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Follow-up to the outcome of the Millennium Summit**Macroeconomic policy questions****Globalization and interdependence****Letter dated 28 May 2003 from the Permanent Representative of Peru to the United Nations addressed to the Secretary-General**

I have the honour to write to you in my capacity as Coordinator of the Rio Group and to attach herewith the documents mentioned below, which were adopted by the heads of State and Government of the member countries of the Permanent Mechanism for Consultation and Concerted Political Action during the Seventeenth Summit of the Rio Group, held in Cusco, Peru, on 23 and 24 May 2003:

- Cusco Consensus (see annex I);
- Rio Group statement on the situation in Colombia (see annex II);
- Rio Group statement of support for the agreement between the Government of the Bolivarian Republic of Venezuela and the Coordinadora Democrática (see annex III);
- Rio Group statement on follow-up of agreements and technical support from regional bodies (see annex IV).

I should be grateful if you could arrange for these documents to be circulated as documents of the United Nations.

(Signed) **Oswaldo de Rivero**

Ambassador

Permanent Representative of Peru to the United Nations

Annex I to the letter dated 28 May 2003 from the Permanent Representative of Peru to the United Nations addressed to the Secretary-General

The Cusco Consensus

We, the Heads of State and Government of the member countries of the Permanent Mechanism for Consultation and Concerted Political Action, meeting in Cusco, on 23 and 24 May 2003, on the occasion of the seventeenth summit of the Rio Group;

Aware of the challenges raised by developments in the regional and international situation since our last summit, we reaffirm our decision to confront these challenges, in a coordinated manner, through concrete actions to improve the lives of our peoples;

We renew our conviction that shared principles and consensus embraced represent the historical treasures we have accumulated since the establishment of our mechanism, which has been progressively strengthened since the Rio Declaration of 1986;

We believe that the expansion and increase of poverty, caused by a new and prolonged period of economic stagnation, poses a fundamental threat to democratic governance, to the stability of its institutions and to social peace. This situation particularly affects the most vulnerable groups of society, and denies them the full use of their productive potential;

In this respect, we identify as the main mission of the Rio Group the strengthening of democratic governance by creating consensus to consolidate the democratic institutional order and address the vulnerabilities facing the region. Therefore, we have given special treatment to two thematic areas: (1) the role of political parties in the strengthening of democratic institutions and (2) the establishment of innovative financial mechanisms designed to secure democratic governance and help alleviate poverty;

Likewise, we deem it essential to strengthen the Rio Group's initiative to support the multilateral system for peace, security and development based on strict compliance with international law and firm adherence to the purposes and principles of the Charter of the United Nations;

We therefore adopt this Consensus, which represents a strategic agenda for the activities of the Rio Group based on reflections concerning the situation of Latin America and the Caribbean from our own perspective. This approach will intensify the process of consultation and concerted action launched by the Rio Group on problems facing the region and on how to strengthen our participation within the international system.

Strategic agenda for Rio Group action

Overcoming poverty and social exclusion

1. We give high priority to overcoming poverty, especially extreme poverty, through a series of initiatives agreed on in the Millennium Summit Declaration, in

Agenda 21 and at the Monterrey and Johannesburg summits, which will help to improve the lives of the poorest segments of the populations, so that they can be fully integrated into society and given the opportunity to use their full productive potential to support the development effort.

2. We recognize that any effort to effectively reduce poverty and combat malnutrition and hunger, which are its most dramatic manifestation, must begin with children. In this respect, we express our commitment to fulfilling the goals of UNICEF's Declaration: A world fit for children.

3. We reaffirm our commitment to attain the full integration of women in all areas of national endeavour on an equal footing with men, to protect their human rights, combat discrimination and eradicate all forms of violence against them, through the inclusion of gender issues in our development policies. Likewise, we will enhance programmes and projects specifically targeting women from the most disadvantaged groups of society.

4. Aware that a variety of conditions influence the progressive increase in the migration of our citizens, we reaffirm the importance of adopting an integral, objective and long-term approach to migration. In this connection, we highlight the importance of strengthening cooperation between countries of origin, transit countries and target countries to ensure the full protection of the human and labour rights of migrants and their families, of promoting orderly migration programs as a factor of economic and social development and of combating the illegal traffic in persons, especially women and children.

