

III. PEACEFUL DISPUTE SETTLEMENT

Perhaps the main concept that was forged in inter-American relations since independence is a set of legal standards and shared principles for relationships between states that permit, or rather require, disputes and conflicts to be settled peacefully. Since the 19th century, there have been efforts to create an inter-American law based on legal principles, not on acts of war, so that differences would be settled in America not by force, but by subjecting the conduct of states to the rule of international law, prohibiting the use of force, condemning war and aggression, and establishing that military might does not make right.

For more than a century, efforts have also been made to guarantee the shared principles of equality of nations under the law, the supremacy of international law, nonintervention in domestic affairs, and respect for the sovereignty and independence of states.

As far back as the Panama Congress, convened by Bolívar in 1826, some of the principles for guaranteeing peace were articulated. As Jean Michel Arrighi pointed out in his book on the OAS, since the first Pan-American meeting in 1889, the maps of the Americas have shown little change, even over centuries. At that meeting, it was clear that one of the key common issues behind the meeting and the quest for collective action was the settlement of pending disputes, especially border disputes. The other theme was economic cooperation.

Among the predominant issues at the first hemispheric meeting in 1889, as the President of the United States told the Congress, was the possibility of agreeing on a treaty to resort to arbitration to settle disagreements and questions that might arise between the American republics. At the International American Conference in Santiago in 1923, a treaty was adopted “to avoid or prevent conflicts between American states.” The Seventh Conference in Montevideo in 1933 adopted the Convention on the Rights and Duties of States and again stressed the obligation to settle conflicts by peaceful means. The 1938 conference in Lima reiterated the need to seek peaceful solutions.

It has been peace, not war, that has made it possible to consolidate our nation states. In 1945, in the Act of Chapultepec, particular emphasis was placed on the supremacy of international law.

When the OAS was created in Bogotá, the American Treaty on Pacific Settlement or Pact of Bogotá was adopted. As Arrighi notes, the treaty summarized in a single text the successive efforts to settle the disputes that arise between American states by peaceful means, and established the procedures for their implementation. These procedures are good offices and mediation, investigation and conciliation, arbitration and, lastly, required recourse to the International Court of Justice, if other peaceful means have not been used or they have failed. Unfortunately, the 1948 Pact of Bogotá was ratified only by a few parties.

Also worthy of note is the fact that the American states recognize that the United Nations system has jurisdiction in matters of peace and security, which means that peaceful and diplomatic means must be exhausted before resorting to the use of force or threats of force by the UN Security Council. However, some states viewed the application of the Monroe Doctrine throughout the Cold War as a threat to the pre-eminence of the principles of the Charter, and

saw the Security Council as being the moderator not only of the Monroe Doctrine but also the possible implementation of the Inter-American Treaty of Reciprocal Assistance of 1947.

Notwithstanding, the Cold War kept alive some disputes and conflicts that began to dissipate towards the end of that period when they no longer had the fuel to sustain them. We had the opportunity, in the chapter on democracy, to describe how our contribution to post-conflict actions in Central America, as part of a great international cooperation effort, made it possible for the region to return to the path of growth and the quest for social justice.

Central America is the most striking case in which the end of the geopolitical considerations that would have governed inter-American relations was meaningless. A great effort was made toward pacification, the main outcome being the Esquipulas Agreements, which were arrived at because all the protagonists in this conflict were convinced not only of the futility of the violence but also of the possibility of negotiating a settlement and using diplomatic means to silence the guns and get back on track toward peace and reconciliation.

Ecuador and Peru

Other important steps taken in our hemisphere were the peace agreements between Ecuador and Peru, framed in a context of integration and cooperation. After serious border incidents, Ecuador and Peru turned once again to the role of mediation by the guarantors of the 1942 treaty. In so doing, they abandoned decades of rhetorical confrontation, mistrust, and atavistic pessimism, which we in the Americas have collectively faced and which has often led us to accept the inevitability of war.

