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## Documentation: The Act of Carabobo

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# Documentation: The Act of Carabobo\*

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The Presidents of Bolivia, Colombia, Ecuador, and Venezuela, and the Chairman of Peru's Ministerial Council, gathered in the city of Valencia, Venezuela on June 23 and 24, 2001 to meet in the Thirteenth Andean Presidential Council, underscored the importance to the five Andean countries of holding this Council during the celebration of the 180th anniversary of the Battle of Carabobo, the event that consecrated Venezuela's independence, and provided the motivating force for the great Latin American independence campaign.

In reaffirming their unswerving commitment to continue moving toward more advanced forms of integration in order to fulfill the historic vocation of their nations, the Presidents:

1. Noted with satisfaction that the Andean Community has continued to intensify its economic integration and strengthen its international presence; has broadened its Community agenda to encompass new spheres of action, like the political and social; and that the Andean business and labor sectors are becoming increasingly committed to the integration process.
2. Confirmed their steadfast political will to move Andean integration ahead on many fronts, pointing out the need to intensify actions in the political and social spheres of integration.
3. Recognized that the movement toward more advanced forms of social and political integration will be possible only to the extent that all sectors of society become integrated. They accordingly stated their decision to foster more social involvement in the deepening of the integration process.
4. Were in agreement that, despite the efforts and accomplishments in the social arena, a high level of poverty and social inequity still exist in the Andean area, which threaten the stability of the democratic systems and affect the progress of integration.
5. Drew attention to the importance of the Andean Community's Commitment to Democracy, which reflects the firm conviction and permanent will of the Andean countries to promote democratic order and the existence of the constitutional state in the Andean region. In that connection, they reiterated their full

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\* Translation taken from Latin American Economic Association (SELA).

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support for Resolution No. 1838 of the General Assembly of the Organization of American States (OAS), which provides for a Special General Assembly to be held in Lima in regard to the Inter-American Democratic Charter.

6. Reiterated their firm intention to continue strengthening democracy in the Andean countries and fostering the citizens' utmost participation in building a more just and democratic society that would ensure the exercise of civil and political, economic, social, and cultural human rights.
7. Emphasized their satisfaction at the exemplary election held by the Government of President Valentin Paniagua, which emphasized the true democratic vocation of the people of Peru. They further congratulated the President-elect, Alejandro Toledo, and wished him success in his new position.
8. Stated their intention to approve an Andean Human Rights Charter that would contribute to ensuring the exercise of human rights, strengthen democracy and the constitutional state, and firmly establish a culture of peace in the Andean nations.
9. Were in agreement that democratic governance is an inevitable priority in their countries, and accordingly, reiterated their commitment to overcome by constitutional means any temporary difficulty that could arise in the Andean region in that regard.
10. Confirmed the social commitments adopted in the Andean Presidential Councils of Guayaquil, Cartagena, and Lima and agreed to attach more priority to the development of an interdisciplinary Andean Social Agenda, that would offer an effective response to the needs of the Member Countries in their struggle against poverty, inequality, and social exclusion.
11. Were in agreement on pointing out the urgent need to address the structural causes of the illegal drug problem in the Andean sub-region. They therefore agreed to give maximum priority to implementing the Andean Social Agenda, and carrying out the measures with regard to alternative development and social aspects provided for in the Cooperation Plan for the Control of Illegal Drugs and Related offenses.
12. Were in agreement on stressing the effect of the scourge of illegal drugs and related offenses on the deterioration of the social fabric and of the environment, as well as on economic distortion, and the high cost in terms of human lives and economic resources that the Andean countries have had to bear in their determined efforts to fight it. In that connection, they underscored the approval of the Andean Cooperation Plan for the Control of Illegal Drugs and Related Offenses, which is grounded in the conviction that the production, trafficking, and consumption of illegal drugs, asset laundering, the diversion and smuggling of chemical precursor substances, and the illegal arms traffic seriously threaten the development and safety of the Andean countries. This Plan is a contribution of the Member countries of the Andean Community to the struggle against the worldwide drug problem from an integral approach, based on the principle of the shared responsibility of the international community and with full respect for their respective laws, sovereignty, and territorial integrity.
13. Confirmed that the Andean Cooperation Plan for the Control of Illegal Drugs and Related Offenses contributes to the search for solutions to a problem that is particularly threatening to the safety, economic, and social development of

their countries. They further agreed on the need to coordinate regional efforts to obtain new sources of funding and secure better terms for their exports to other markets.