5. We believe that these objectives should be achieved through a series of actions that include, at the domestic level, sustainable macro- and microeconomic policies and sound public resources management and, at the international level, a greater opening of international markets so that parallel actions in these two areas generate growth, increase employment, lead to a better distribution of income, reduce external vulnerabilities and generate a permanent stimulus for productive investments. It is equally necessary to ensure the adoption of social policies designed to overcome poverty and social exclusion and of measures aimed at the promotion of educational and scientific-technological strategies that assert elements of competitiveness, secure access by those who have less resources available and enable us gradually to enter the Information Society.

6. We encourage the strengthening of civil society institutions and organizations, which, in order to promote democratic institutionalization, need to ensure that their activities are conducted on the basis of financial transparency and accountability.

Guidelines

(i) To advance in the fight against poverty, hunger and social exclusion through the formation of a Technical Work Group in order to analyse, within a six-month period, the document, "Matrix of Best Practices for Strengthening Families and Combating Poverty", prepared by Costa Rica. That exchange of experience, which should include an evaluation of results, will be used to define common high-priority areas and actions, as well as elements for the Rio Group's Social Agenda.

(ii) As a follow-up to the Bávaro Declaration, to stimulate, through the Pro Tempore Secretariat, the flow of information exchange and consultations

between regional countries participating in the preparatory process for the World Summit on Information Society being held in Geneva, in order to explore possibilities for joint action aiming to strengthen the region's contribution to this area. To help us strengthen our presence within this ongoing process, the President of Peru, as head of the Rio Group, will detail the common points of view of the Rio Group during the Summit to be held in Geneva in December 2003.

(iii) To request the Organization of American States (OAS) and the Inter-American Development Bank (IDB) to carry out a study on sound management and transparency as criteria for the establishment of an international registration system for civil society organizations, to facilitate their access to cooperation resources when engaging in complementary work in support of democratic governance as agents for development.

Peace and security in the emerging international scenario

7. Recognizing the role that the Rio Group, since its establishment, has played in encouraging and promoting peace in the region, we believe that the uncertain international situation makes it indispensable for the Rio Group to use its negotiating capacity for coordination in order to work towards the strengthening of a multilateral system based on international law and the provisions of the Charter of the United Nations to secure the peaceful resolution of disputes.

8. We believe, therefore, that it is essential for the international system to have mechanisms to improve transparency and ensure greater participation in the decision-making process of its organizations, in particular the Security Council in order to make it more democratic. In this context, there is a need to reactivate initiatives aimed at reforming and updating the United Nations system, especially in collective security matters. There is a need to reaffirm the Security Council's role and legal standing as a body whose main responsibility is to maintain international peace and security. To that end, it must be restructured in such a manner as to ensure better balance and representation.

9. Within the hemispheric context, we agree that the Political Declaration to be adopted during the next Organization of American States Special Conference on Security to be held in Mexico in October 2003 should include explicit recognition of the multidimensional approach to security, which is deeply rooted in the diversity that characterizes the countries of the region, and should lead to a flexible security structure, that is based on cooperation and provides for a common and renewed approach to this issue. All concerns and threats to security should be given equal treatment in the Political Declaration, according to the degree of importance that each of our States attaches to these issues. In this framework, we reaffirm the need to continue improving cooperation and confidence-building measures in the area of defence, among others, which help strengthen regional security and increase transparency in bilateral, subregional and regional relations.

10. We believe that new threats to security, such as all forms and manifestations of terrorism, the world problem of drugs and related crimes, organized transnational crime, illicit arms trafficking, common crimes that affect urban safety, threats to international public health, in particular HIV/AIDS and SARS, natural disasters, the use of our waters to ship toxic waste and radioactive material, and especially their effects in Latin America, must be comprehensively addressed by competent

authorities through effective, coordinated and mutually supportive international cooperation based on respect for State sovereignty and international law.

