



The Bolivarian Alliance for the Peoples of Our America – Peoples' Trade Agreement (ALBA-TCP)

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Intra-Regional Relations

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F O R E W O R D

This study on the Bolivarian Alliance for the Peoples of Our America – Peoples' Trade Agreement (ALBA-TCP) was prepared in compliance with Activity I.1.1. of the Work Programme of the Permanent Secretariat for 2015, called "Follow-up report on integration agreements in Latin America and the Caribbean: Andean Community (CAN), Caribbean Community (CARICOM), Common Market of the South (MERCOSUR), Central American Integration System (SICA), Bolivarian Alliance for the Peoples of Our America (ALBA-TCP), PETROCARIBE, Pacific Alliance (AP) and UNASUR."

The document is based on first source official publications and statistics, and has been prepared by Dr. Telasco Pulgar, Director (a.i.) of Relations for Integration and Cooperation of SELA.

EXECUTIVE SUMMARY

As an integration and cooperation institution, the Bolivarian Alliance for the Peoples of Our America - Peoples' Trade Agreement (ALBA-TCP) has been institutionally consolidated during its ten years of existence, and has a wide membership, shared with the majority of other Latin American and Caribbean integration schemes.

The ALBA-TCP makes emphasis on the social dimension, particularly on the fight against poverty and social exclusion, and one of its most innovative elements are the mechanisms that allow for compensating existing asymmetries in favour of the development of its economies and social well-being. One of its Principles states: *"The economic complementarity and cooperation between countries and productions, in such a way that it promotes an efficient and competitive productive specialization, which is compatible with the balanced economic development of each country, with the strategies to fight poverty, and with the preservation of the cultural identity of the peoples; as well as the cooperation and solidarity expressed in the form of special plans for the less favoured countries of the region."*

This is reflected in the fact that its main contributing members, the Bolivarian Republic of Venezuela, and to a lesser extent the Republic of Cuba, are countries qualified as *medium-developed*, according to the typology of 1980 Treaty of Montevideo. In other words, a more favourable treatment is given to countries with a lower relative economic development, such as the other members of the Alliance. In addition, the Alliance gives priority to the Latin American and Caribbean integration, as well as to negotiations via bilateral agreements, and opens new spaces for consultation and coordination among its signatory States, in order to identify common interest projects, create strategic alliances, and present common stances before third countries.

This document describes the evolution of the main institutional instruments of the Alliance and of the agreements signed in fields such as trade, productive development, and social and cultural development. It is worth mentioning that cooperation is implemented through bilateral agreements, since it is impossible to take on debts and economic commitments on behalf of the ALBA-TCP, as it lacks legal personality.

Another aspect worthy of mention is the so-called *ALBA-TCP Economic Space* (ECOALBA), an instrument currently under way and intended to bring order and to invigorate economic relations among Member States of the Alliance, thus strengthening the possibilities for complementary productive and commercial chains.

Finally, an assessment is made of treaties unfolded since 2013, upon mandate of the II Presidential Summit of ALBA and PETROCARIBE, to move towards a *Complementary Economic Zone* with other Latin American and Caribbean integration processes, which have agreed to adopt a Declaration issued by the XXVIII Presidential Summit of MERCOSUR, held in Caracas on 29 and 30 July 2014, in which "...a Political Dialogue and Economic and Commercial Cooperation of MERCOSUR has been established, in order to promote the constitution of a Complementary Economic Zone with ALBA-TCP, CARICOM and PETROCARIBE, with the aim of invigorating its political and economic relations, thus empowering the development of complementary, fair, and balanced trade, that would tend to the higher interests of development of the peoples."

INTRODUCTION

This study is an update of the document "Evolution of the Bolivarian Alliance for the Peoples of Our America-Peoples' Trade Agreement (ALBA-TCP)," prepared by the Permanent Secretariat of SELA in 2014 on the basis of first source official publications and statistics.

The document updates the major initiatives and developments of the Alliance in the economic, commercial, social and productive fields until July 2015, summarizing its characteristics, scope, achievements, and degree of execution.

After this Introduction, we tackle the institutional aspects, such as membership, principles, objectives, operative structure, and the subject of complementarity with other integrations schemes of the region.

Then, this document highlights the evolution of its fundamental commercial, economic, financial and social instruments. A detailed description is made of financial and monetary mechanisms, in particular the Bank of ALBA and the ALBA Caribe Fund, their structure, operation and projects, as well as their influence in the support of "*grandnational*" companies and projects implemented in each country. The study also expounds the cooperation ties between ALBA-TCP and PETROCARIBE, which is presented as an action of the Alliance. In particular, the evolution of social programmes is highlighted, such as the ALBA Alimentos Fund, which is the joint initiative of ALBA-TCP and PETROCARIBE, and other social achievements of the Alliance through official indicators.

In particular, a presentation of the Unitary System for Regional Compensation of Payments (SUCRE), its structure, components, and its performance, is made; as well as a description of how it has become a mechanism through which most operations are carried out by the national and international private sector of the member countries of the Alliance.

Afterwards, the document tackles the evolution and degree of execution of productive projects and social programmes, which have assumed the operational form of Companies and Programs called "*grandnationals*".

A fourth chapter is dedicated to the initiative of consolidating a *Regional Complementary Economic Zone*, which comprises actions carried out towards the creation of the ALBA/PETROCARIBE Complementary Economic Zone, on the one hand, and of a future ALBA-TCP/PETROCARIBE, CARICOM and MERCOSUR Complementary Economic Zone, on the other.

Lastly, a set of conclusions is proposed, which could serve as the basis for the generation of policies aimed at the expansion and deepening of this mechanism for integration and cooperation.

