climate for U.S. concerns promotes American prosperity and builds resilience in our relationship with Chile. Our mission goal contributes to a prosperous hemisphere that promotes free, fair and reciprocal economic relationships, and supports the third pillar of the National Security Strategy (NSS), the Department of State – U.S. Agency for International Development Joint Strategic Plan (JSP), and the Joint Regional Strategy (JRS) of the Western Hemisphere Bureau, Department of State.

Mission Objective 3.1: Promote U.S. business interests through policy engagement and commercial diplomacy to help Chile achieve streamlined regulatory processes and enhanced compliance with our bilateral free trade agreement, supporting U.S. jobs and facilitating two-way U.S.-Chile trade and investment flows.

Justification: Chile is a model for good governance in the region, with strong and transparent institutions, stable domestic politics, and sound economic policies. The story of Chile's growth and development has been particularly remarkable. Chile averaged 5% annual growth in real terms for much of the last three decades, resulting in tangible rises in living standards that have lifted more than 50% of the population out of poverty. Modest annual growth rates from 2014-2017, which averaged only 1.7 percent, increased the government's debt burden. Growing public concern over restoring economic growth paved the way for conservative businessman Sebastián Piñera to return to the presidency in March 2018 for a second, non-consecutive term (having served as President 2010-2014). The Central Bank and other economic analysts predict an economic growth rate between 4 – 4.5% in 2018, and almost 4% in 2019, due to a projected rise in copper prices and anticipated pro-business policies. Nonetheless, for all of Chile's gains, discontent has been brewing over persistent problems such as high levels of income inequality and uneven access to services, especially education and healthcare.

Bilateral trade has almost quadrupled since the U.S.-Chile Free Trade Agreement (FTA) took effect in 2004, and we will continue to advocate for U.S. firms through our economic diplomacy. Chile's failure to fully implement intellectual property rights (IPR) provisions of our FTA remains a concern, and we will continue to press Chile on this matter. While the United States is the largest foreign investor in Chile, we also see a growing interest among Chilean investors in the United States, and Chile's exports to the U.S. are far more diversified than its exports to other major trading partners. Pressing the Chilean government to streamline regulatory processes to support U.S. investment projects and promoting U.S. exports will continue to be a priority for Mission Santiago. In addition, a growing area of cooperation has been in the field of small business

promotion, where we have supported Chile's interaction with and implementation of the U.S. small business development centers (SBDCs) model.

Mission Objective 3.2: Position Chile as an economic model for the region and promote sharing of best practices related to trade facilitation, agriculture, entrepreneurship, small business development, and economic inclusion.

Justification: Chile's economic model, characterized by pragmatic public policies, transparency, and free and open markets, has contributed to the country's strong growth for over 20 years. As more economies in the region transition away from statist policies and towards a more Chilean-style model of economic growth, we see numerous opportunities for Chile to share its experiences and advance its interests towards more open and integrated regional economic architecture. We will continue to support Chile as it balances competing priorities at home with the expansion of its global influence in ways that buttress Chilean and U.S. interests, including by encouraging Chile's interaction with and implementation of the U.S. small business development centers (SBDCs) model and the integration of these centers into the Small Business Network of the Americas (SBNA).

Mission Goal 4: Enhance U.S.-Chile cooperation on science, technology, innovation, energy security, and sustainable environmental management to reinforce Chile as a partner and ally on regional and multilateral issues, create opportunities for U.S. exports and investment, and enhance American security.

Description and Linkages: Embracing energy security and dominance, and promoting and protecting the national security innovation base are critically important U.S. national interests in Chile. Advancing bilateral cooperation on science, technology, innovation, energy security, and sustainable environmental management promotes American prosperity and security, and builds resilience in our relationship with Chile. Our mission goal contributes to a prosperous hemisphere that promotes free, fair and reciprocal economic relationships, and supports the third pillar of the National Security Strategy (NSS), the Department of State – U.S. Agency for International Development Joint Strategic Plan (JSP), and the Joint Regional Strategy (JRS) of the Western Hemisphere Bureau, Department of State.

Mission Objective 4.1: Cooperation on science, technology, and innovation, to include the defense sector, positions Chile for innovation-based growth, creates opportunities for U.S. exports, helps U.S. companies meet workforce needs in Chile, and strengthens US national security.

Justification: Embassy Santiago houses regional science offices for the U.S. Army, Navy, and Air Force. All three offices work in support of the National Security Strategy objective to maintain U.S. leadership in research, technology, invention and innovation. These offices will use the Council to deepen engagement with the Chilean military S&T community, and improve the understanding of worldwide S&T trends, and how they are likely to influence American strategies and programs. Our military offices will also use the Council to connect with influencers as they seek advancements across the full spectrum of discovery, from incremental improvements to game-changing breakthroughs.

Mission Objective 4.2: Energy sector cooperation and regional integration enhances energy security in Chile and the region, and facilitates energy exports and large-scale energy infrastructure investments for U.S. companies.

