

**TALKING POINTS**  
**Report of the Secretary General to the Permanent Council**  
**on the Fund for Peace**  
**February 25, 2009, 10:00 a.m., Simón Bolívar Room**

In June 2000, after recognizing the need for the OAS to continue strengthening its role in the peaceful settlement of disputes, the foreign ministers of the Americas, gathered in the General Assembly in Windsor, Canada, in June 2000, adopted resolution AG/RES. 1756 (XXX-O/00) and formally established the *Fund for Peace: Peaceful Settlement of Territorial Disputes.*”

Moreover, Permanent Council resolution CP/RES. 781 (1257/00), of December 1, 2000, established a series of guidelines for managing the Fund for Peace.

This report was prepared pursuant to those guidelines, which among other things, instruct the General Secretariat to provide annual reports to the Permanent Council on the activities and financial condition of the Fund for Peace.

As a result of organizational changes in the General Secretariat, no annual reports have been presented on the Fund for Peace since 2005.

Nevertheless, the Fund continued to operate and a series of activities were carried out under the Belize and Guatemala Subfund, mainly in respect of the work of the Office of the OAS General Secretariat in the Adjacency Zone between Belize and Guatemala.

In the period covered by this report, there was also a bilateral border development project in the Fund for Peace framework between Honduras and Nicaragua, designed to solve problems arising from the diversion of the Rio Negro river caused by Hurricane Mitch in 1998.

This report outlines the activities of the General Secretariat in support of peaceful resolution of the aforementioned disputes. It also includes a summary of the contributions made by member states and permanent observers to the Fund for Peace between January 1, 2005, and December 31, 2008.

It should be noted that detailed information on activities carried out and contributions received before January 1, 2005, may be found in earlier reports.

#### HONDURAS-NICARAGUA

In January 2005, the Governments of Nicaragua and Honduras jointly requested technical and financial support from the OAS General Secretariat, through the Honduras-Nicaragua Subfund of the Fund for Peace, for the bilateral border project to solve problems stemming from the diversion of the Río Negro caused by Hurricane Mitch toward the end of 1998.

The assistance the OAS was asked to provide helped foster and enhance relations between the two countries sharing the Río Negro river. In addition, this project, entitled “Diagnostic Assessment for a Plan to Protect and Develop the Río Negro Basin between Honduras and Nicaragua,” directly benefited the populations on the border, improved their standard of living, and helped reduce vulnerability and restore environmental stability through Integrated Water Resource Management.

#### GUATEMALA-BELICE

Likewise, the Governments of Belize and Guatemala resumed dialogue regarding their longstanding territorial differendum in March 2000, under the auspices of the OAS General Secretariat. On that occasion, the parties established a process designed to achieve a fair, equitable, and definitive solution to the territorial differendum.

After a reconciliation process, on February 7, 2003, the foreign ministers of Belize and Guatemala, along with the Secretary General and Assistant Secretary General of the OAS, signed an agreement to establish a Transition Process and a series of confidence-building measures between the two countries.

The Agreement of February 7, 2003, established a new framework, called “The Transition Process,” in which the parties agreed to continue to work constructively and in good faith to manage their relationship until they reached a permanent resolution of their territorial differendum. Central to the Agreement was the creation of an Office of the General Secretariat in the Adjacency Zone, which was established on July 1, 2003.

On September 7, 2005, a second agreement entitled “Agreement on a Framework for Negotiations and Confidence-Building Measures between

Belize and Guatemala” was signed. As a result, the Office of the OAS General Secretariat in the Adjacency Zone (OAS/AZ) received a broader mandate.

Following the signing of the Framework Agreement, I recommended that the most appropriate venue for resolving the differendum would be the International Criminal Court. Both countries acquiesced and on December 8, 2008, Foreign Ministers Wilfred Erlington of Belize and Haroldo Rodas of Guatemala signed, at OAS headquarters, the *Special Agreement between Guatemala and Belize to submit the territorial, insular, and maritime claim of Guatemala to the International Court of Justice*.

During the period covered by this report, a series of meetings were held with the countries of the “Group of Friends of Belize and Guatemala.” In fact, this morning I met with the Group of Friends of Belize and Guatemala and presented a report on progress made in the legal process and on the activities carried out by the General Secretariat through the Office in the Adjacency Zone.

The Office of the OAS General Secretariat in the Adjacency Zone has been functioning uninterruptedly since 2003. Its principal activities include verifications and the preparation of reports on any incident occurring in the Adjacency Zone. That activity is not just the most important ongoing task performed by the Office; it is also the means by which it establishes a constant presence in the communities throughout the Adjacency Zone.

Likewise, interinstitutional coordination with the police forces and with the Belize Defense Force and the Guatemalan Army is ongoing and of vital importance. There are quarterly tripartite meetings to coordinate operations, and frequent spontaneous meetings on the premises of the OAS Office in the Adjacency Zone. Likewise, support is made available in the form of equipment. For example, global positioning system (GPS) devices were acquired and given to both parties, with training provided in their correct use, in order to avoid errors in demarcation of the Adjacency Zone, which now separates Belize and Guatemala in the disputed territory.

The OAS Office in the Adjacency Zone also supports interinstitutional coordination of the municipal governments in each country’s Adjacency Zone, in order to boost interaction and coordination among them. It also identifies areas suitable for possible local development projects and holds cultural and integration meetings for the two countries’ educational communities in the Adjacency Zone.

Another aspect of the work of the OAS mission in the Adjacency Zone is promotion of the values associated with a culture of peace and strengthening of activities on behalf of children and adolescents. With that in mind, since 2005, the Office has been organizing “Cultural Activity Days,” which involve schools in the Adjacency Zone in the promotion of culture in all its forms.

Monitoring and attending to population groups settled irregularly in a part of the Adjacency Zone not corresponding to their nationality was one of the more difficult tasks faced by the Office. Two Guatemalan communities living in the zone administered by Belize were successfully resettled in Guatemala, with the help of the OAS Office: the Community of Nueva Judá, which moved to Melchor de Mencos, and the Community of Santa Rosa, which resettled in Finca La Esmeralda, located in Poptún, in the Department of El Petén. You will recall that in April 2008 I provided the Permanent Council with a detailed report on completion of the “Santa Rosa Community Resettlement Project.”

#### *Financial Condition of the Fund*

The text of the report, which has been distributed to the meeting, provides detailed information on the activities of the Fund for Peace, and on the use of the Fund’s resources. In addition, the financial reports attached to the document show the contributions received in the last four years, a complete list of donors, expenditures by object of expenditure, and available balances. I will therefore not expand on this subject area.

However, I consider it important to underscore the need to strengthen the Fund and would like to take this opportunity to appeal to all member states and permanent observers to give serious thought to making voluntary contributions to this important mechanism.

Why? Because cases like the one in Guatemala and Belize continue to show us that the Fund for Peace is much more than a simple tool for financing. It offers us an array of choices of mechanisms for conflict resolution envisaged in the OAS Charter, including: direct negotiation, good offices, mediation, investigation and conciliation, judicial settlement, and arbitration, among others. The Fund for Peace also makes available OAS technical expertise in conflict resolution, including experience in diplomacy and international law.

Thank you very much.