I. INSTITUTIONAL ASPECTS

With its adhesion to ALBA, during the III ALBA Summit held in Cuba, Bolivia introduced the proposal to complement the Alliance with the incorporation of “treaties for the exchange of goods and services, to satisfy the needs of the peoples [based] in the principles of solidarity, reciprocity, transfer of technology, use of the advantages of each country, saving of resources, including credit agreements to facilitate payments and collections”.¹ Thus, the Peoples’ Trade Agreement (TCP) was created as an integral part of the Bolivarian Alliance.

Originally created as a Bolivarian Alternative, ALBA was then renamed as Bolivarian Alliance at the VII Special ALBA Summit, held in Nicaragua on 29 June 2009, and since then it has been called ALBA-TCP.

1. Membership by the year 2015

In one decade, the Bolivarian Alliance, created by Venezuela and Cuba, has been strengthened by the entry of other seven Latin American and Caribbean countries, as shown in Table 1:

TABLE 1
ALBA-TCP MEMBERSHIP
2004-2015

Member States	Joining date
Venezuela	14 December 2004
Cuba	14 December 2004
Bolivia	29 April 2006
Nicaragua	11 January 2007
Dominica	26 January 2008
Ecuador	24 June 2009
Saint Vincent and the Grenadines	24 June 2009
Antigua and Barbuda	24 June 2009
Saint Lucia	30 July 2013
St. Kitts and Nevis	14 December 2014
Grenada	14 December 2014

Source: ALBA-TCP official Web page. <http://alba-tcp.org/>.

Such membership grants the Alliance particular characteristics, such as:

- It is a process that includes Central American, South American, and Caribbean countries; thus, it has a regional vision and scope.
- Its Member States also participate in other subregional and regional integration processes, such as the Association of Caribbean States (ACS), the Andean Community (CAN), the Caribbean Community (CARICOM), the Central American Integration System (SICA), the Common Market of the South (MERCOSUR), the Organization of Eastern Caribbean States (OECS), and the Union of South American Nations (UNASUR).
- Most of its Member States have close economic and commercial links with the United States. For instance, the U.S. is an important commercial partner of Venezuela, Ecuador and

¹ ALBA-TCP. Official Web page. <http://alba-tcp.org/>

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Colombia and is also the main partner of Central American countries;² Nicaragua participates in the Free Trade Agreement between the United States, Central America, and the Dominican Republic (better known as CAFTA-DR); and, the legal tender in Ecuador and El Salvador is the American dollar.

There is another category of membership, **special guest**³, which includes the following States:

- Syria (*Act for integration of Syria as a special guest*⁴, Syria, 2010)
- Haiti (XI Summit, Caracas, 2012⁵)
- Suriname (XI Summit, Caracas, 2012)

The most important political and decision-making instance are the Summits of Heads of State and Government, and so far, the following have been held:

TABLE 2
ALBA-TCP: SUMMITS OF HEADS OF STATE AND GOVERNMENT
2004-2014

Regular Summits		Special Summits	
I (Havana, Cuba)	14 December 2004	I (Caracas, Venezuela)	23 April 2008
II (Havana, Cuba)	27 and 28 April 2005	II (Tegucigalpa, Honduras)	25 August 2008
III (Havana, Cuba)	28 and 29 April 2006	III (Caracas, Venezuela)	26 November 2008
IV (Managua, Nicaragua)	11 January 2007	IV (Caracas, Venezuela)	2 February 2009
V (Tintorero, Venezuela)	28 and 29 April 2007	V (Cumana, Venezuela)	16 and 17 April 2009
VI (Caracas, Venezuela)	26 January 2008	VI (Maracay, Venezuela)	24 June 2009
VII (Cochabamba, Bolivia)	17 October 2009	VII (Managua, Nicaragua)	29 June 2009
VIII (Havana, Cuba)	13 and 14 December 2009	VIII (Havana, Cuba)	20 October 2014
IX (Caracas, Venezuela)	19 April 2010	IX (Caracas, Venezuela)	17 March 2015
X (Otavalo, Ecuador)	25 June 2010		
XI (Caracas, Venezuela)	4 and 5 February 2012		
XII (Guayaquil, Ecuador)	30 July 2013		
XIII (Havana, Cuba)	14 December 2014		

² For further information, visit Venezuela's Statistic Information Section for 2012, on the Central Bank of Venezuela's Web page: <http://www.bcv.org.ve>.

³ ALBA-TCP (2014). *Management Report 2004-2014*, page 9. Available at: http://alba-tcp.org/public/documents/decimo/English/Management_report.pdf

⁴ Agencia Venezolana de Noticias (2010). Integration of Syria as a special guest of ALBA strengthens its relationship with South America. *AVN*. Available online at: <http://alba-tcp.org/contenido/integraci%C3%B3n-de-siria-como-invitado-al-alba-afianza-su-relaci%C3%B3n-con-suram%C3%A9rica-21-de-octubr>

⁵ Accession of Haiti, St. Lucia and Suriname to ALBA as special guests, XI Summit of ALBA-TCP, Caracas, on 5 February 2012. Available on the following Web site: <http://alba-tcp.org/contenido/adhesion-de-haiti-santa-luci-y-surinam-al-alba-como-invitados-especiales>

