

INTRODUCTION

In compliance with articles 91 and 112 of the Charter of the Organization of American States (OAS), I am pleased to submit the Annual Report for 2002-2003 to the General Assembly and the Permanent Council. As the Charter dictates, this report describes the activities of the OAS and its financial condition. Prepared in accordance with the guidelines established in resolution AG/RES. 331 of 1978, this annual report is for the period from March 1, 2002 to February 28, 2003.

The introduction to this Annual Report on the Organization's activities is an excellent opportunity to reflect upon our accomplishments and the challenges that still lie ahead. There is no denying the fact that this year was one fraught with obstacles and problems. And yet, the OAS continued to act quickly and decisively in responding to the growing challenges that have arisen. This past year, the Inter-American Democratic Charter was applied for the first time; the Inter-American Convention against Terrorism (CICTE) was adopted, and a number of electoral observation missions were successfully carried out. Also this past year, the Organization was instrumental in facilitating resolution of several border *differenda* and cooperated in finding solutions to internal political difficulties.

Today, the OAS' international profile has grown considerably and countries regard it an important multilateral stage in the Americas, one that offers enormous opportunity. The OAS provides the meeting table at which its members gather to debate the hemisphere's agenda. At the present time, it is also serving as technical secretariat and institutional memory of the Summit of the Americas process. The adoption of the Inter-American Democratic Charter in 2001 equipped the Organization with new mechanisms by which to promote and defend democracy everywhere in the region. In recognition of our dedication to democracy, the National Democratic Institute (NDI) awarded this Organization the prestigious W. Averell Harriman Democracy Award, for our protection and promotion of democratic values and institutions in the hemisphere. The NDI commended the OAS' achievements as the only intergovernmental organization for which representative democracy is a purpose, a principle and a condition for membership.

From June 2 through 4, 2002, we gathered in Barbados for the thirty-second regular session of the General Assembly. The Assembly's agenda featured some of the most awesome challenges now before us: poverty and social problems; promotion of democracy; terrorism; partnership in finding solutions to internal political problems; promoting human rights; settlement of border disputes; and the drive toward free trade. One of the highlights of the Barbados session of the General Assembly was the adoption of the Inter-American Convention against Terrorism. With that the OAS became the first international organization since the September 11 attacks to establish a treaty against terrorism. The Assembly also discussed how best to promote and defend democracy in Venezuela and Haiti.

The Inter-American Democratic Charter was applied for the first time with the alteration of the constitutional regime in Venezuela in April 2002. In keeping with Article 20 of the Inter-American Democratic Charter, a special meeting of the Permanent Council was convened. There, the Permanent Council instructed me to head a fact-finding mission to investigate the events of April 11 and 12, and urged me to undertake the steps necessary to help restore constitutional order in Venezuela. In my report to the special session of the General Assembly, I underscored the need to deal with the dramatic polarization within Venezuelan society. I submitted a number of

recommendations on how the crisis might be resolved once and for all. In doing so, I offered the OAS' support to establish a dialogue among the parties and prevent a recurrence of the April events.

When the crisis worsened and tensions between the government and the opposition heated up, I traveled to Venezuela where, with the support of the Carter Center and the United Nations Development Programme (UNDP), I was instrumental in setting up the Forum for Negotiation and Agreement, composed of six members representing the government and six representing the opposition. In an unprecedented effort, in my capacity as Secretary General of the OAS I have served as a facilitator of the Forum for Negotiation and Agreement since November 2002, to open up room for direct negotiation, understanding, the give-and-take of ideas and presentation of proposals suggesting ways to reach a settle that, once and for all, will end the political crisis that Venezuela is experiencing.

In 2002 the OAS also continued to pursue a solution to the political crisis that has beset Haiti since the legislative elections of May 2000. On March 1, 2002, the Organization and the Government of Haiti concluded an agreement establishing the Special Mission for Strengthening Democracy in that country, which the Permanent Council had called for in resolution CP/RES.806. A Commission of Inquiry composed of three jurists was also appointed to look into the factors that precipitated the violence in Haiti on December 17, 2001.