The Peace Agreement signed in Brasilia within the framework of the Rio Protocol, is a paradigm for the settlement of many pending disputes. The firm commitment of the guarantor countries made it possible to open doors when it appeared that there were only insurmountable obstacles, and to find imaginative and permanent solutions within the framework of the Itamaraty Declaration of Peace. It was a major triumph for diplomacy in the Americas, and especially in the guarantor countries Argentina, Brazil, Chile, and the United States. It was important to have the support of all the foreign ministries, particularly the one in Itamaraty, which extended its hospitality and shared its vast experience, and creativity.

The two governments gave meaning to the principles enshrined in the OAS Charter. By burying a border dispute whose roots lay in the era of independence, Ecuador and Peru laid the foundations for future settlements of all disputes and conflicts in the Americas in the way we have agreed and accepted, making an act of faith of our words, our convictions, our commitments, treaties, and our Founding Charter from Bogotá.

Post-conflict activities

In recent years the OAS has played an important role in post-conflict activities that help consolidate peace, such as, ceasefire oversight, disarmament, and demobilization of armed groups in Nicaragua and Suriname; aid for refugees in Nicaragua, Haiti, and Honduras;

humanitarian assistance in Haiti; dispute settlement at the community level in Guatemala; and monitoring the observance of human rights in Haiti and Nicaragua.

Today, the entire structure of our preventive diplomacy, the use of peaceful procedures for crisis management, and post-conflict action are based on the principle of defending democracy. Strengthening democracies is a key ingredient for guaranteeing peace between states and within states. This is our paradigm for solidarity.

The measures for maintaining trust and security set out in the chapter on hemispheric security are also a powerful instrument for ensuring peace between the American republics and have helped to defuse potential conflicts, as well as to build bridges of understanding where mistrust had prevailed.

We must also underscore congressional ratification of the Agreement between Argentina and Chile for a definitive settlement of the border dispute in the Hielos Continentales or Campo de Hielo Sur area. In 1984, under the supervision of Pope John Paul II, the Treaty of Peace and Friendship was signed by both countries, ending one of the longest territorial disputes in the Hemisphere. In June 1999, a new stage was completed with the simultaneous ratification by the congresses of Chile and Argentina of the Agreement signed by Presidents Eduardo Frei and Carlos Menem in December 1998.

Handover of the Panama Canal

The Panama Canal was also handed over in conformity with the Torrijos-Carter Treaties. On January 1, 2000, the Republic of Panama assumed full responsibility for its administration, operation, and maintenance.

Panama's exercise of full sovereignty over the canal was not without its difficulties. Indeed, the political circumstances changed over the course of time and Panama came to realize that the perpetuity envisaged in the original treaty was not in its national interest and this led to a number of extremely tense moments, which, after a serious deterioration of diplomatic relations, resulted in a meeting in the OAS, which was at the time the provisional advisory body established in the Treaty of Rio. At that meeting in April 1964, the representatives of Panama and the United States discussed their differences in depth. Both governments jointly declared, in a resolution issued by the OAS Council, that they would immediately begin the necessary constitutional procedures in each country. This is the background for the Torrijos-Carter Treaties.

They were signed at the headquarters of the Organization of American States and 28 governments and 19 heads of state were present at the event to witness the signing of the historical agreements that guaranteed that the Panama Canal would be handed over to the Republic of Panama, which would assume, from then on, full responsibility for its management, operation, and maintenance.

At the request of the parties, the Organization also became the depository of the Treaty concerning the Permanent Neutrality of the Canal and Operation of the Panama Canal. This latter establishes a neutrality regime that ensures that the canal will remain open, safe, neutral,

and accessible to all ships of all nations, in response to which all the countries in the Americas immediately expressed their willingness to assist the ships registered under their flags to comply with the arrangement.

There is no doubt that the signing of the treaties and their full and smooth implementation constitute one of the most happy chapters in inter-American relations in the second half of the 20th century, and represent an unparalleled example of the effective principles on which the inter-American system is based: equality of states under the law, peaceful dispute settlement; respect for sovereignty, territorial integrity, the independence of states, and the principle of non intervention and mutual cooperation. It was clear to all that the future of the canal was not merely a bilateral problem, but an issue of paramount importance internationally, which, if not satisfactorily resolved, would have posed a threat to the very foundations of the inter-American system.