ALBA-TCP PRINCIPLES⁶

- 1) Trade and investment shall not be an end in themselves, but instruments to achieve fair and sustainable development, as real Latin American and Caribbean integration cannot be the blind child of the market, neither a simple strategy to extend the external markets by stimulating trade to this end. An effective participation of the State is required as regulator and coordinator of the economic activity.
- 2) Special and differential treatment, considering the level of development of the different countries, and the dimension of their economies, and that guarantees access of all nations to the benefits originating from the integration process.
- 3) Economic complementarity and cooperation between the countries and production, in such a way that it promotes an efficient and competitive productive specialization which is compatible with the balanced economic development in each country, with strategies for the fight on poverty, and with the preservation of cultural identity of the peoples.
- 4) Cooperation and solidarity expressed in special plans for less developed countries in the region, including a continental plan against illiteracy, using modern technologies already tested in Venezuela; a Latin American and Caribbean plan for free health treatment for citizens that lack such services, and a regional scholarships plan in the areas of most interest for economic and social development.
- 5) Creation of the social emergency fund, proposed by president Hugo Chavez at the Summit of South American Countries, recently held in Ayacucho.
- 6) Integrating development of communications and transport between Latin American and Caribbean countries, which includes joint plans for roads, railroads, water and air routes, telecommunications, among others.
- 7) Actions to foster sustainability of development, through regulations to protect the environment, stimulate rational use of resources, and prevent the proliferation of spendthrift patterns of consumption, foreign to the realities of our peoples.
- 8) Energy integration between the countries of the region: ensure stable supply of energy products for the benefit of Latin American and Caribbean societies, as promoted by the Bolivarian Republic of Venezuela with the creation of PETROAMERICA.
- 9) Fostering of investment of Latin American capital in Latin America and the Caribbean, with the aim of reducing dependency of the countries of the region from foreign investors. To this end, a Latin American fund of investments would be created, as well as a development bank of the south, and the society of Latin American reciprocal guarantees.
- 10) Defence of Latin American and Caribbean culture, and of the identity of the peoples of the region, with special respect and promotion of autochthonous and indigenous cultures. Creation of the Televisora del Sur (TELESUR) as an alternative instrument for the dissemination of our realities.
- 11) Measures so that intellectual property rules, as they protect the heritage of Latin American and Caribbean countries against the voracity of international companies, will not become a hurdle for the necessary cooperation in all fields between our countries.
- 12) Agreement of positions in the multilateral sphere, and in all types of processes of negotiation with countries and blocks from other regions, including the struggle for the democratization and transparency of international instances, the United Nations and its different bodies in particular.

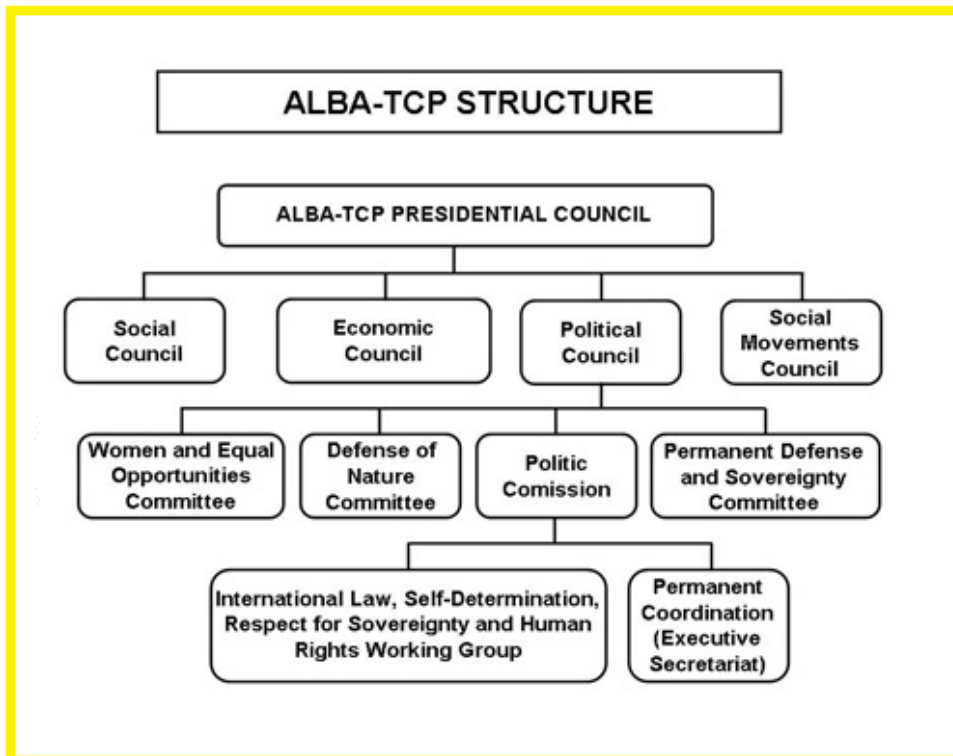
⁶ ALBA-TCP. Official Web page. <http://alba-tcp.org/>.

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2. Legal personality and institutional structure

The Bolivarian Alliance – unlike other international bodies – was not born under the umbrella of an institutional legal structure. In other words, it does not have a Founding Treaty. For this reason, its activity as a forum for agreement and political dialogue has been developed and consolidated as it has generated institutions that today are part and shape its structure and operation,⁷ such as:

- Presidential Council
- Social Council
- Women and Equality of Opportunities Council
- Economic Council
- Political Council
- Social Movements Council
- Political Commission
- Work Group on International Law, Self-Determination, respect for Sovereignty, and Human Rights.
- ALBA's Permanent Coordination
- Executive Secretariat
- Committee for the Defence of Nature
- Permanent Committee for Defence and Sovereignty⁸



Source: ALBA-TCP's Web page (<http://alba-tcp.org/>)

⁷ For further details, visit ALBA-TCP's Web page: <http://alba-tcp.org/>.