Justification: Energy policy has confounded multiple administrations in Chile going back several decades. Limited domestic fossil fuel sources, combined with Chile's distance from global energy markets, have resulted in high electricity prices that impeded economic growth and provoked criticism of the government. In 2014, Chile's Energy Ministry initiated an ambitious effort to generate a national consensus around a comprehensive energy policy looking at Chile's needs through 2050. The previous Bachelet government made significant transformations to Chile's energy sector and secured the former President's legacy in this area through several important achievements – including reduced energy prices and a seven-fold increase in non-conventional renewable energy –which the Pinera Administration acknowledges as significant and would like to build upon.

Cooperation on energy has been one of the pillars of our strong bilateral relationship. Chile's Energy Ministry values the close working relationship with the Department of Energy, enshrined in a 2009 Memorandum of Understanding and a 2014 Joint Statement on Bilateral Energy Cooperation. The Department of State has led U.S. government technical assistance and cooperation with Chile's Ministry of Energy. To further advance cooperation between the United States and Chile, our governments are working toward establishing a bilateral energy investment framework agreement, consistent with the energy and environmental goals of Chile and the United States, to foster U.S. trade and investment opportunities in Chile's energy infrastructure.

Mission Objective 4.3: Cooperation on sustainable environmental management helps Chile balance conservation and economic development, creates a level playing field for U.S.

companies, and opens up commercial opportunities for U.S. technologies related to environmental monitoring and protected areas management.

Justification: The U.S.-Chile Environmental Cooperation Agreement (ECA), fifteen years after its entry into force, serves as model for aligning enhanced enforcement of environmental regulations with expanded trade and investment. Key areas for cooperation under the ECA include environmental enforcement, air quality, and management of protected areas. We seek to leverage environmental cooperation to promote U.S. environmental technologies that help Chile meet its environment and conservation objectives. Chile has taken on a global leadership role in the creation of protected areas but has limited institutional capacity for protected areas management. Multiple U.S. government agencies are actively engaged in environmental cooperation in Chile, including the U.S. Environmental Protection Agency, the National Science Foundation, the U.S. Department of Interior, the National Park Service (NPS), and the National Oceanographic and Atmospheric Administration (NOAA). Chilean agencies remain particularly receptive to technical exchanges with U.S. experts on environmental issues and are eager to implement U.S. lessons learned and best practices in the Chilean context.

Mission Goal 5: Advance American Influence in Chile through Strategic Outreach and Balanced Engagement that Prioritizes People-to-People Relationships; Professional and Cultural Exchanges; and English-Language Proficiency to Position the United States as Chile's Partner of Choice.

Description and Linkages: Transparently engaging the Chilean public and positively influencing Chilean public opinion helps further American values and advance U.S. policies and positions. We will expand people-to-people relationships and increase partnerships between U.S. and foreign institutions, the private sector, and civil society. Our mission goal contributes to a hemisphere receptive to U.S. leadership and values, and supports the fourth pillar of the National Security Strategy (NSS), the Department of State – U.S. Agency for International Development Joint Strategic Plan (JSP), and the Joint Regional Strategy (JRS) of the Western Hemisphere Bureau, Department of State.

Mission Objective 5.1: Decision makers, regional audiences, and youth have an accurate understanding of U.S. policies, and are receptive to U.S. leadership and values.

Justification: Though a majority of Chileans have a favorable view of the United States, the public largely does not agree with U.S. policy in various areas, especially trade, migration, and environmental policy. We will continue to engage on social media (Chileans are among the most digitally plugged-in countries in Latin

America) and via traditional media, in addition to other public forums to explain our policy. Our strategic messaging will highlight the strength of our mutually beneficial commercial relationship, in addition to other areas where our collaboration is netting concrete results, from science research to democracy promotion.

Mission Objective 5.2: People-to-people relationships strengthen institutional and civil-society networks between the United States and Chile. More Chileans attain English language proficiency, increasing engagement opportunities.

Justification: Post will continue to capitalize upon both the Chilean government's commitment to funding academic exchanges and scientific collaboration with the United States and the interest of the Chilean public in people-to-people interactions with Americans. However, low English language proficiency among Chileans, especially among those from middle and lower economic classes and Chileans who live outside of the capital, remains an impediment to increased engagement on the global stage, limiting academic exchanges and collaboration, innovation, and, academic research. Through a continued focus on promoting exchanges and English language learning, Post will help support the Chilean government's policy of moving towards a knowledge economy, helping to secure our mutual prosperity.

4. Management Objectives

Management Objective 1: Support the implementation of Mission Goals by providing the highest quality and most cost-effective services to all employees and family members, while maintaining safe and secure working and living conditions conducive to high morale and productivity.

Justification: Providing the best possible services and support to the Embassy community in the most cost-effective way is the Management Section's top priority in support of Mission Goals. We will use Collaborative Management Initiative metrics, customer satisfaction survey results, and staffing efficiency data to objectively evaluate our performance against uniform service standards. These existing and well-developed metrics offer us the best opportunity to gauge the level of our success in a context that is truly global.