In this connection, we reiterate our most emphatic condemnation of terrorism, which is a threat to peace and security, to the enforcement of the rights of all individuals and to democratic stability. Likewise, we emphasize the need to continue action to combat the world problem of drugs and related crimes, particularly those involving terrorist activities. We also stress that action to combat terrorism should be carried out with full respect for international law and human rights.

Guidelines

- (i) To request our permanent representatives to the United Nations to examine ways to strengthen the multilateral system of the United Nations and to endeavour to coordinate positions within the General Assembly Open-ended Working Group on Security Council Reform.
- (ii) To demand that the evolution of this process be studied during the next United Nations General Assembly.
- (iii) To ensure the active participation of the Rio Group countries in the preparatory works carried out by the OAS, to develop common and renewed approaches to the various aspects of security in the hemisphere, leading to the next Special Conference on Security to be held in Mexico in October.
- (iv) To strengthen, pursuant to United Nations Security Council resolution 1373, cooperation between our authorities in combating terrorism and its relation to illicit drugs, money-laundering and illicit arms trafficking, and to increase information flow with a view to preventing terrorist acts and punishing their financing.

Democratic governance: defence and consolidation of democracy

(a) Strengthening of democracy and the rule of law

11. We reaffirm the Rio Group's commitment since its establishment to consolidate and strengthen democracy, exercise its values, defend its institutions and respect and promote human rights. We note with satisfaction that our countries are currently experiencing the most extensive and thorough-going process of democratization in their history. Never before did the region have so many democratically elected regimes or so many successive democratic transitional Governments.

12. We bear in mind that democracy and economic and social development are interdependent and mutually reinforced. To consolidate democratic institutionalism, our countries need to include the poorer segments of the population in the benefits of economic management, while strengthening social cohesion and governance. Therefore, it is a high priority and responsibility of our Governments to tend to these needs and provide a solution to problems of social exclusion. However, the efforts of our Governments require the support of the international system, by means of measures such as the opening of markets to products from the region and an increasing flow of investments to the region.

13. We realize that only democratic Governments that have succeeded in achieving a high level of governance can tend to the legitimate social needs of our people. At the same time, the strengthening of the rule of law, access to an effective and impartial system of justice, the enforcement of human rights and the establishment of national consensus will secure a greater degree of effectiveness in democratic governance. Within this framework, we renew our firm commitment to the validity and full application of the Inter-American Democratic Charter as an instrument to promote development and strengthen representative democracy and citizen participation.

(b) Democracy and political parties

14. The process of consolidating democracy in the region requires us to continue to establish more efficient political systems. In this connection, we intend to proceed in our continuing effort to reform the State with a view to improving the quality and transparency of public administration, strengthen the legitimacy of its institutions and guarantee respect for human rights. State reform should also foster citizen participation, promote education for citizenship and democracy, combat corruption and impunity and lead to the reform and strengthening of the branches of government, in particular the judiciary, all of which should be enshrined within a concept of interculturality.

15. The party system and political parties, as well as movements and groups, play a central role in democracy. Consequently, it is necessary to strengthen them starting from the premise that there is no democracy without parties or parties without democracy, with the understanding that social and popular organizations are an essential factor for democratic participation in the framework of the Constitution of each of our countries. On this basis, we commit ourselves to put forth our greatest efforts, and when possible in a concerted manner, in order to:

(a) Develop forums for dialogue between political parties, movements and groups, as well as between them and organized civil society.

(b) Develop democracy's participatory approach, within the framework of the respective constitutional requirements, as a core element of pluralism. The participatory approach of democracy also helps to enhance its representativeness.

(c) Promote legislation governing political parties and elections which is designed to secure the commitment of political parties, movements and groups to democratic institutionality, while at the same time encouraging electoral participation.

(d) Ensure the autonomy of political parties, movements and groups from the economic powers by means of norms that promote free and fair electoral contests, especially equal access to the communications media.

(e) Encourage financial transparency of political parties and movements as a fundamental aspect of public ethics and action to combat corruption.

(f) Promote inclusive political systems by encouraging, through the competent national bodies, public financing of political parties, movements and groups and electoral campaigns, as well as limitations to electoral expenditure.

(g) Promote internal democracy in political parties, movements and groups, especially when nominating leaders and presenting candidates for election.