⁸ During the XII ALBA-TCP Summit (Guayaquil, July 2013), a decision was taken to create a High-Level Working Group to move forward in the constitution of ALBA's Defense Council, comprised of the Ministers of Defense and the Chiefs of Staff of the Armed Forces of the member countries.

In this connection, the Member States have started a process aimed at agreeing on a text that would grant international legal personality to the Alliance, through which it could strengthen the social, economic and cultural integration process it has started since its creation in 2004. Thus, at the II Extraordinary Summit of Heads of State and Governments of ALBA-TCP and PETROCARIBE, held in Caracas in December 2013, a draft of the text of a Treaty was presented, whose proposals were embraced by the representatives of the Member States.

The Incorporation Agreement was drafted to comply with the legal procedure that granted constitutionality to the Alliance and allowed for the developing of the capacity to execute mandates set forth both in the Presidential Council and in the Council of Ministers. The document is the result of the joint initiative of National Coordinators of Governments making up the organization, and its articles respect the guidelines of its founders and stimulate the creation of mechanisms that would make good use of the cooperative advantages of the member countries and correct the asymmetries by means of compensatory funds.⁹

II. EVOLUTION OF FUNDAMENTAL INSTRUMENTS

The evolution of the fundamental instruments of the Alliance up until now has been as follows:

1. Bank of ALBA

The Bank of ALBA, financial body composed of the member countries Cuba, Bolivia, Nicaragua, Saint Vincent and the Grenadines, Dominica, and Venezuela, started its operations in 2008 with the "objective of contributing to sustainable economic and social development, reduce poverty, strengthen integration, reduce asymmetries, promote fair, dynamic, harmonious, and equal economic exchange between the members of the ALBA Agreement."¹⁰

The government and management structure of the Bank of ALBA consists of, according to its Establishing Agreement, the Council of Ministers, the Executive Board and the General Manager, with the first of them being the supreme organ.¹¹ This, in turn, includes the Ministers of Economics, Finance or Presidents of the Central Banks of each member country.

Within the framework of the III Extraordinary Summit, held on 26 November 2008, in Caracas, it was agreed that the "grandnational" projects be executed through the allocation and channelling of funds coming from the Bank of ALBA.

To date, the Bank of ALBA has financed nine (9) projects with its own funds, for US\$ 44,252,007.13, while managed funds add up to 33 projects for US\$ 300,608,273, for a total of 42 projects for the amount of US\$ 344,860,280.13.

⁹ Interview of the Executive Secretary of ALBA-TCP, Bernardo Alvarez, on the newspaper *Correo del Orinoco*. "ALBA and PETROCARIBE turned around foreign policy," 5 January 2014. Available at:

<http://www.correodelorinoco.gob.ve/impacto/alba-y-petrocaribe-dieron-un-vuelco-a-politica-exterior-venezolana/>

¹⁰ Petróleos de Venezuela, S.A. (PDVSA), Incorporation Articles of the Banco del ALBA, 26 January 2008. Available at: http://www.pdvsacom/index.php?tpl=interface.sp/design/biblioteca/readdoc.tpl.html&newsid_obj_id=5405&newsid_temas=111

¹¹ For information on the organization and management of the Bank of ALBA, see Chapter IV of Establishing Agreement.

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Since 2013, the Bank of ALBA has been working on its own strengthening, through a process of evaluation of four fundamental subjects: review of projects under execution; driving of the evaluation of new projects; reorganization and consolidation of the financing programme for intra ALBA-Bolivia trade; and development of intra ALBA-Nicaragua; as well as on the design and implementation of the strategy to manage financial services and products, through a business plan to secure the bonds of solidarity and complementarity with ALBA-TCP countries.¹²

A key mandate, issued at the VII PETROCARIBE Summit of Heads of State and Government, is the “creation of the bilateral funds system, for the integration of PETROCARIBE as a financial platform for the productive articulation of the commercial exchange in the framework of PETROCARIBE, where the Bank of ALBA is the financial institutional support for the formulation of projects and for the administration of PETROCARIBE’s funds.”¹³

The intra-ALBA Plan is a rotating fund of commercial operations, through which entrepreneurs receive funds with the aim of promoting imports and exports between the Parties. For the moment, the Plan operates in Venezuela and Bolivia, while the Nicaragua-Venezuela Programme, established in 2013 with a sum of US\$ 10 million,¹⁴ is being activated.

In this connection, actions that would allow for the positioning of the Bank of ALBA as a regional financial institution that supports the funding and management of investment projects for development of signatory countries in the region will be crucial, within the framework of the future Regional Complementary Economic Zone of ALBA-TCP / PETROCARIBE - MERCOSUR – CARICOM.

2. ALBA Caribe Fund

The ALBA-Caribe Fund was created within the framework of the First PETROCARIBE Summit of Heads of State and Government in 2005, with the purpose of executing socio-economic development projects, using resources of the oil revenues for the development and execution of productive projects that would promote economic development, by means of cooperatives, small and medium-sized industries, and projects that give priority to the access to health services, education and housing.

In order to activate the Fund, an initial capital of US\$ 50 million is provided by Venezuela.¹⁵ Since 2006, the Fund has received multiple contributions, with the most recent one being for US\$ 200 million, agreed at the IX Extraordinary Summit of PETROCARIBE,¹⁶ held in Caracas in March 2015.

At the end of the first four-month period of the year 2014, 88 of 432 PETROCARIBE projects had been funded through the ALBA-Caribe Fund.¹⁷ Table 3 shows some of the projects supported by this financial instrument.