Fund for Peace: Peaceful Settlement of Territorial Disputes

Territorial and border disputes have for too long been an unnecessary bone of contention in the economic and social development of the Western Hemisphere. Disputes of this kind tend to frustrate international commercial cooperation, environmental protection, security, and law enforcement; they represent a significant cost to budgets and resources and, some times, they end up in armed conflict.

In 1998 the secular territorial dispute between Peru and Ecuador was finally settled, but in 1999 and 2000 a series of pending territorial disputes and some new ones emerged in Central America and in the northern part of South America. These problems, as well as many others that exist despite appearances, tend to be of two types: undefined borders inherited from colonial times; and much more modern disputes about sea limits that arise from competition for the rich resources of the ocean and the seabed.

Some more recent disputes in the Western Hemisphere posed the imminent threat of triggering armed confrontations and were the subject of emergency sessions of the OAS Permanent Council. Despite the fact that these crises did not end up in armed confrontation, the disputes had a negative impact on trade, economic development, and international cooperation.

In 2000, after recognizing that border disputes posed a serious risk to hemispheric security, the OAS member states approved a mechanism proposed by the Assistant Secretary General, Luigi Einaudi, to provide financial resources to help defray the underlying cost of the procedures previously agreed upon by the Parties for the peaceful settlement of territorial disputes.

The Fund for Peace: Peaceful Settlement of Territorial Disputes was formally established by the Ministers of Foreign Affairs of the Hemisphere, meeting at the OAS General Assembly in Windsor, Canada, in June 2000.

The Fund can receive contributions from the OAS member states, from other states, and from other entities, including companies and individuals. It has received contributions ranging from \$3,000 to \$1 million. Since its creation, it has amassed over \$2.7 million in contributions.

The member countries and observers that have contributed to the Fund are Argentina, Bahamas, Belize, Brazil, Canada, Cyprus, Korea, Denmark, Spain, United States, Guatemala, Honduras, Italy, Israel, Mexico, Nicaragua, Norway, United Kingdom, the Holy See, and Sweden. The Fund for Peace has financed the peaceful settlement of disputes between Honduras and Nicaragua, El Salvador and Honduras, and Belize and Guatemala, the details of which are given below.

The Fund for Peace is much more than a mere financing mechanism; it is also a frame of reference and a source of expertise for dispute settlement. When the interested parties jointly appeal to the OAS for assistance in peacefully settling a territorial dispute, they are presented with a series of choices of dispute settlement mechanisms envisaged in the OAS Charter: direct negotiations, good offices, mediation, investigation and conciliation, judicial settlements, arbitration, and any other mechanism the parties may specially agree upon.

The parties may also have access to the technical expertise of the OAS in settling territorial disputes, including experience in diplomacy; international law, including the law of the sea; experts in geography, cartography, and geospace, through the Pan American Institute of Geography and History; and also access to external technical experts with whom the General Secretariat has contact.

In just a few years, the Peace Fund has become a new and effective tool available to the OAS member states for these peaceful purposes. This is possible thanks to the effective assistance of Ambassador Luigi Einaudi, Assistant Secretary General, and his team.

Honduras and Nicaragua

We at the OAS are very pleased with the decision taken by the governments of Honduras and Nicaragua to take their dispute to the International Court of Justice. It represents a new victory for a friendly and negotiated settlement of their disputes, for the progress of our people, and for faith in the dawn of a new era in relations between Honduras and Nicaragua.

In December 1999, faithful to the principles and proposals of the OAS Charter, Honduras and Nicaragua courageously agreed to settle their dispute by peaceful means and in compliance with international law. This commitment was welcomed by our countries, which, through the OAS Permanent Council, instructed me to appoint a special representative to evaluate the situation, facilitate dialogue, and make recommendations to eliminate tensions and prevent acts that could undermine peace in the Hemisphere.