(h) Promote equal opportunities for men and women and the elimination of all forms of discrimination, and develop young people's interest in politics, understood as a free and necessary choice of the individual to take part in public affairs.

(i) Support political training programmes and the preparation of leaders, particularly for women, youth, ethnic groups and marginalized populations, in terms of strengthening education for citizenship and democracy at all levels of society and, especially, in school.

(j) Highlight the importance of strengthening democracy by exercising freedom of information, promoting ethical journalism and social responsibility, while simultaneously reinforcing the right to information and the right of reply for all political parties, movements and groups.

(c) Innovating a financial mechanism for strengthening democratic governance

16. We confirm the need to establish innovative financial mechanisms designed to strengthen democratic governance and confront poverty by raising new resources for productive investment and creating decent jobs, in order to provide answers to our peoples' legitimate social demands.

17. We consider that such mechanisms should be oriented to increasing resources, enhancing the use of available resources and diversifying financial policy options in order to improve the people's standard of living, through measures such as the creation of a regional trust fund to encourage private investment projects for the development of public infrastructure works, the creation of regional investment authorities that provide financing for infrastructure that generate social impact and the establishment of an international humanitarian fund.

18. We deem it indispensable that the various proposals for innovative financial mechanisms submitted by member countries and international organizations be analysed and processed at the appropriate technical levels as soon as possible.

Guidelines

(i) To invite the Latin American Parliament and subregional parliaments to develop and establish permanent cooperation bodies involving political parties and organizations of the member countries of the Rio Group, in collaboration with organizations committed to the development of democratic institutionalization and the strengthening of political parties.

(ii) To suggest that the above-mentioned parliamentary forums study the convening of a meeting of representatives of political parties, movements or groups and civil society organizations in the countries of the Rio Group, in order to identify formulas to encourage its strengthening and contribute to the democratic institutionalization of our region.

(iii) To request the Latin American Parliament to inform the next Rio Group Summit of the outcome of these efforts.

(iv) To instruct the Ministers of Finance to summon a group of high-level government experts to analyse, with the assistance of the relevant international and regional organizations, existing and new proposals in order to determine, within a period of 3 months, the feasibility of each proposal and the actions to

be taken, and notify the Ministers of Finance in order that they may decide whether or not to negotiate said proposals within the appropriate international setting.

Development variable reappraisal and promotion of a free and fair international trade system

19. We note with concern the increase of external vulnerability in many of our countries generated by the uncertainty of financial flows and its impact on the level of investments and economic growth, aggravated by the growing debt-service burden on our economies. This has increased the inequality in the distribution of resources and in the capacity to create technology, thus deepening the social exclusion of a significant segment of the population of the countries of the region. We also see a disturbing increase in trade protectionism, particularly by industrialized nations, and a decrease in international cooperation in a context of world economic sluggishness and marginalization of middle-income countries.

20. In this complex situation, we affirm that the region should ensure that issues such as action to combat poverty, sustainable development and security are addressed in an integral and balanced manner.

21. In order to confront our vulnerabilities, we commit ourselves to arriving at harmonized positions within international trade and financial forums. We must identify areas of convergence in ongoing trade negotiations in order to ensure effective market access, develop policies to increase our products' added value and mutually reinforce subregional, hemispheric and world channels, taking into account the special needs of the small and vulnerable economies and those of the landlocked developing countries.

22. We reaffirm our commitment to the integral fulfilment of the Doha Development Agenda, adopted during the fourth Ministerial Conference of the World Trade Organization and underline the importance of the results of the round of ongoing trade negotiations including the removal of protectionist practices, which slow down growth and development, by clarifying and improving the rules of the multilateral trade system and the clear and concrete application of special and differentiated treatment to developing countries, particularly the less developed countries. In this connection, we emphasize that the liberalization of trade in agricultural products together with the elimination of subsidies and domestic supports for the production and exportation of those products are an essential element for development and a necessary condition for obtaining results in other areas of negotiation. Likewise, we call for greater integration of small and vulnerable economies into the multilateral trade system and for all WTO members fully to implement, as soon as possible, the Doha Ministerial Declaration regarding the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS) and Public Health. Likewise, we call for concrete progress on implementation-related issues and concerns.