¹² Information provided by the Executive Secretariat of ALBA-TCP, June 2014.

¹³ Final Declaration of the VII PETROCARIBE Summit, held in May 2013, in Caracas.

¹⁴ Remarks by then President of the Bank of ALBA, published in: Alfonzo, F. (2013), “Banco del ALBA destinará USD 25 millones para financiar a exportadores venezolanos,” in *Correo del Orinoco*, 12 July. Available online.

¹⁵ Official Gazette N°38.360, Bolivarian Republic of Venezuela, Wednesday 18 January 2006.

¹⁶ Declaration of Caracas/Final Declaration of the IX Extraordinary Summit of PETROCARIBE, 6 March 2015.

¹⁷ See *Management Report (four-month period I-2014)*, PETROCARIBE, pages 24-25.

TABLE 3
PROJECTS OF THE ALBA CARIBE FUND

Member States ALBA-PETROCARIBE	Areas of investment	Projects of the ALBA-CARIBE Fund
Antigua y Barbuda	Environmental sanitation Tourism	Improvements to international airport and service of potable water in Antigua.
Belize	Education Health Environmental sanitation Roads Housing	Rural education projects; rural water system, paving of streets and draining systems; project for the increase in the production of food for self-sufficiency and export.
Cuba	Environmental sanitation Endogenous development	
Dominica	Agriculture Sport Education Social economy Environmental sanitation Citizen security Food sovereignty Tourism Roads Housing and habitat	Housing projects; construction of marine defence; programmes of the Caribbean territory; poultry, fishing, and pork projects; sewage system; revamping of Melville Hall Airport; programme of gas stations to supply fuel for fishermen and remove metal scrap.
Grenada	Culture Tourism Housing and habitat	Urbanism of the community Simon Bolivar Village.
Guyana	Health	Construction of centre for homeless.
Haiti	Social economy Environmental sanitation Housing	Construction of low-cost housing; acquisition of waste collectors; electricity projects and strengthening of the health programme.
Nicaragua	Humanitarian aid Sport Ecology Social economy Education Health Environmental sanitation Roads	Environmental sanitation works; improvements of aqueducts, stoves and gas cylinders; roads and housing; equipment for health centre; power generation plants.
Dominican Republic	Energy	
St. Kitts and Nevis	Housing and habitat	Construction and expansion of housing.
St. Vincent and the Grenadines	Culture Sport Education Social economy Environmental sanitation Tourism Roads Housing and habitat	Sports and fishing infrastructure, housing, rural roads, and aqueducts
Suriname	Culture	

Source: Official Web pages of ALBA-TCP and PETROCARIBE / PETROCARIBE (2010)¹⁸

¹⁸PETROCARIBE (2010), PETROCARIBE: 5 años de integración regional para la liberación, *Boletín N° 4*, year 1, September 2010.

3. The Unitary System for Regional Compensation of Payments (SUCRE)

The SUCRE has been defined as a "(...) mechanism that serves for the channelling of international payments resulting from the reciprocal trading operations between its member countries. This System is based on the use of a virtual currency, called "sucre," to register the operations exclusively between the central banks, while the local liquidation (payments to exporters and collection from importers) is made with the corresponding local currencies of the member countries (in Ecuador it would be made in dollars)."¹⁹

The SUCRE was proposed at the III Extraordinary Summit of Heads of State and Government of ALBA-TCP, held in Caracas on 26 November 2008, as a mechanism for cooperation, integration, and economic and financial complementarity, with the aim of promoting the development of the region through "...the creation of a monetary zone that would initially include ALBA member countries" and a payments clearing house. The creation of this monetary zone will be accompanied by the establishment of a stabilization and reserves fund, with contributions from the member countries, in order to finance expansive demand policies to face the crisis, and to sustain an investments policy for the development of complementary economical activities."²⁰

Thus, the Alliance intends to move towards the articulation of a common currency, seen as a facilitating and empowering platform for commercial operations in the extended zone, within the framework of the so-called New Regional Financial Architecture (NARF), "...in principle, in operations of administrative trade, with the purpose of identifying the productive needs of the different countries of the commercial zone and, as a consequence, export its production surplus to its partners in the Zone. In this manner, the idea is to progressively incorporate new productive sectors, both private and public, focusing the activity on small and medium-sized companies, association companies, "grandnational" companies, and, of course, all those corporate organizations that contribute to democratize capital, and to redistribute the wealth from the economic and social point of view."²¹

The SUCRE was legally implemented through the Founding Treaty, signed by Bolivia, Cuba, Ecuador, Nicaragua, Venezuela and Honduras on 16 October 2009, in Cochabamba, Bolivia. This instrument has the Framework Agreement as a precedent, signed in the city of Cumana, Venezuela, on 26 April 2009, during the V Extraordinary Summit of Heads of State and Government of the countries of the Alliance.

3.1. Components of the SUCRE

The System is made up of Bolivia, Cuba, Ecuador, Nicaragua and Venezuela.²² It includes a Common Currency Unit, called the sucre; the Central Clearing House (CCC); and the Fund of Reserves and Commercial Convergence, structures governed by the Regional Monetary Council (CMR).

¹⁹ SUCRE, Official Web page. <http://www.sucrealba.org/>

²⁰ ALBA-TCP (2008), III Extraordinary Summit. Joint Declaration. Caracas, 26 November 2008. Available at: <http://alba-tcp.org/contenido/declaraci%C3%B3n-conjunta-2>

²¹ Tovar, E, Article by the President of the Executive Board of Directors of the Regional Monetary Council of the SUCRE: "The SUCRE: towards the monetary and financial sovereignty of the South." Available at: <http://www.vocesnelfenix.com/content/el-sucre-hacia-la-soberan%C3%AD-monetaria-y-financiera-del-sur>

²² In March 2013, the Eastern Republic of Uruguay formalized its intention to join the Founding Treaty of the SUCRE, and the ratification by the Parliament of said country is expected.