14. Underscored, as well, the need to intensify efforts to eliminate the production, distribution, and consumption of synthetic or designer drugs that constitute a new threat to the youth of the Andean countries.
15. Emphasized the importance they attach to the prompt renewal and enlargement of the Andean Trade Preferences Act, as well as Venezuela's incorporation into that system. They also welcomed the "Andean Regional Initiative" promoted by the United States government, which is aimed at strengthening cooperation in the war on illegal drugs, together with support for democracy, sustainable economic and social development, and the broadening of trade, they expressed their readiness to cooperate more fully in that effort under the Andean Cooperation Plan for the Control of Illegal Drugs and Related Offenses.
16. Highlighted Bolivia's success in eradicating illegal coca leaf crops which, in order to be sustained, requires effective international cooperation under an approach of shared responsibility.
17. Reiterated their determination to make the necessary effort to put the Andean Common Market into operation no later than December 31, 2005, a priority undertaking that will make it possible to reinforce the unity of the Andean Community project, intensify the integration process, and boost the development of the countries in the sub-region.
18. Expressed their intention of moving ahead with efforts to perfect the Customs Union by designing and adopting a Common External Tariff (CET). They likewise agreed on the need to adopt the Andean Common Agricultural Policy (PACA) and a State Procurements System. They further agreed to advance the liberalization of trade in services and, if pertinent, to deepen that liberalization by harmonizing the respective provisions. These instruments, combined with compliance with the Andean body of law, will make it possible to reinforce the Community's production structure and take advantage of its areas of complementarity in order to improve the sub-region's competitive status in an environment of open regionalism.
19. Noted with satisfaction the progress made by the Andean Community Advisory Council of Treasury or Finance Ministers, Central Banks, and Economic Planning Officers in defining criteria for convergence on inflation, the public debt, and the fiscal deficit.
20. Highlighted the approval of the Decisions on the Recognition of National Identification Documents and the Creation of the Andean Passport, which are highly important steps toward consolidating the Andean space in which people can circulate freely, and building a community of Andean citizens.
21. Agreed that it is important to promote strategic sub-regional alliances so that businessmen can be actively involved in shaping the Common Market, and underscored the success of the recent Maracaibo Andean Business Forum, and the need to follow it up actively in the year 2002, welcoming Ecuador's choice as the site of the Fifth Andean Business Forum.
22. Agreed on the need to boost the execution of the Common Foreign Policy in order to give the Andean Community a stronger international presence, and

increase its international negotiating capacity. They further reaffirmed their commitment to open regionalism and, in this connection, their readiness to strengthen their economic and political links with other sub-regional, regional, and interregional groups.