23. We reiterate the commitment to attain balanced and equal results in the ongoing negotiations process regarding the establishment of a Free Trade Area of the Americas (FTAA), bearing in mind the interests of the Rio Group countries.

24. We hope that international cooperation, as a complement to national efforts to achieve sustainable development, will be oriented towards creating institutional

capacities, infrastructure and production chains and training of human resources so as to turn economic growth into a social process that fosters inclusion of the poorest and most vulnerable segments of the population. International cooperation should take into account the diversity of country situations and include local social indicators in the definition of international cooperation programmes.

25. We also hope that international financial mechanisms will continue to explore flexible and agile economic and financial systems that will make it possible to increase and make available, in a timely manner, the necessary resources to boost the economic and social development of our countries, in particular the initiative for the Heavily-Indebted Poor Countries (HIPC).

26. We agree that the process of accelerating Latin America's integration should include effective geographical integration of the region through the creation of the necessary physical infrastructure and the harmonization of the various subregional integration processes, leading to more dynamic intraregional trade that helps improve the current levels of development of the countries of the region and enables it better to confront the challenges posed by globalization.

Guidelines

- (i) To create a high-level think tank responsible for proposing, after examining the current globalization process, initiatives that bridge the gap between the approaches of the Davos and Porto Alegre forums, emphasizing sustainable development, action to combat poverty, overcoming poverty and reducing social exclusion. These proposals will be included in a report to be submitted within ten months for the consideration of the National Coordinators and of the Heads of State and Government at the next Rio Group Summit.

Cultural identity and external relations

27. We express our conviction that the region should permanently secure its rich ancestral heritage, which is the foundation of its shared identity based on ethnic and cultural diversity, better to define policies for international insertion based on our own interests. The definition of such policies must allow us to extend our influence in the international scene in order to create an international order that is based not only on political, economic and commercial values but also on the cultural integrity of the peoples we represent.

28. We emphasize the importance of the preservation and revitalization of the rich intangible heritage of our peoples in reaffirming their respective cultural identities and in the development of the region. To that end, we commit ourselves to encouraging the culmination of a negotiation process that leads to the adoption of a UNESCO convention for the safeguarding of the intangible cultural heritage.

29. For more than a decade the Rio Group has launched an ambitious dialogue with the European Union. We grant special significance to this dialogue, which has allowed us to continue to expand political, economic, commercial, cultural and cooperation ties. These ties have become a reality at the regional, subregional and bilateral levels. At the political level, a broad agenda for dialogue has been identified and will be developed among our regions within the various forums and mechanisms. Concerning economic, commercial and cooperation issues, important partnership treaties that include free trade agreements have been agreed upon and

will continue to be encouraged. We also believe that we should strengthen our cultural ties, which mutually enrich the links between the Latin American and European Union countries.

30. We likewise value the meetings that the Rio Group regularly holds with other countries and groups of countries, which have helped strengthen dialogue and achieve convergence of views regarding key issues of the international agenda.

31. We emphasize the need for the Rio Group to become the consensus voice of its members concerning important issues of the agenda of the United Nations, strengthening the role of our mechanism as the main regional speaker.

Guidelines

(i) To work together in order to attain the objectives of the third Latin America-European Union Summit to be held in Mexico in 2004, which will seek to strengthen biregional political dialogue, deepen knowledge between Latin America and the Caribbean and the European Union, attain concrete results in areas of cooperation between the two regions, facilitate the negotiation and conclusion of agreements in progress between the European Union and the various subregions of Latin America and the Caribbean, including agreements with MERCOSUR, the Andean Community and Central America, and increase possibilities of trade and investment between the two regions.

(ii) To ensure that the priority we grant to the issues of this Strategic Agenda is properly reflected in the dialogue that the Rio Group regularly holds with other countries and groups of countries.

(iii) To entrust the Ministers of Foreign Affairs of the troika with exploring the possibility of establishing new dialogue mechanisms with other countries and groups of countries in order to enhance the Rio Group's presence on the world scene.