- a. The Regional Monetary Council (CMR) is the public international law body with its own legal personality and that governs the operation of the System, the Central Clearing House, through an Executive Board of Directors and an Executive Secretariat.

The CMR "has the purpose of defining the guidelines, policies and regulations for the proper operation of the Unitary System for Regional Compensation of Payments (SUCRE), a mechanism for cooperation, integration and economic and financial complementarity, aimed at the promotion of the comprehensive development of the Latin American and Caribbean region; as well as of establishing articulation mechanisms of macroeconomic policies, jointly with the corresponding authorities of the Member States."²³

- b. The sucre is the Common Currency Unit used to "value, register, compensate, and liquidate a growing portion of the commercial and services transactions exchanged between economic agents (individuals and legal entities) of the member countries." Such transactions are made through the central banks of the member countries.

The issuing and allocation of sucres by and to each member country is backed by securities or cash in national currency, issued by the authority with competence in the matter, thus offering more security, reliability, and credibility to its use."²⁴

- c. The Fund of Reserves and Commercial Convergence (FRCC) has the objective of "contributing to the workings of the Central Clearing House, through the funding of the temporary deficits generated, as well as reducing the commercial asymmetries between Parties, via financing modalities that promote the exportable offer."²⁵

This Fund is comprised of the contributions in local currency of the States, in the proportions, instruments, modalities and terms they agree on. The credits of the Fund are administered by the Regional Monetary Council, as a trust or any other administrative modality the Council determines.

- d. The Central Clearing House (CCC), "operative unit of the Unitary System for Regional Compensation of Payments (SUCRE), shall be in charge of executing all the activities related to the compensation and liquidation of the operations carried out through such System."²⁶

²³ SUCRE (2011), Management Report 2010. pp. 18 Available at: http://www.sucrealba.org/images/informes/informe_2010.pdf

²⁴ SUCRE. Founding Treaty. 16 October 2009. Available at: <http://www.sucrealba.org/imagenes/documentos/Tratado-Constitutivo-del-SUCRE.pdf>

²⁵ Ibid.

²⁶ Ibid.

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TABLE 4
EVOLUTION OF THE SUCRE
 2010-2013

Ratification of the Founding Treaty by all Party States.
Strengthening of technological infrastructure.
Incorporation of the private sector to all items of Venezuela's tariff code.
Agreement of mandatory use of the SUCRE by state bodies.
Approval of the incorporation of the SUCRE for the payment of tourism services lent by the public companies of the Party States.
Incorporation of new companies and products to the SUCRE payment operations.
Simplification of processes for public companies.
Approval, by the Heads of State and Government of SUCRE countries, of the joining request made by the Oriental Republic of Uruguay.
Application of the Corporate Pattern by Bolivia and Nicaragua, for the operations channelled through the SUCRE.
Perfection of previous verification mechanisms of the operations made by Party States.
Extension of membership of the SUCRE, after the accession of Uruguay.

Source: ALBA-TCP Executive Secretariat, Caracas.

3.2. Commercial exchanges through the SUCRE

The *sucre* is an electronic or virtual currency, used by the Central Clearing House and Authorized Operative Banks (BOA), accredited by the Central Banks of each Member State, as a clearing mechanism for the registration of operations made among them. Local liquidation or real payments to exporters, and collections from importers are made by using the corresponding national currencies of the member countries.²⁷ At present, one *sucre* is equal to US\$ 1.2478 for each currency unit.

Since its entry into force, 5,657 operations had been registered for an approximate amount of 2,007 million *sucre*s (XSU),²⁸ equal to US\$ 2,509 million. At the end of the first quarter of 2014, 75.96% of users of the SUCRE were private companies, while the remaining 24.04% corresponded to the public sector.

As regards the number of operations performed through the system, there has been a significant increase: six (6) in 2010; 431 in 2011; 2,646, its historical peak, in 2012; 2,094 during 2013²⁹; and 742 until 28 October 2014.³⁰

²⁷ SUCRE. Official Web Page. <http://www.sucrealba.org/>.

²⁸ See *Management Report 2004-2014*, ALBA-TCP, page 22. Available online.

²⁹ According to Lizondo Díaz, Ramiro, Executive Director of the Regional Monetary Council of the SUCRE, in Lizondo, R. (2014). "El Sucre: evolución y perspectivas", *Correo del Alba*, N°42, December 2014. Available online.

³⁰ SUCRE (n.d.). *Evolución de las operaciones tramitadas a través del SUCRE*. Available online at <http://www.sucrealba.org/images/noticias/evoluciondelsucre.pdf>

TABLE 5
COMMERCIAL OPERATIONS MADE BY USING THE SUCRE

(2010-2014*)

Million XSU/USD

Years	2010		2011		2012		2013		2014		Total	
	XSU	USD	XSU	USD	XSU	USD	XSU	USD	XSU	USD	XSU	USD
Amounts	10.11	12.64	216.13	270.33	852.07	1065.85	727.19	908.95	336.12	422.08	1929.96	2414.06
Operations	6		431		2646		2094		742		5919	

Source: Management Report SUCRE (2013) / Lizondo (2014) / Official Web page of the SUCRE