Honduras and Nicaragua, accompanied by Ambassador Luigi Einaudi, first as Special Representative and then as Assistant Secretary General, forged a process which, despite the problems, helped to substantially reduce tensions between the two countries, provide a mechanism for settling substantive issues, and create new areas of cooperation.

Less than one month after the foreign ministers had requested the involvement of the OAS, Honduras and Nicaragua agreed to define and establish a military exclusion zone in the Caribbean Sea, to freeze the number of active military personnel and land border posts, and to resume the signage process in the Gulf of Fonseca. In carrying out these agreements, Honduras

ras and Nica ra gua devel oped mecha nisms to bet ter coor di nate the work of the armed forces of both coun tries and to strengthen the trust between them, and agreed to sub mit the dis pute to the Inter na tional Court of Jus tice.

In early 2001, a series of inci dents pro duced new ten sions. The gov ern ments of both coun tries continued to work towards peace and, in collaboration with the OAS, adopted new confidence-building measures including guaranteeing security and verifying compliance with the agree ments that had been signed. The mecha nisms and pro ce dures for meet ing the stated objec tives were set out in the Tech ni cal Agree ment on Veri fi ca tion that was signed in Wash ing ton on March 16 of that year.

This agree ment clari fied some of the issues related to patrols and other confidence- building meas ures that had been pre vi ously agreed upon, adopted meas ures to fur ther develop trust, estab lished the scope of on- site inter na tional obser va tion and veri fi ca tion, and deter mined the ground rules for pub lic state ments con cern ing the dis pute.

The com mit ments assumed by the Gov ern ments of Hon du ras and Nica ra gua, the deci sion they made to honor those com mit ments, and the work of the inter na tional com mu nity made it pos si ble, in a rela tively short space of time, to move from a situa tion of cri sis and ten sion to one of calm, respect, and trust, in which it is pos si ble to even adopt agree ments.

The suc cess of this process goes beyond the obvi ous bene fits for the peo ple of Hon du ras and Nica ra gua. The inter- Ameri can sys tem now has more expe ri ence in peace ful dis pute set tle ment; the inven tory of confidence-building measures available to our coun tries has increased; lives have been pro tected and finan cial resources effi ciently used; the man date of the Char ter, reit er ated ay the Sum mits of the Ameri cas, to pro mote peace ful dis pute set tle ment has been exe cuted; pos si ble areas of coop era tion have been iden ti fied; and our nations have been able to continue to work towards democracy and prosperity in a peaceful environment.

Hon du ras and El Sal va dor

I also wish to men tion the work cur rently being done, with the sup port of the Pan Ameri can Insti tute of Geog ra phy and His tory, to assist Hon du ras and El Sal va dor in com ply ing with the judg ment of the Court of The Hague in demar cat ing a com mon bor der.

In Sep tem ber 2002, the Presi dent of El Sal va dor, Fran cisco Flores, and the Presi dent of Hon du ras, Ricardo Maduro, made a com mit ment to final ize the demar ca tion of the land bor der between both coun tries. All pend ing bor der areas were estab lished by judg ment of the Inter na tional Court of Jus tice (ICJ) on Sep tem ber 11, 1992, but some tech ni cal prob lems encoun tered in the appli ca tion of that judg ment pre vented com pletion of the demar ca tion process.

As a result of these prob lems and the deci sion to expe dite the demar ca tion of the bor der, the gov ern ment requested tech ni cal assis tance from the OAS Gen eral Sec re tar iat and the Pan Ameri can Insti tute of Geog ra phy and His tory (PAIGH). The Gen eral Peace Treaty, signed in 1980 by the two coun tries, con tains pro vi sions that assign spe cific respon si bili ties to PAIGH

to nominate a third adjudicator who would rule on the technical disputes between the parties concerning the demarcation of the border.