We, the Heads of State and Government of the member countries of the Permanent Mechanism for Consultation and Concerted Political Action, express our gratitude to the President of Peru, Mr. Alejandro Toledo, and the Peruvian people, especially the people of Cusco for the warm hospitality we have received, as well as for the excellent organization that has led to the successful conclusion of this Summit. Therefore, we agree this document should be known as The Cusco Consensus and signed in the Inca fortress of Sacsayhuaman. We would also like to thank the Government of the Federative Republic of Brazil, for reiterating their invitation to hold the XVIII Rio Group Summit in that country in 2004.

(Signatures)

For the Republic of Peru

For the Republic of Costa Rica

For the Federative Republic of Brazil

For the Republic of Argentina

For the Republic of Bolivia

For the Republic of Colombia

For the Republic of Chile

For the Republic of Ecuador

For the Republic of El Salvador

For the Republic of Guatemala

For the Cooperative Republic of Guyana representing CARICOM

For the Republic of Honduras

For the United States of Mexico

For the Republic of Nicaragua

For the Republic of Panama

For the Republic of Paraguay

For the Dominican Republic

For the Eastern Republic of Uruguay

For the Bolivarian Republic of Venezuela

The President of the Bolivarian Republic of Venezuela has signed the present document with a “strict reservation”.

Annex II to the letter dated 28 May 2003 from the Permanent Representative of Peru to the United Nations addressed to the Secretary-General

Rio Group statement on the situation in Colombia

The member countries of the Rio Group, meeting in Cusco on 23 and 24 May 2003 on the occasion of the Rio Group's Seventeenth Summit, having considered with deep concern the internal conflict affecting our sister country, the Republic of Colombia,

Decide:

To urge the Secretary-General of the United Nations, His Excellency Mr. Kofi Annan, to use his good offices firmly to promote a peace process in Colombia by urging the guerrilla movements in the country to sign a ceasefire agreement and enter into an open and transparent dialogue which, by means of a schedule with deadlines, discussed and agreed on by all the parties, will make it possible to reach a peaceful and permanent solution to the Colombian conflict, which is increasingly affecting the countries of the region.

If this process does not have the desired success, the Rio Group, together with the Secretary-General of the United Nations and in coordination with the Government of Colombia, will hold further consultations to seek other possible solutions.

Cusco, 24 May 2003

Annex III to the letter dated 28 May 2003 from the Permanent Representative of Peru to the United Nations addressed to the Secretary-General

Rio Group statement of support for the agreement between the Bolivarian Republic of Venezuela and the Coordinadora Democrática

The member countries of the Rio Group, meeting in Cusco on 23 and 24 May 2003 on the occasion of the Rio Group's Seventeenth Summit, having been informed of the agreement reached between the Bolivarian Republic of Venezuela, headed by His Excellency Mr. Hugo Chávez, and the Coordinadora Democrática, welcome the successful conclusion of the negotiations aimed at seeking a constitutional, peaceful and democratic solution to the situation in Venezuela, on the basis of elections, and we are certain that its implementation will strengthen the democratic process in this sister country.

We also welcome the excellent facilitation work carried out by the Secretary-General of the Organization of American States, His Excellency Mr. César Gaviria, and of the Carter Center, the United Nations and the Group of Friends, who for many months lent their aid as facilitators of the process.

We reiterate our firm conviction that it is only through democracy and respect for the law that our peoples will achieve social justice and the peaceful coexistence we all seek for our nations.

Cusco, 24 May 2003

Annex IV to the letter dated 28 May 2003 from the Permanent Representative of Peru to the United Nations addressed to the Secretary-General

Rio Group statement on follow-up of agreements and technical support from regional bodies

The member countries of the Rio Group, meeting in Cusco on 23 and 24 May 2003 on the occasion of the Rio Group's Seventeenth Summit, agree to request the Secretary-General of the Economic Commission for Latin America and the Caribbean (ECLAC), the Permanent Secretariat of the Latin American Economic System (LAES) and the Secretary-General of the Latin American Integration System, at the request of the pro tempore Secretariat and in coordination with the relevant subregional organizations and forums, to contribute to the follow-up of decisions, agreements and guidelines adopted by the Group.

Cusco, 24 May 2003