*Up to 28 October 2014

It should be noted that 510 companies, 303 importers and 210 exporters, used the *sucre* in 2013. From them, 0.66% of companies were public; 2.72% were joint ventures and 96.62% were private enterprises. In addition, the most traded item through this mechanism were consumer goods, with 63.51% of the operations, followed by the manufacturing sector with 33.62%, and the agricultural sector with 2.87%.³¹ By the end of October of 2014, 84.5% of operations corresponded to consumer goods, 9.12% to the agricultural sector and 6.38% to the industrial sector.³²

In 2013, most operations made through the SUCRE were executed between Venezuela and Ecuador, 95.79%. Operations between Bolivia and Venezuela amounted to 3.28%; between Cuba and Ecuador, 0.68%; between Nicaragua and Venezuela, 0.22%; and finally, between Cuba and Venezuela, 0.08%.³³

4. ECOALBA-TCP Economic Space

The ECOALBA-TCP Economic Space was agreed upon by the Member States of the Alliance at the XI ALBA-TCP Summit, held in Caracas in February 2012, through the “Agreement for the creation of the ALBA-TCP Economic Space (ECOALBA-TCP)”, which defines it as a “shared interdependent, sovereign, and solidarity economic zone, aimed at consolidating and expanding a new alternative model for economic relations, so as to strengthen and diversify the productive system and commercial exchanges”.³⁴

In this connection, with the aim of formalizing and taking concrete steps towards the regularization of the objectives and the implementation of the ECOALBA-TCP, Bolivia, Cuba, Venezuela and Nicaragua signed a Partial Scope Agreement, ACE N° 70,³⁵ in accordance with the provisions of the 1980 Treaty of Montevideo at the headquarters of the Latin American Integration Association (ALADI).

The ACE N° 70 is a roadmap that envisages, in accordance with the legal framework of ALADI followed by the signing parties, the adoption of a pragmatic regulatory regime in the area of

³¹ SUCRE. Management Report of the SUCRE, 2013. Available at: <http://www.sucrealba.org/imagenes/documentos/Tratado-Constitutivo-del-SUCRE.pdf>.

³² SUCRE. *Evolución de las operaciones tramitadas a través del SUCRE*. Available online at <http://www.sucrealba.org/images/noticias/evoluciondelsucres.pdf>

³³ Ibid

³⁴ Agreement for the creation of the ALBA-TCP Economic Space (ECOALBA-TCP), XI Summit, Caracas, 4 and 5 February 2012. Available at: <http://alba-tcp.org/contenido/consejo-de-complementacion-economica-del-alba-03-de-febrero-de-2012-1>.

³⁵ ALADI, Partial Scope Economic Complementation Agreement, N° 70. 16 July 2013. Available at: http://www.aladi.org/biblioteca/publicaciones/aladi/acuerdos/ace/es/ace70/ACE_070.pdf

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economic and trade relations that offers the necessary conditions for the operation of the ECOALBA-TCP.

The ACE N° 70 was ratified and entered into force for Nicaragua and Venezuela on 30 January 2014; for Cuba on 6 March 2014; and for Bolivia on 5 February 2015.³⁶ Since the Agreement grants a term of two (2) years for the establishment of the economic zone,³⁷ the ECOALBA-TCP is expected to start operations between 2015 and 2016.

Within the framework of the Economic Complementation Council of ALBA-TCP, a meeting is scheduled to take place in the near future to define an Action Programme, aimed at encouraging the signatory countries to adopt a regulatory and programmatic regime in the fields of economic and trade relations that would contribute to the definitive conformation of the ECOALBA-TCP.³⁸

III. PRODUCTIVE INVESTMENT PROJECTS AND SOCIAL PROGRAMMES

The productive investment projects and social programmes of the Alliance are included and developed in various areas considered to be of priority under the political concept of "*grandnationality*".

"The concept of *grandnational* is framed within the conceptual foundation of the ALBA-TCP. It is essentially a political concept, but it encompasses all the aspects of the lives of our nations".³⁹ As conceived, it relies on three aspects.

The first one, the historical geo-political nature, which states "the Bolivarian view of the union of the Latin American and Caribbean Republics, each with its own social and political identity, but without this implying the construction of supranational structures."⁴⁰ The second one is socio-economic, "based on overcoming national barriers so as to face challenges, strengthen local capacities, merging them into a whole, in order to be able to confront the challenges of worldwide reality".⁴¹ The third one is ideological, "and consists of the critical conception regarding neoliberal globalization, sustainable development with social justice, the sovereignty of our nations and their right to self-determination, thus creating a bloc as regards the structuring of sovereign regional policies".⁴²

The concept "*grandnational*" includes a difference between grandnational companies (GC) and grandnational projects (GP). The grandnational companies, established between two or more countries, have been defined as "those of the ALBA countries integrated productively, whose production will be allocated mainly to the INTRA-ALBA market (fair trade zone), and whose operations will be carried out efficiently".⁴³

³⁶ See status of Partial Scope Economic Complementation Agreement N°70 on the official Web page of ALADI. Available online.

³⁷ *Partial Scope Economic Complementation Agreement N°70*, ALADI (16 July 2013), recitals.

³⁸ Information provided by the Executive Secretariat of the Bolivarian Alliance for the Peoples of Our America – Peoples' Trade Agreement (ALBA-TCP).

³⁹ ALBA-TCP. Conceptualization of Grandnational Project and Company within the Framework of the ALBA (2008). Official documents of the VI ALBA Summit, Caracas, Venezuela. Available at: <http://alba-tcp.org/contenido/conceptualizacion-de-los-grannacional>.

⁴⁰ Ibid.

⁴¹ Ibid.