23. Reaffirmed the importance they attach to the creation of a space for political cooperation and economic integration in South America, as a means for reinforcing the regional integration process and its influence in the hemisphere and on the international scene. They accordingly hailed the forthcoming establishment of the Political Dialogue and Coordination Mechanism between the Andean Community, the MERCOSUR, and Chile. They likewise committed themselves to do their utmost to establish a Free Trade Area between the Andean Community and MERCOSUR by the established date.
24. Reiterated their willingness to continue participating actively in the hemispheric negotiations aimed at the creation of the Free Trade Area of the Americas, coordinating the positions of the Member Countries, and continuing to speak with a single voice.
25. Stressed the importance of the multi-annual renewal without conditions of the Andean Generalized System of Preferences by the European Union, in recognition of the efforts made by the Andean countries to control illegal drugs, and in the context of shared responsibility. They likewise decided to step up the specialized dialogue on drugs. In another vein, they expressed their readiness to continue working to produce an Association Agreement between the Andean Community and the European Union, that will make it possible to further develop their political dialogue, strengthen their economic cooperation, and boost trade and investment flows between the two blocs.
26. Emphasized with satisfaction the work being done by the environmental authorities to define some "Guidelines for Environmental Management and Sustainable Development in the Andean Community," which should be adopted at the high-level meeting of those authorities that is scheduled to take place this coming July in Quito. They furthermore strongly supported the activities planned to celebrate the International Year of the Mountains (2002), and the Andean efforts to promote sustainable development in the mountain ecosystems.
27. Welcomed the important progress made in the area of border integration and development policy through the adoption of the Decision that spells out the general provisions for establishing, operating, and applying integrated controls in the Binational Border Service Centers, and the Decision that approves the Community framework for the creation of Border Integration Zones.
28. Expressed their satisfaction at the signing of the Protocol of Substitution of the Simón Rodríguez Convention, which established a suitable forum for tripartite participation in promoting socio-labor integration, and committed themselves to expedite the pertinent domestic steps to be taken in each country for its rapid ratification.
29. Welcomed with satisfaction, the establishment and operation of the Department of Integration of the Simón Bolívar Andean University, and emphasized the support given by the Andean Development Corporation to this project, which is aimed at reinforcing the education and training of human resources in the area of the competitiveness, creativity, and international positioning of the Andean region.

30. Expressed their pleasure at the assumption by the Simón Bolívar Andean University in Quito, of the mandate to promote education for democracy and training for the exercise of human rights through the launching of the "Initiative: Education for Democracy," with the support of the Organization of Iberoamerican Countries and the "Andean Human Rights Program," sponsored by the European Union. They further welcomed the creation of the Andean International Studies Network at the same academic center.
31. Stressed the strategic nature of tourism and the influence it exerts on the economic, social, and cultural development of the Member Countries, and expressed its willingness to advance projects and measures for developing and promoting intrasubregional, border, and incoming tourism into the subregion; facilitating tourism flows in the Andean Community; and reinforcing strategies to promote natural and cultural environmental conservation.

To these ends, the Presidents approved the following Guidelines:

## **I. Political Cooperation in the Sphere of Integration**

The Presidents decided to reinforce political cooperation in the sphere of integration that is directed toward constructing a higher level of integration that would make it possible to guarantee the well-being and security of Andean citizens. They accordingly:

1. Entrusted the Andean Council of Foreign Ministers, with the assistance of the General Secretariat, to draw up the guidelines for a Community Policy on Security and Confidence-Building, bearing in mind the objective of establishing an Andean zone of peace. Those guidelines are to be submitted to the next Andean Presidential Council, and should be based on the Declaration of Galapagos, and consider the recommendations contained in the Declarations of Santiago and San Salvador.
2. Instructed the Andean Council of Foreign Ministers, in coordination with the General Secretariat and the Court of Justice of the Andean Community, to expedite the adoption of the necessary measures for duly complying with the complementary actions to the integration process set out under numeral seven of the Action Program for 2000–2001 of the Act of Lima, paying special attention to the areas of legal and police cooperation, in order to reinforce the safety of the citizens, and create the necessary conditions for deepening the system of Andean integration.
3. Instructed the Andean Council of Foreign Ministers, within a period of no more than ninety days, to set up the Andean Executive Council provided for in the Andean Cooperation Plan for the Control of Drugs and Related offenses, and take the necessary steps for the immediate implementation of the Action Plan and establishment of the respective Operational Plans. Further directed the Andean Council of Foreign Ministers to immediately take the measures for securing international cooperation and financing, that are provided for in the Andean Cooperation Plan for the Control of Drugs and Related Offenses.
4. Entrusted the Andean Council of Foreign Ministers, through a high-level group of representatives of the Member Countries, and with the support of the General Secretariat, to draw up an Andean Human Rights Charter that should contain the principles and central themes of a Community policy on the subject,

and a cooperation program to encourage specific measures aimed at guaranteeing the observance, and respect, for such rights in the Andean region, within the framework of the Inter-American Convention on Human Rights and of the 1980 Riobamba Charter on Conduct. This Andean Charter should, among other things, help to strengthen the constitutional state, and to improve the administration of justice; promote a culture of peace through dialogue, tolerance, and conciliation, as instruments for creating social consensuses; reinforce the right to development; and bolster the institutions for the defense and promotion of human rights in the Member Countries, particularly the Offices of the Ombudsman.