On two different occasions, from June 10 to 18 and from July 5 to 8, 2002, Assistant Secretary General Luigi Einaudi visited Haiti, in the company of the Chairman of CARICOM's Council for Foreign and Community Relations (COFCOR), Senator Julian R. Hunte, as part of the OAS' effort to find a solution to the crisis. During his second visit, the Assistant Secretary General met with President Jean Bertrand Aristide and the opposition coalition *Convergence Démocratique*, in an encounter that was without precedent since the time President Aristide came to power. The Assistant Secretary General presented his report to the Permanent Council on July 11, informing it of the results of the OAS/CARICOM mission. Subsequently, on September 4, 2002, the Permanent Council approved resolution CP/RES.822, which included many of the elements and commitments contained in the Initial Draft Agreement. In resolution CP/RES. 822, the Permanent Council resolved, *inter alia*, to expand the OAS' Special Mission in Haiti to be able to address the critical issues of disarmament and a secure election climate. That resolution also set deadlines for establishing a new Provisional Electoral Council (CEP) and Electoral Guarantees Commission (CGE) and for holding legislative and municipal elections.

The Commission of Inquiry into the Events of December 17, 2001, presented a report to the Permanent Council on July 1. In that report, the Commission gave a graphic account of the incidents of violence against leaders of the opposition that followed in the wake of the December 17 events. In that document, the Commission of Inquiry recommended that all persons found to be implicated in the violence of December 17 and the ensuing days be prosecuted and that reparations be made to all organizations and individuals that had been victims of the events. In the medium term, the Commission called for reform of the Judiciary and recommended that measures be taken in connection with the police, human rights and the media, all to cultivate a climate of trust and understanding.

When new outbreaks of violence occurred and negotiations bogged down, I continued to work to realize the OAS' commitment to achieving an accord. In August I appointed Mr. David Lee, chief of the Special Mission for Strengthening Democracy in Haiti, as my special representative in Haiti, and

Ambassador Denneth Modeste, deputy chief of the Mission, as Director of the Office of the OAS General Secretariat in Haiti.

In my capacity as Secretary General, in November I presented the first report on the implementation of CP/RES. 822, adopted by the Permanent Council on September 4, which called for the formation of “an autonomous, independent, credible and neutral” Provisional Electoral Council. The OAS’ commitment to Haiti remains intact, as the situation in that country is still a matter of concern for the Organization. Implementation of CP/RES. 822 is unequivocally the best avenue to take for a definitive solution to the crisis.

As part of our efforts to help mediate border problems, on September 30, 2002 two years of facilitation work for a peaceful resolution of the territorial *differendum* between Belize and Guatemala came to a successful conclusion with presentation of the facilitators’ proposals for a just and equitable solution to the *differendum*.

We also remain steadfast in our determination to promote democracy through our electoral observation missions, which are conducted only when an interested member country so requests. Our efforts in this area have been internationally applauded and underscore our commitment to promoting democracy everywhere in the Hemisphere. The countries that welcomed our technical missions are also to be congratulated for their far-reaching efforts. Although in some corners democracy as a political system is under intense pressure and is facing serious challenges, we can say with pride that all the elections witnessed by our electoral observation missions were completely transparent and conducted strictly in accordance with democratic principles. OAS observers were present as the citizens of Colombia, Nicaragua, the Dominican Republic, Bolivia, Ecuador and Peru exercised their right to vote. The OAS permanent observer countries are also to be applauded for their cooperation; in many cases, they donated the resources we needed to conduct our electoral observation missions effectively.

Also completed was an inquiry launched in conjunction with Nicaragua, Panama and Colombia for an investigation into the circumstances surrounding the export of a shipment of arms and ammunition that originated in Nicaragua and ended up in the hands of Colombian paramilitary. Pursuant to the request made by the ministers of those three countries that a report be prepared “setting out the facts... together with conclusions and recommendations for suggested mechanisms and procedures designed to prevent the recurrence of similar situations,” former United States Ambassador Morris D. Busby was appointed to coordinate the investigation and delivered his final report on January 17, 2003.

We celebrated the first anniversary of the Inter-American Democratic Charter with a protocol meeting of the Permanent Council and a conference that examined the scope of that document and what it has achieved. Without question the Inter-American Democratic Charter is the most important institutional step the OAS has taken in the last decade and the most eloquent example of our member States’ commitment to democracy. The event commemorating the first anniversary of the Inter-American Democratic Charter did it justice, as it was honored by the presence of Peruvian President Alejandro Toledo. President Toledo hailed the Charter as “a modern and comprehensive vision of democracy.” We will persevere in our efforts to ensure that the principles of the Democratic Charter are applied in every country of the region.

