

INTRODUCTION

In fulfillment of Articles 91 and 112 of the Charter of the Organization of American States (OAS), I am pleased to submit the Annual Report for 2003-2004 to the General Assembly and the Permanent Council. In accordance with the Charter, this report describes the activities of the OAS and its financial condition. Prepared pursuant to the guidelines contained in resolution AG/RES. 331 of 1978, this Annual Report covers the period from March 1, 2003 to February 29, 2004.

I present the final annual report of my administration as OAS Secretary General well pleased with the great transformations of this Organization over the past ten years, and convinced that the years ahead will be better still for a system that is moving towards integration and preparing to deal with new problems and challenges.

We have made much headway in developing hemispheric instruments to address the major, lurking threats to our societies.

In the area of democracy, great strides have been made with the Inter-American Democratic Charter, which arose, as is well known, out of the significant role played by the OAS in addressing Peru's political crisis.

Much has been accomplished in connection with the Summits of the Americas since the Miami Summit afforded the OAS limited scope for action, due to mistrust in its ability to fulfill the mandates of our leaders. Today, there is broad awareness of the role of the OAS in coordinating the institutions of the system and in sustaining a process that has become the principal source of our mandates and has obliged us to mobilize human and financial resources at a pace that has at times tested the flexibility of OAS operating procedures. As a member of the Tripartite Committee, the OAS has supported the negotiations for the Free Trade Area of the Americas (FTAA), and the Multilateral Evaluation Mechanism (MEM) is in full gear as it strives to address the drug problem in the Hemisphere.

In the economic area, it has been a difficult decade, marked by three crises in which capital flight led to low growth rates. This sorely tested our political systems and cost us some setbacks with respect to social reforms and the fight against poverty. Globalization has brought with it opportunities, but so too problems and challenges, which have had to be met in part through conventions, treaties, and new regional cooperation instruments.

The Declaration of Nuevo León agreed upon by the Heads of State and Government at the Monterrey Summit calls on the OAS to strengthen the Inter-American Council for Integral Development, the Inter-American Committee on Social Development, and the Inter-American Program to Combat Poverty and Discrimination. That Summit also emphasized poverty reduction and, by extension, urged the Organization to carefully consider the recommendations approved at the High-Level Meeting on Poverty, Equity, and Social Inclusion, held on Isla de Margarita, Venezuela. The Summits process has changed the very tenor of the political dialogue in which the Hemisphere is now engaged. The open and frank discussion among the region's leaders has fostered cooperation and provided a useful forum to address the most important issues facing the region today.

The Santiago session of the General Assembly and the Monterrey Summit also underscored the growing importance of civil society in OAS activities. Over 90 civil society organizations

participated in exhaustive unofficial dialogue with the ministers of foreign affairs and heads of delegation attending that session.

In Monterrey, 98 civil society groups gathered at the headquarters of the Ministry of Foreign Affairs to attend the forum “Civil Society in the Process of Hemispheric Integration within the Framework of the Special Summit of the Americas.” This two-day meeting was organized by our Summits Secretariat and Mexican government authorities. The suggestions and recommendations of the participants were later presented to a meeting of the Summit Implementation Review Group.

In fulfillment of the mandates of the Summits of the Americas, the General Secretariat provided technical secretariat, conference, and coordination services for the ministerial meetings. In June, the XVIII Inter-American Travel Congress was held in Guatemala City. The Congress received the new Inter-American Program for Sustainable Tourism Development and adopted the Declaration of Guatemala City and the Plan of Action for Sustainable Development in Collaboration with the Private Sector. The Third Meeting of Ministers of Education was held in August in Mexico City. The ministers formally established the Inter-American Committee on Education, which serves as the permanent forum in this area. The ministers also approved three hemispheric projects to improve teacher training, strengthen secondary education, and promote equity and quality in the region’s educational systems. In September, in Salvador de Bahía, Brazil, the XIII Inter-American Conference of Ministers of Labor (IACML) was held. The ministers adopted the Declaration and Plan of Action of Salvador, which sets priorities and defines actions to be taken in the IACML process over the next two years.

During the past year, the Organization has persevered in its efforts to strengthen and defend democracy in the region. These range from continued electoral observation tasks in member states; to assistance in enhancing democratic institutions; to conflict resolution efforts in Bolivia, Haiti, and Venezuela.

In Bolivia, the OAS worked assiduously to ensure preservation of the country’s constitutional order. In February, we sent a mission to Bolivia, at the government’s request, to investigate an outbreak of violence on the 12th and 13th of that month, in which 32 lives were tragically lost. The fact-finding mission was sent under Permanent Council resolution 838, which supported the constitutional government and democratic institutions of Bolivia. The mission presented to the government its “*Informe de la Organización de los Estados Americanos (OEA) sobre los hechos de febrero del 2003 en Bolivia*” [Report of the Organization of American States (OAS) on the events of February 2003 in Bolivia].

