

LATIN AMERICAN RESERVE FUND

Established in 1991 as successor to the Andean Reserve Fund, the Latin American Reserve Fund assists in correcting payment imbalances through loans with terms of up to four years and guarantees extended to members, to co-ordinate their monetary, exchange and financial policies and to promote the liberalization of trade and payments in the Andean sub-region.

Members: Bolivia, Colombia, Costa Rica, Ecuador, Peru, Venezuela.

Official language. Spanish.

Headquarters: Edificio Banco de Occidente, Carrera 13, No. 27-47, Piso 10, Santafé de Bogotá, DC, Colombia.

Website: <http://www.flar.net>

Executive President: Roberto Guarnieri.

THE ANDEAN COMMUNITY

On 26 May 1969 an agreement was signed by Bolivia, Chile, Colombia, Ecuador and Peru establishing the Cartagena Agreement (also referred to as the Andean Pact or the Andean Group). Chile withdrew from the Group in 1976. Venezuela, which was initially actively involved, did not sign the agreement until 1973. In 1997 Peru announced its withdrawal for five years; and Panama joined.

The Andean Free Trade Area came into effect on 1 Feb. 1993 as the first step towards the creation of a common market. Bolivia, Colombia, Ecuador and Venezuela have fully liberalized the trade among them, while Peru is still implementing its liberalization process, due to end by 2005. A Common External Tariff for imports from third countries has been in effect since 1 Feb. 1995.

In March 1996 at the Group's 8th summit in Trujillo in Peru, member countries (Bolivia, Colombia, Ecuador, Peru, Venezuela) signed a reform protocol to the Agreement, according to which the Group would be superseded by the Andean Community, in order to promote greater economic, commercial and political integration between member countries under a new Andean Integration System (SAI).

The member countries and bodies of the Andean Integration System are now working to establish an Andean Common Market by Dec. 2005 at the latest and to implement a Common Foreign Policy, carry out a social agenda, execute a Community policy on border integration, and devise actions for harmonizing and reaching macroeconomic targets.

Organization. The Andean Presidential Council, composed of the presidents of the member states, is the highest-level body of the Andean Integration System (SAI). The Commission and the Andean Council of Foreign Ministers are legislative bodies. The General Secretariat is the executive body and the Andean Parliament is the deliberative body of the SAI. The Court of Justice, which began operating in 1984, resolves disputes between members and interprets legislation. The SAI has other institutions: Andean Development Corporation (CAF), Latin American Reserve Fund (FLAR), Simon Bolivar Andean University, Andean Business Advisory Council, Andean Labour Advisory Council and various Social Agreements.

Official language. Spanish.

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Secretary-General: Guillermo Fernández de Soto (Colombia).