

Andean Community

The Andean Community (*La Comunidad Andina* – CAN) is a four-member regional grouping of Bolivia, Colombia, Ecuador and Peru, formed in 1969. It seeks to achieve a comprehensive and balanced development for its member countries through regional integration. Argentina, Brazil, Chile, Paraguay and Uruguay are Associate members while Spain and Morocco are Observers. The Headquarter of CAN is located in Lima. Peru holds the Pro-Tempore Presidency of CAN for the period 2022-23.

The regional integration in the Andean countries began with the signing of the Cartagena Agreement (by Bolivia, Chile, Colombia, Ecuador and Peru) in 1969 creating the Andean Pact with the objective of creating a Customs Union and a Common Market. Venezuela joined the Pact in 1973 but withdrew in 2006 after Colombia and Peru signed Free Trade Agreements with USA. Chile withdrew in 1976 claiming economic incompatibilities. In 1979, the Andean Council of Foreign Ministers, the Andean Court of Justice, and the Andean Parliament were created. In 1985, the Andean Parliament agreed to establish the Simon Bolivar Andean University in Sucre, Bolivia. In 1990, the Andean Presidential Council was created.

In 1996, the Protocol of Trujillo renamed the Andean Pact as the Andean Community. It also converted the Board of the Cartagena Agreement into a General Secretariat based in Lima, with not only technical but also political functions giving a new political direction to the integration process. In 2001, the Andean Passport was created, enabling citizens of member-states to travel between the countries without visa. In 2005, the integration of Latin America and Caribbean region gained priority in the agenda of Andean Community. In 2006, the Andean Free Trade Area became fully operational.

The Andean Community aims to (i) promote balanced and harmonious development of the Member Countries under equitable conditions through socio-economic cooperation and integration; (ii) enhance growth and productive employment; (iii) facilitate participation in regional integration process towards a Latin American common market, (iv) reduce external vulnerabilities and improve the position of Member-Countries in international economic context, (v) strengthen sub-regional solidarity and reduce differences in development and (vi) improve standard of living. In this context, CAN deals with a range of issues, including trade in goods, trade in services, customs union, mobility of individuals, common market, common foreign policy, border development, social agenda, sustainable development and economic policies. At a meeting in November 2021, the Andean Parliament discussed various actions to deepen integration among members and strengthen regional development by attaching priority to economic recovery. The Andean Community has been highlighting food security, equitable access to health care, sustainable development, illegal fishing, standardization of university degrees etc., during its deliberations in 2022.

Besides the Andean Council of Presidents and the Council of Foreign Ministers, CAN has the following institutions:

(i) General Secretariat: This is the executive body, with a full-time Secretary General, selected by the Foreign and Trade Ministers of the Andean Community. The Secretariat is located in

Lima. Dr. Jorge Hernando Pedraza, a Colombian national, took over as Secretary General of CAN in January 2019.

(ii) Andean Parliament: It is the policy advisory body and is situated in Bogota, Colombia. It consists of 5 Members of Parliament from each member country, directly elected for a period of 5 years. It is the democratic body of the Andean Community, the only member of the Andean Integration System whose representatives are elected by popular vote. Its missions are to harmonize the laws of the region; guarantee citizen participation; strengthen Andean and Latin American integration; regionalize good government practices and state policies; thus strengthen the Andean identity and culture.

(iii) Andean Court of Justice: The Court of Justice of the Andean Community (Tribunal de Justicia de la Comunidad Andina (TJCA) settles disputes between Andean Community Member States that arise under Community law. The TJCA is headquartered in Quito, Ecuador and serves the Community's four Member States: Bolivia, Colombia, Ecuador and Peru.

(iv) Latin American Development Bank (CAF): Although CAF is much larger and has 18 Latin American and Caribbean nations as shareholder countries, it is the leading source of external financing for members, contributing more than 40% of their requirements.

(v) Latin American Reserve Fund (FLAR): The Andean Reserve Fund was created in 1978 as a Regional Financial Agreement (AFR), in response to the need of Bolivia, Colombia, Ecuador, Peru and Venezuela to have their own financial institution, which would allow them to face the problems arising imbalances in the external sector of their economies and facilitate the process of regional integration. In 1989, starting from the firm foundations of a fully functioning organization, the FAR was transformed into the Latin American Reserve Fund (FLAR) at the initiative of the Andean countries to extend the FAR to all of Latin America. Costa Rica, Uruguay, Paraguay, and Chile joined FLAR as members in 2001, 2008, 2015, and 2022, respectively.

(vi) Simón Bolívar Andean University: With its main campus in Sucre (Bolivia), it has branches in Quito, La Paz, Caracas and Cali.

The Andean Community has a total population of 114 million (2022) with a combined GDP of US\$ \$685,567 million (2022). Although formed in 1969, CAN became operational in the nineties with the establishment of a Free Trade Area in 1993 and Customs Union in February 1995. Since January 1, 2005, the citizens of the member countries can enter the other Andean Community member states without the requirement of visa. Passengers only need to present their national ID cards. The Andean passport was created in June 2001. Passports of all 4 member countries are issued based on a standard model which contains harmonized features of nomenclature and security.

The Andean Community and Mercosur (Argentina, Brazil, Uruguay, Paraguay) comprise the two main trading blocs of South America. In April 1998, they signed a Framework Agreement for the creation of a Free Trade Area between each other and launched negotiations. The first stage of signing by CAN of economic complementarity or tariff preferences agreements

with individual Mercosur members were concluded, followed by each CAN member signing a free trade agreement with Mercosur.

INDIA-CAN

In June 2003, India and CAN established a Political Dialogue and Cooperation Mechanism for the purpose of strengthening and diversifying their friendship, understanding and cooperation and developing mutual trade and investment relations and cultural and scientific exchanges. During an official visit to Peru in January 2010, the then MOS Dr. Shashi Tharoor met CAN Secretary General Freddy Ehlers, the then Chair Pro Tempore (Peru) of CAN and the Andean Ambassadors accredited to Lima. The CAN Secretary General wished to cooperate in the fields of environment, energy and food security, rural development and science and technology.

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