In October, unrest again began to sweep the country. The Organization worked swiftly and effectively to help ensure that the constitutional crisis that gripped Bolivia did not result in the complete breakdown of democratic institutional order. From the outset, the OAS insisted on a constitutional resolution of the conflict through the use of dialogue—a dialogue that the Organization offered to assist. Permanent Council resolution 852 rejected any action designed to disrupt the country’s democratic system and illustrated the resolve and determination of the member states to preserve democracy. Fortunately, the Bolivian people and the political leaders of the country recognized the need for a peaceful and democratic transition. With the resignation of President Gonzalo Sánchez de Lozada and the formation of a new government by the then-Vice President Carlos Mesa Gisbert, institutional continuity was preserved.

Since 2000, Haiti has been one of the primary topics on the agenda of the Organization. This past year was no different. In August 2003, I named Ambassador Terence Todman of the United

States as OAS Special Envoy to Promote Dialogue in Haiti. The appointment was made following the Santiago session of the General Assembly, which requested that I explore new ways to promote dialogue between the government and the opposition. Despite the arduous efforts of Ambassador Todman, Ambassador David Lee, head of our Special Mission in Haiti, and Ambassador Denneth Modeste, the Deputy Chief of Mission, the negotiations for the establishment of a provisional electoral council to ensure free and fair elections progressed slowly.

A January 2004 CARICOM meeting in Kingston, Jamaica led to the adoption of the "CARICOM Prior Action Plan." This plan was fully supported by the OAS and was seen as a means to bridge the divide between the opposition and the government of President Jean Bertrand Aristide. Unfortunately, this was not to be. As Assistant Secretary General Einaudi has noted, the eventual resolution of the crisis was not what this Organization would have wanted, and in fact I believe the OAS did everything within its power to prevent it from taking place.

The OAS worked in Venezuela to facilitate dialogue and to find a peaceful, constitutional, and electoral resolution to the political polarization pervading the country. In conjunction with the Carter Center, the OAS has striven, through its Special Mission, to keep channels of communication open between the democratically-elected government and the opposition. Significant progress has been made. The appointment in August of a new National Electoral Council (CNE) was an important step forward in the effort to guarantee that all Venezuelan citizens might freely exercise their right to vote, in accordance with Article 72 of the National Constitution. In November, at the invitation of the Venezuelan government and the recently formed CNE, the OAS observed the first phase of the signature collection process for a recall referendum. More than 50 observers traveled to 20 of the 24 states in the country to observe the signature gathering. To the great credit of both the Venezuelan people and their government, the signature collection was carried out in a general atmosphere of peace and tranquility.

The OAS also made major logistical efforts to send an observation mission to observe the verification and validation of the signatures for a presidential recall referendum. As February came to a close, the CNE had still not reached a final decision on the validity of those signatures. By that time, the OAS was at some disagreement with the Electoral Council as to how to validate the signatures. The Organization continues to strive to help the Venezuelan people find a peaceful, democratic, and constitutional solution to the country's political impasse, in accordance with Permanent Council resolution 833, "Support for the Democratic Institutional Structure in Venezuela and the Facilitation Efforts of the OAS Secretary General."

At the request of the government of President Alvaro Uribe Velez, the OAS has also agreed to observe the current peace process in Colombia in the hope that a peaceful resolution can be found to the longest running armed conflict in the Hemisphere. Over the past year, the situation has become increasingly prominent on the OAS agenda. Following a bombing at a social club in Bogotá in February 2003, the Permanent Council adopted a resolution repudiating the terrorist attacks and renewing its support for the government's efforts to combat terrorism and bring long-lasting peace to the country. In October, at the Special Conference on Security, the member states issued a declaration on the situation in Colombia that fully supported the government's policies and called for the demobilization and reincorporation of members of illegal armed groups in civilian life.

In January 2004, the OAS signed the Agreement on Monitoring the Peace Process in Colombia. The Mission will not interfere in affairs within the purview of Colombian democratic institutions. The OAS Permanent Council then established the scope of the verification, including a ceasefire

and cessation of hostilities, mobilization, disarmament, and reintegration of illegally organized armed groups. The Mission to Support the Peace Process in Colombia (MAPP/OEA) will provide verification and technical support for the process. Benefiting from the OAS' successful experiences in Nicaragua, Sergio Caramagna, who supervised the demobilization process in that country, heads our mission in Colombia.

This year, the OAS electoral observation missions again contributed to free and transparent elections in Grenada and Guatemala. The OAS also sent technical missions to assist in the elections held in Argentina and Paraguay.

As recent events in the Hemisphere have demonstrated, the threat of terrorism is widespread and the need to address it is imperative. The OAS remained committed to achieving hemispheric security with the entry into force of the Inter-American Convention against Terrorism at the Santiago session of the General Assembly and the Special Conference on Hemispheric Security, held in Mexico. The Declaration on Security in the Americas, adopted at that Conference, defines a multidimensional approach to security, and notes the importance of political, economic, social, and health factors.

If we seek to take stock of events in the Hemisphere from 1994 to 2004 and measure our achievements against the goals our founders set themselves in Bogotá, it must be said that original expectations have been surpassed. Through the hard work of the member states and the General Secretariat staff, the OAS has made major progress. Be it promoting and defending democracy or working to ensure equitable economic growth for all, the OAS is now a greatly strengthened and effective international organization. I leave the Organization confident that the OAS is now better equipped than ever to deal with any and all challenges it may face in the future.

César Gaviria
Secretary General