## II. Andean Social Agenda

The Presidents instructed the Ministers responsible for implementing the policies on social welfare, health, labor, education, and housing, to hold the first Andean meeting of ministers in that area during the second half of 2001, in order to exchange experiences and draft a Comprehensive Social Development Plan to cope with the serious problems of poverty, social exclusion, and inequity that exist in the sub-region. That Plan should take a coordinated approach to the programs and measures to be carried out and include short, medium, and long-term goals that are in keeping with those established at the world level at the Social Development and Millennium Summits. The General Secretariat, with the collaboration of ECLAC and other specialized organizations, will prepare a compendium of the existing studies and diagnoses on social development in the Andean region to serve as a basis for drawing up the cited Plan. The General Secretariat will provide assistance for the preparation and holding of this first meeting, and will follow up the Comprehensive Social Development Plan in order to submit its results to the Andean Council of Foreign Ministers.

1. Requested the Andean Development Corporation to intensify its special financing programs through financial institutions with social purposes, in order to promote and strengthen small, medium, and big business, organized either as cooperatives or production circuits, or in any form used in the social economy, paying special attention to the Andean traditional handicrafts sectors.
2. Instructed the competent authorities to define a Regional Biodiversity Strategy that would help to produce viable alternatives for sustainable regional development based on our natural resources, and to orchestrate joint positions in the various forums for international negotiations.
3. Entrusted the Ministers of Education with submitting to the Andean Council of Foreign Ministers, before the next meeting of the Andean Presidential Council, a harmonized curriculum design for incorporating the values of integration and Andean culture into elementary and secondary educational programs, that would include access to the computer tools that are integration facilitators, and basic requisites for our countries' competitiveness. Digital illiteracy would thereby be progressively eliminated fully in the Global Information Society.
4. Agreed to foster the establishment of an Andean Forum for reflection on the sub-region's integration, economic, and social development. To that end, they entrusted the General Secretariat, with the collaboration of the CAF, to periodically organize lecture series in the member Countries with the participation of

the political, academic, and business sectors. Before starting these activities, the General Secretariat, in coordination with the CAF, will prepare a work plan to be submitted to the Andean Council of Foreign Ministers, and to the Commission, so that they can consider the issues that fall within their respective spheres of competence.

5. Instructed the General Secretariat, with the support of the CAF, to develop a Dissemination Program on the integration process that would promote the Andean identity, which should be prepared with the participation of the responsible bodies of the Member Countries. Before starting these activities, the general Secretariat will draw up a work plan to be submitted to the Andean Council of Foreign Ministers for its consideration.
6. Commissioned the General Secretariat and the Simón Bolívar Andean University, in coordination and consultation with the Ministries of Education, to move ahead with the preparation and execution of the "Bolívar Integration Professorship" project, which is intended to introduce the teaching of integration in the secondary schools of the Member Countries in order to contribute to the formation of a consciousness of Andean citizenship.
7. Recommended, most particularly, to the Andean Development Corporation that it study the possibility of collaborating in the construction of the planned International Convention Center, to be built in Sucre in commemoration of the bicentennial of the birth of the Marshall of Ayacucho, as a gesture of solidarity and support from the Andean countries for the historic capital of Bolivia that bears his name.