In April 2003, the OAS and PAIGH general secretariats gave their consent and the third adjudicator was appointed. His task is to settle all disputes of a technical nature, namely strictly engineering issues raised by the two countries, for example, differences in geodesic coordinates, and the geographic accidents mentioned in the ICJ judgment of 1992. Since July 2003, staff of the PAIGH General Secretariat, together with experts from both countries, have paid numerous visits to the border. On the basis of these on-site observations, on the text of the 1992 ICJ judgment, on the documents provided by the El Salvador-Honduras Special Demarcation Committee, on satellite images, and on other technical tools, the third adjudicator is providing final settlements, respected by both countries, regarding the technical problems encountered by the Committee.

Belize and Guatemala

The as yet uncompleted process whereby Guatemala and Belize began to seek alternatives to settle their historical territorial dispute is well known. Personally, I have had the pleasure of being a witness of honor to the long path both parties have traveled using conciliation mechanisms, which we hope will have a happy ending in the near future.

In May 2000, the Governments of Belize and Guatemala agreed in my presence to seek final settlement of their territorial dispute. On that occasion, they agreed to set up a Panel of Conciliators that would help them find formulas for the peaceful and definitive settlement of their territorial dispute. Each government appointed a conciliator, financed by the OAS Peace Fund, which gave them the necessary autonomy to carry out their important responsibilities. We received significant support from the international community to develop the process.

Later, in November and July of that year, the parties agreed on a series of confidence-building measures that helped create a climate conducive to dialogue and seeking solutions, such as coordination between the armed forces to mobilize troops on the border, cultural exchanges and educational scholarships; business congresses; cooperation in disaster prevention; combating illegal crops and drug trafficking; cooperation in tourism; as well as the full integration of Belize into Central America.

The parties agreed to exclude any other political, diplomatic, or legal forum from the process for its duration; to exercise caution and prudence in their public acts and statements; and to apply the principles of due process and mutual respect to their work.

Later, and with the sole purpose of facilitating the implementation of confidence-building measures, the parties accepted the concepts of the Adjacency Line and the Adjacency Zone. It is important to emphasize that the acceptance and use of that line never meant that the parties had agreed that it would represent the international border between Belize and Guatemala. The territory located within one kilometer from the Adjacency Line, in either direction (east or west), was considered to be the Adjacency Zone.

On several occasions, the political will of each country and the value of the confidence-building measures were put to the test in sensitive incidents. At the request of the conciliators, the OAS investigated the facts, which enables them to present the parties with a number of new measures to restore confidence and prevent future incidents. For that purpose and others related to the proposals, we had the timely and effective collaboration of the Pan American Institute of Geography and History and of the International Organization for Migrations.

The conciliators worked toward an agreement to overcome the territorial dispute that would be balanced, comprehensive, final, honorable, and permanent. In September 2002, they presented a proposal paper from the conciliators to both governments through me. The proposals presented covered the overall land and sea segments as a delicate balance that would respond to the aspirations and rights of both parties. Honduras also gave its assistance regarding the sea border proposals, as an interested third party.

The document was prepared in such a way that all the components could be converted into key points of possible legal texts, which would give them legal effect and validity if the proposals were approved, through simultaneous public opinion polls in both countries.

On February 7, 2003, the Ministers of Foreign Affairs of Belize and Guatemala, as well as the Assistant Secretary General of the OAS and I signed an agreement to set up a transition process and a series of confidence-building measures between the two countries, given that the presentation of the proposals had concluded the conciliation process. It was also necessary to sign that agreement, because certain practical difficulties prevented the parties from conducting simultaneous public opinion polls in both countries within the time frame recommended by the conciliators.

The agreement established a new framework called the “transition process,” in which the parties agreed to continue working constructively and in good faith to manage their relations until they reached a final, fair, equitable, honorable and permanent settlement of their dispute. That framework outlined the responsibilities of the parties and also assigned obligations and responsibilities to the General Secretariat and to the international community by creating a “Group of Friends” to support peaceful settlement of the territorial dispute between Belize and Guatemala. The Group of Friends held its first meeting on October 6, 2003 at OAS headquarters.