Through the Trade Unit, the Organization continues to work diligently on the economic integration and trade policy issues within the Hemisphere. Specifically, the Trade Unit provided technical

assistance to the member states in the negotiation of the Free Trade Area of the Americas, through the meetings of the FTAA negotiating groups, the Seventh Trade Ministerial Meeting, held in Ecuador, and the vice ministerial meetings held in Venezuela, the Dominican Republic and Ecuador. In keeping with the mandates from the Barbados session of the General Assembly, the Unit is continuing its work with the Tripartite Committee whose other members are the Inter-American Development Bank (IDB) and the United Nations Economic Commission for Latin America and the Caribbean (ECLAC).

As part of the Organization's work on the topic of hemispheric security, the Third Meeting of the Consultative Committee established under the Inter-American Convention against the Illicit Manufacturing of and Trafficking in Firearms, Ammunition, Explosives and Other Related Materials (CIFTA) was held in May. There, the member States and invited organizations were asked to consider developing an international regime to unify and globalize the approach to the problem. It was clear from the discussions that the member States are concerned that the problem of illicit arms trafficking is on the rise. They recognize that urgent measures must be taken in the countries, with the help of the international community.

The Quebec Summit of the Americas assigned our Organization a pivotal role in what it called the "realization of human potential" using the modern advances in the new information and communications technologies. Given the importance that the member States attach to training and educating their human resources, we embarked upon a concerted drive involving every area of the General Secretariat, with the Fellowship and Training Program and the Educational Portal of the Americas playing leading roles. As a result, the number of fellowships awarded for training and educational programs in 2002 was almost four times what it was in 2001.

Communications are still an important subject within the OAS. In August 2002, the Third Regular Meeting of the Assembly of the Inter-American Telecommunications Commission (CITEL) adopted resolution CITEL/RES. 33 (III-02) concerning implementation of the Agenda for Connectivity in the Americas. In that resolution, the CITEL Assembly recognizes the importance of the Agenda and the Quito Plan of Action, both prepared by CITEL, because of the progress that these documents represent in the efforts to eliminate the digital divide in the Americas.

General Secretariat Executive Order No. 02-4, issued on May 31, concerns the services provided by the General Secretariat to the ministerial meetings related to the Summits of the Americas process. The order instructs the General Secretariat to provide technical secretariat and conference services to the ministerial meetings held under the aegis of the OAS and to the OAS organs, mechanisms and political-technical meetings that support those ministerials, and to coordinate the latter with the Summit process. This Executive Order thus regulates the support that the General Secretariat, through its offices, provides to the Ministerial Meetings for fulfillment of the mandates from the Summits of the Americas.

As in so many other years, in 2002 the Hemisphere was not spared the tragedy of natural disaster. The Inter-American Committee on Natural Disaster Reduction met several times this year to expedite the response to the emergencies created by natural disasters. The Committee is a collaborative effort that couples the support and active participation of the IDB, the Pan American Health Organization (PAHO) and the OAS with an efficient division of labor among the three. The OAS has also helped ease the terrible effects of these calamities with donations made through the Inter-American Emergency Aid Fund (FONDEM) and through repeated, heartfelt expressions of solidarity. In

Bolivia, Costa Rica, and Haiti, flooding left dozens dead and inflicted almost incalculable material damage.

The year covered in this report has proven that the OAS is able to take on the challenges that threaten our Hemisphere. Despite the economic problems and political difficulties that some countries face, no member State has fallen into the trap of straying from democracy. We witnessed free, fair and transparent elections in a number of countries and the democratic resolve of the peoples of the Americas. Much still remains to be done, as the crises in Venezuela and Haiti have unequivocally demonstrated. Yet I am convinced that the rebirth of hemispheric solidarity and the resurgence of the democratic spirit will help us resolve the difficulties or differences of today and tomorrow. The road ahead is long, littered with obstacles that we will have to overcome. We must stand by our commitment and continue working to promote and defend the ideals of democracy and liberty, and to improve the quality of life of all citizens of our hemisphere.

César Gaviria
Secretary General