### III. Andean Common Market

The Presidents, aware of the importance of consolidating the progress made in the process of economic integration, and of reaching the goal of establishing the Andean Common Market by December 31, 2005, at the latest, instructed the Andean Council of Foreign Ministers and the Commission to expedite their efforts to fulfill the commitments set out in the Act of Lima, and report on their results at the next meeting of the Presidential Council. Moreover, the Presidents:

1. Instructed the Commission to draw up a work program to put the Andean Customs Union into full and effective operation by designing and adopting a Common External Tariff, taking into account the Act of Lima's Action Program for 2000–2001, that would consolidate Andean economic opening, reduce the tariff spread, and make products from the sub-region more competitive. At the same time, they entrusted the Commission to move ahead with the liberalizing of the trade in services and, if pertinent, to intensify that liberalization by harmonizing the respective provisions, as well as move toward the adoption of the Common Agricultural Policy and the State Procurement System.
2. Instructed the Andean Community Advisory Council of Treasury or Finance Ministers, Central Banks, and Economic Planning Officers to ensure the operation of a mechanism for periodically following up on the targets set by that Council for bringing down annual inflation to a single-digit figure by December 2002, obtaining annual fiscal deficits of no more than 3 percent of GDP, and, by the year 2015, having a domestic and foreign public debt stock amounting



to 50 percent of GDP at the most, in the certainty that this will contribute to Community financial discipline, and bolster national efforts to consolidate economic stability.

3. Entrusted the Andean Committee of Immigration Authorities (CAAM), with the assistance of the General Secretariat, to submit to the Andean Council of Foreign Ministers, no later than December 2001, the proposals on harmonizing migratory legislation for students, businesspeople, investors, artists, and sportsmen, as well as the proposal pertaining to the standard system on the specific technical characteristics of the Andean passport.
4. Instructed the Andean Community Commission, meeting in conjunction with the Ministers of Education to approve a Decision for harmonizing and simplifying procedures for validating professional degrees and university studies by December 31, 2001, at the latest.
5. Commissioned the Andean Committee of Tourist Authorities, with the support and coordination of the General Secretariat, to continue the work it has started, such as that on the certificate of tourist sustainability, the Andean Virtual Route, and the Andean tourist card. Furthermore, fully convinced that the development of tourism requires an efficient and viable statistical measurement system, they assigned the pertinent institutions to take the necessary steps to create the Andean Community Tourist Satellite Accounts.
6. Agreed to strengthen the Andean Statistical Information System with the assistance of the General Secretariat, giving special emphasis to harmonized and periodic information on investments, services, social development, and the informal economic sector.

#### **IV. Common Foreign Policy**

The Presidents, convinced of the need to step up the implementation of the Common Foreign Policy, instructed the Andean Council of Foreign Ministers to make arrangements for new forms of action that will make it possible to vitalize and expand that policy, mainly through the quarterly follow-up, and updating by high-level officials of the Foreign Ministries, more intensive coordination between the national coordinators, and the joint efforts of the Andean Embassies and Representative Offices abroad, particularly in the United States of America, and the European Union, and at the United Nations Organization, the Organization of American States, and international organizations with headquarters in Geneva and Vienna. Therefore, the Presidents:

1. Emphasized the forthcoming Fourth Ministerial WTO Conference, scheduled to be held in Doha (Qatar), which is an appropriate occasion for launching a new Round of Multilateral Trade Negotiations that will ensure the equitable participation of the developing countries. To that end, they entrusted the Commission with boosting the coordination of the Andean countries in that forum, so that the future negotiations will make development the guiding force in multilateral trade negotiations.
2. Instructed the Andean Council of Foreign Ministers to coordinate the necessary joint efforts to fulfill the commitments set out in the Brasilia Communiqué, and expressed their satisfaction at the forthcoming first meeting of Ministers of

Foreign Affairs of the Andean Community, the MERCOSUR, and Chile on July 17, 2001 in LaPaz, Bolivia, at which the Political Dialogue and Coordination Mechanism between the Andean Community, MERCOSUR, and Chile will be set up. The Presidents also expressed their satisfaction at the progress that is being made in executing the Plan of Action for integrating the South American Regional Infrastructure in the areas of transportation, energy, and communication, and instructed the Andean Ministers responsible for those sectors, with the support of the General Secretariat, to act in coordination to ensure that the interconnection of the Andean Subregional space with the rest of South America is optimum. The Andean Council of Foreign Ministers should oversee those efforts.