A central theme of the agreement is the establishment of the Office of the Secretary General in the Adjacency Zone, which was set up on July 1, 2003. The specific function of the office is to verify compliance by the parties with a series of confidence-building measures designed to reduce tensions in the zone. To that end, the Office must organize and develop relations between the communities on either side of the Adjacency Line; plan and carry out activities to build relationships, trust, and cooperation between residents of the zone; and take note of incidents that might occur, in order to ensure observance of the human rights of area residents.

Although Guatemala considered in August 2003 that the political and legal conditions were not present for submitting the conciliators' proposals to a public opinion poll, work continues to be done through the OAS to achieve a negotiated settlement of the dispute through bilateral meetings hosted by the OAS, with emphasis on the establishment of security and confidence-building measures.

On May 3, 2004, during the first meeting of the new Guatemalan and Belizean authorities within the framework of the OAS, the Ministers of Foreign Affairs reiterated to me and the Assistant Secretary General their willingness to reach a fair, equitable, and permanent settlement of the territorial dispute within the framework of the OAS. The Ministers declared the start of a new era in their bilateral relations, in which the parties made a commitment to create the proper conditions for reaching a definitive settlement of the dispute, maintaining constructive dialogue, and finding new ways to compromise that would enable them to solve the socioeconomic problems affecting the populations of both countries.

On May 4-5, 2004, delegations from both countries discussed the establishment of a Mixed Commission that would examine a comprehensive list of innovative modalities, that would not only reinforce security, transparency, dialogue, and confidence, but would also help strengthen the bonds of friendship and cooperation between the two nations. Among the issues discussed were a treaty on mutual legal assistance, a free trade treaty, easier transit of persons and goods from both countries, and joint initiatives for tourism development. The delegations also agreed that the confidence-building mechanisms would remain in effect until their next ministerial meeting, scheduled for June 2004.

In all these situations, the OAS took timely and appropriate action and demonstrated its neutrality and effectiveness, thereby helping to strengthen the foundations for peace and democratic practices. In that undertaking, I must thank the member states and observers for the assistance they have given us through their political support and financial contributions to the Fund for Peace. I must also acknowledge the support and steadfast collaboration of Ambassador Luigi Einaudi, Assistant Secretary General, and his team.

Other investigations at the request of the states

The OAS has also opened a channel for rapid and effective investigations at the request of the member states. These have included the investigation into the diversion of Nicaraguan weapons to the United Self Defense Forces of Colombia and the investigation into the serious incidents that occurred in Bolivia on February 12-13, 2003.

a. Investigation into the diversion of Nicaraguan weapons to the United Self Defense Forces in Colombia

On May 8, 2002, the Foreign Ministers of Colombia, Nicaragua and Panama, Guillermo Fernández de Soto, Norman Caldera C. and José Miguel Alemán, respectively, asked me to conduct an investigation into the circumstances surrounding the official export of a shipment of arms and ammunition from Nicaragua, in November 2001, which was later diverted to the

Colombian United Self Defense Forces (AUC). The ministers requested an investigation of the facts and a report to their respective governments on the results of the investigation, and on the conclusions and recommendations for mechanisms and procedures to prevent the recurrence of similar situations in future.

Given the importance of this joint request, as OAS Secretary General, I responded by appointing Ambassador Morris D. Busby as my Special Representative in charge of the investigation, and he conducted it with the support of a team of investigators comprising staff of the OAS General Secretariat.

The result was a report which, among other issues, referred to the background, analysis, and findings in particular under investigation, and made a series of recommendations for strengthening the existing inter-American arms control regime and for preventing any such diversions in future.

The General Secretary's report stated that the CIFTA convention is, and should continue to be, the multilateral hemispheric instrument of choice for preventing the manufacture, and illegal traffic of fire arms, ammunition, explosives, and other related materials. To that end, it makes specific recommendations for those states that have not yet signed and ratified the instrument to do so, and for the convention to be fully implemented. It also refers to specific issues addressed in the Convention that should be given special attention, for example, estimates on licenses or permits for the export, import, or transit of fire arms, ammunition, explosives, and other related materials, including application of the relevant CICAD Model Regulations.

It also makes other recommendations regarding programs for the destruction of surplus weapons; registration of persons engaged in the import, export, and transit of fire arms as agents or arms carriers; amendment of national legislation and administrative practices; and harmonization of import certificates and export and transit documents.

As stated in the paragraph on the CIFTA Convention in the chapter on Hemispheric Security, the Declaration of Bogotá, which was approved by the First Conference of States Parties to that treaty held in Colombia in March 2004, adopted measures and specific commitments for the full and effective implementation of the Convention. The recommendations made in the General Secretary's Report were a useful and important input in the process of defining the measures referred to in that declaration.

b. The Bolivian Case

On February, 12 and 13, 2003, there were armed clashes in Bolivia between the Police and the Armed Forces. Some 30 people died and there was vandalism and looting in the streets; civilians and military personnel were injured and killed; fires were started in public and private sector offices and in the offices of political parties; there was a severe breakdown in the state's ability to guarantee the security of its citizens, to protect their rights and their lives; all of which seriously jeopardized the political stability of the country.

At the request of the Bolivian government, the OAS took on the task of conducting an impartial investigation of the facts and preparing a report that would be used to make progress in the debate on the institutional failures that occurred during the events and would recommend actions the government and the country could take to strengthen democracy and make decisions on the political responsibilities of the participants in the events. In the case of the serious incidents that occurred in Bolivia on February 12 and 13, with the collaboration of experts from the United States, Brazil, and Colombia, we were able to give a preliminary description of the facts and help the Executive Branch determine the political responsibility of its officials and make recommendations to prevent the recurrence of situations of that kind. Our report proposes actions that would enable the Attorney General's Office to carry out its investigation properly and define individual responsibilities.

At that time, we advised in our report that Bolivia should urgently sign explicit agreements on ground rules for participation in its democratic life, to ensure transparency, and should hold the political and social action of all public organizations, without exception, to those standards. The agreements define the principles shared by all political and social actors, even at the international level.

We made an appeal to Congress to stress the importance of the task of political reform within the framework of the governance agreement to the future of Bolivia, as well as the participation of indigenous people in the political process, consistent with the hemispheric effort to ensure that this participation is permanent, ethical, and responsible.

We warned that with the country's development strategy designed to reach levels of growth that would ensure substantial poverty reduction and improve human development indices, it would be critical to make timely decisions, based on reasonable economic and financial criteria, concerning the development of projects to exploit the vast reserves of gas and oil, particularly the LNG (Liquefied Natural Gas). However, we indicated that the process which had been so highly questioned should be guided by mass consultation with the public and citizen participation; it should be very transparent and convincing and have a high degree of public support for its development.

The big problem of Bolivia's twenty-year-old democracy is that, even though major strides have been made in institutional strengthening – the best evidence of which is the democratic institutionalization of the military forces that was put to the test last February –, the political system, not unlike other Latin American democracies, has not yet been able to meet many of the social demands of Bolivians, nor has it opened up sufficient channels for participation by sectors of the society. As a result, and despite the commitment to democracy of the vast majority of the population, there is continued discontent with the exercise of democracy in Bolivia.

After the episodes of February 2003, there was an uprising of indigenous people and members of labor unions and regional organizations, which also resulted in scores of deaths and disorder in much of the national territory. This prompted Gonzalo Sánchez de Lozada to consider it wise to resign to give the country some institutional relief.

In our chapter on democracy, we cited to the actions of our Permanent Council, which were diligent and timely. The OAS came forward on that occasion at the request of the government, to try to mediate between the government authorities and the organizers of the protests, and we worked zealously, together with Brazil and Argentina, to prevent bloodshed and preserve the country's constitution and political institutions.