3. Commissioned the Andean Council of Foreign Ministers to promote political consultations with the United States government to obtain more cooperation from it for the region's efforts to control illegal drugs and related offenses, under the Andean Plan in this area, bearing in mind that country's "Andean Regional Initiative." It further charged the Andean Council of Foreign Ministers and the Andean Community Commission to intensify their efforts to obtain the rapid extension of the United States' Andean Trade Preferences Act, until it dovetails with the tariff reduction program being negotiated with the FTAA, Venezuela's inclusion of the Act to cover Andean exports with a high value added, and a strong impact on the creation of alternative jobs to those linked to illegal drug trafficking activities. In this connection, they reiterated their interest in having the new coverage of the Act extend to textiles and garments along the full length of the production chain, with standards of origin that will make it possible to use regional inputs. They further reiterated the need to include other products, such as leather, dairy products, canned tuna, sugar, and sugar by-products.
4. Charged the Andean Council of Foreign Ministers and the Commission with working more intensively, within their respective spheres of competence, and with the assistance of the General Secretariat, on preparing, executing, and following up a Community strategy within the context of the Summits of the Americas. They should ensure in particular that the negotiation of the FTAA results in the formulation of an agreement that will offer the necessary conditions for the equitable participation of the Andean countries, considering their varying levels of development, and the different sizes of their economies.
5. Instructed the Andean Council of Foreign Ministers and the Commission of the Andean Community to try to get the European Union to approve the multi-annual renewal and consolidation of the Andean Generalized System of Preferences, without setting conditions on it, in recognition of the drug control efforts being made by the Andean Council of Foreign Ministers. The Presidents also developed a strategy to reinforce the Andean Community's position in Europe, and boost the negotiation of an association agreement between the Andean Community and the European Union, as recommended at the Meeting of Ministers of Foreign Affairs of the two regions, held in Vilamoura. They commissioned the Chairman of the Andean Council of Foreign Ministers to take the necessary political steps for this purpose with the Member States and political and community bodies of the European Union, with the participation of the Member Countries and the support of the General Secretariat. They also

instructed the Andean Council of Foreign Ministers to make an effort with the European Union to politically reinforce and broaden the existing specialized dialogue on drug control, in application of the Andean Cooperation Plan for the Control of Drugs and Related Offenses.

6. The Presidents were pleased at the establishment of a mechanism for political dialogue and cooperation between the Andean Community and the Russian Federation, which will strengthen relations between the two parties on all fronts. The Presidents instructed the Andean Council of Foreign Ministers and the Commission of the Andean Community to move ahead with consultations on the signing of cooperation agreements.
7. Expressed their intention of expediting the start-up of the mechanism for political dialogue and cooperation between the Andean Community, and the People's Republic of China, and instructed the Andean Council of Foreign Ministers to take the necessary steps to accomplish this.

## **V. Border Integration and Development Policy**

The Presidents instructed the competent authorities to take the necessary measures for the prompt establishment of the Binational Border Service Centers, in order to simplify and facilitate the free flow of persons, goods, and vehicles in the Andean Community.

They likewise instructed the Andean Council of Foreign ministers to establish at least one Border Integration Zone on each of the common borders, before the next meeting of the Andean Presidential Council. The execution of social and economic development projects identified and evaluated by the Border Integration and Development Projects Bank, among others, should be promoted in those zones. The Andean Presidential Council received the reports of the Bodies and Institutions belonging to the Andean Integration System. The proposals they contain are appended to this Act for consideration by the Governments of the Member States.

At the conclusion of the meeting, the Presidents of Bolivia, Colombia, and Ecuador, and the Chairman of the Ministerial Council of Peru, expressed their appreciation to President Hugo Chávez Frías and the people of Venezuela for their warm welcome and hospitality during the course of the deliberations.

In testimony of which, the Presidents hereby sign this Act on the twenty-fourth of June of two thousand and one.