It is important to recognize the enormous effort that President Carlos Mesa has been making to resolve the country's substantive problems. After steering a course through the country's extremely fragile economic situation and addressing the huge social and representational demands of the various social sectors of the country, he deserves considerable support by all. The situation in Bolivia calls for decisions on substantive issues, in which political groups must acknowledge the need for consensus to prevent an even greater crisis than the one that occurred. Consensus building also implies a willingness to make deals to avoid polarizing the country, and the Bolivian Congress must be a natural source of understanding and cooperation with the Executive Branch.

The OAS is committed to its support for Bolivia and at the request of its Government has focused its work on holding the referendum on July 18, and on completing the Constituent Assembly process. The future of Bolivian democracy depends to a large extent on the success of both processes. We already have a team that is very experienced in constituent processes that has been working hand in hand with the government. Also, through the Unit for the Promotion of Democracy (UPD), a program is being crafted on strengthening Bolivian political parties, on crop substitution projects, and on preparing the national anti-drug plan with CICAD, as well as a national human rights plan through the Inter-American Commission on Human Rights (IACHR).

What happened in Bolivia is a wake up call for all our countries. As we warned in the mid-year report, the issue is fundamentally one of political participation, in this case for a population segment that has been marginalized from the development process, namely the indigenous communities. They must feel that they are a part of the society and its development aspirations, and that they are taken into account and have a share in decision making.

Institutionalization of the dispute settlement area and conflicts in the OAS

With the adoption of the Inter-American Democratic Charter, the growing use of preventive democracy, and appeals by the countries to our willingness to learn about and seek mechanisms for handling disputes, we have made significant progress.

We have already described our actions in Peru and Venezuela, which could well be described as actions in defense of democracy, but which could also be considered peaceful settlement mechanisms. In those cases, we played the role of arbitrators of the conflicts, working to help settle the disputes caused by internal problems that were aggravated by their extensiveness, degree of political polarization, and erosion of state institutions, in particular, the justice system.

We have also done important post-conflict work, especially in Central America. The tasks of demining, as indicated in another section, are an international model in the field. In Nicaragua as well, we are supporting cooperation programs to strengthen peace and reintegrate former combatants and to support human rights. In Guatemala, we have worked on strengthening democratic values and on a culture of human rights through programs to build peace, provide legal support to the National Congress, and technical support to the Supreme Electoral Tribunal. In Suriname, after the National Development and Reconciliation Agreement, we provided technical support to the legislature.

On the other hand, although the OAS has contributed significantly to the peaceful settlement of disputes, we must recognize that we have not been able to build an administrative structure that accumulates our experience, keeps a record of the processes, and more systematically uses all the resources available to the Organization. Virtually all the processes described have been conducted mainly with staff from my office and the office of the Assistant Secretary General, who by definition are trust position staff with a high turnover rate.

The experiences of the OAS in defense and consolidation of democracy were inputs in the process of deep reflection that preceded the issue of resolution 1080 in 1991 and then the Inter-American Democratic Charter. The Unit for the Promotion of Democracy has retained much of the case information, although it should be noted that the brunt of the responsibility in the most important cases – Peru, Colombia, and Venezuela, for example – was borne by the General Secretariat, an issue we will not discuss in this chapter but in the one on democracy, therefore the same procedures available in the Charter for conflicts between states were followed.

In the area of hemispheric security, the Organization has been developing, in the Committee on Hemispheric Security, a Permanent Council body highly specialized in the issues on the security agenda. In addition, the establishment of institutions specializing in the issues within the Secretariat facilitates the accumulation of experience and the conservation of information. This is the case with CICAD in tackling the drug problem, with CICTE regarding terrorism, and with the Technical Secretariat for Legal Cooperation Mechanisms as regards the fight against corruption.

Perhaps the most important thing we hope to underscore is the way in which the OAS conducted a process of in-depth reflection on hemispheric security, with the holding of the Special Conference on Security in Mexico in 2003. In our opinion, the time has come to replicate this example, though not at such a high level of the hierarchy. A group of experts, OAS staff from the Inter-American Juridical Committee and the missions, could take the first steps towards understanding the issues and ultimately handling them institutionally.