⁴² Ibid.

⁴³ Ibid.

For their part, the grandnational projects are defined as "all-action programmes aimed at complying with ALBA principles and goals, which have been validated by the member countries and the execution of which involves two or more countries, for the benefit of large social majorities."⁴⁴

Since its creation, the Alliance has developed "*grandnational*" projects and companies in areas that have as their goal capitalising the productive potential and social well-being of the countries of the region, encompassing work areas related to food supply, environment, science and technology, fair trade, culture, education, energy, industry and mining, health, telecommunications, transportation and tourism.

Following this line of thought, the execution of projects and creation of companies has been given priority in more sensitive areas, for example, education, health, culture, sports, fair trade, science and technology, such as the following:

1. Productive projects

Productive projects consist of investments aimed at obtaining short- and medium-term social effects that will permit introducing changes in the socio-economic profile of Alliance member states. Consequently, the heading of each Project refers to a specific sector of social development, as can be seen below:

Education – The *Grandnational Literacy and Post-Literacy Training Project*. Through the literacy training method "*Yes, I can*," this programme aims to provide support in the literacy process and offer universal primary education in the region. Until 2014, the total number of people taught to read and write reached 3,815,092. In addition, 1,174,312 people completed their basic education.

Grandnational ALBA Education Project. Programme aimed at universalizing access to college/higher education by adopting common policies in the field and complementing the respective educational subsystems.

With the aim of eradicating exclusion, an agreement was reached at the VI Extraordinary Summit in Maracay to create in 2009 the University of the Peoples of ALBA-TCP (UNIALBA). In this connection, efforts have been made towards the establishment of a common curriculum and the promotion of a comprehensive school system;⁴⁵ as well as the signing of an agreement for the approval of university degrees between the member countries of the Alliance.⁴⁶ In addition, a programme for international scholars was created with the participation of Venezuela, Cuba and Bolivia.

Health – The *ALBA Drug Regulating Centre and Grandnational Registry of Medications for Human Use (ALBAMED)*. In 2014, this grandnational project was implemented on an experimental basis. Its purpose is "to develop and put in place a single system, in a harmonized and centralized manner, for the health registry of medicines marketed" by the Alliance countries. Its Constitutive Treaty was signed during the XII Presidential Summit, held in July 2013 in Guayaquil.

The ALBA Drug Regulating Centre, coordinating entity with headquarters in Cuba, has as its function to

⁴⁴ Ibid.

⁴⁵ Statements by Luis Quintana, Director of the Office of the Vice-Presidency on Social Affairs, in *Noticias 24* (2014). Venezuela, quince años de relaciones internacionales de impacto social, *Noticias 24*. Available online at <http://www.noticias24.com/venezuela/noticia/239606/venezuela-quince-anos-de-relaciones-internacionales-de-impacto-social-2/>

⁴⁶ See *Management Report 2004-2014*, ALBA-TCP, page 16. Available online.

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apply the use of and rational access to medications and to ensure their supply to the population of the member countries through the *ALBA Grandnational Registry of Medications*. This will constitute the seal of quality guaranteeing compliance with "good practices with regard to manufacturing, distribution, storage, import, export, and laboratory analyses pre- and post-registry", as recognized by the Member States of the Alliance.

Through joint purchases, two or more countries with grandnational requirement can obtain medications. For the moment, ALBAMED has 489 essential common medications.⁴⁷

ALBAFARMA: A grandnational company whose purpose is to distribute and sell, at fair prices, the pharmaceutical products developed in ALBAMED. Within the framework of the I Meeting of Health Ministers of the ALBA-TCP (Caracas, 24 and 25 February 2014) it was agreed to complete the review of the Treaty of this company, to form its Coordination Committee and to proceed to name the countries that will constitute it at a national level.

ALBAPROR: Project which emerged within the framework of the First Meeting of Health Ministers of the ALBA-TCP in February 2014, for the purpose of forming and training, during its first phase, technical and professional personnel with the founding of the Latin American School of Orthoprosthesis. The second phase, which would complement the previous one, aims at broadening the production capacity of companies specialized in manufacturing orthopaedic devices.

International Miracle Mission: Since 2014, this humanitarian initiative, led by the Governments of Cuba and Venezuela, has had as its purpose to offer medical and surgical assistance to patients with various eye diseases. Up to 15 March 2014, 2,812,354 patients from Alliance Member States have been operated, in order to help to improve and/or recuperate their visual capabilities.⁴⁸

This Project started as part of the social plans of the Alliance. Nonetheless, it has expanded its scope of action to other Latin American and Caribbean countries that are not members of the Alliance.

TABLE 6
INTERNATIONAL MIRACLE MISSION
OCULAR SURGICAL PROCEDURES 2004-2014

Member States of ALBA-TCP	Country	Number of patients operated
	Antigua and Barbuda	1,349
Bolivia	539,276	
Cuba	175,610	
Dominica	2,304	
Ecuador	144,134	
Grenada	1,646	
Nicaragua	136,921	
St. Kitts and Nevis	705	
St. Vincent and the Grenadines	4,054	
St. Lucia	10,674	

Source: *Management Report (2004-2014), ALBA-TCP, page 12*

⁴⁷See *Management Report 2004-2014*, ALBA-TCP, page 14. Available online.

⁴⁸ Figure taken from the document "Proposals for the implementation of the action plan of public policies regarding social matters of the Community of Latin American and Caribbean States (CELAC)," presented by the Executive Secretariat of the ALBA-TCP during the I Meeting of Regional and Subregional Integration Mechanisms of the CELAC on the topic, which took place in Caracas, from 18 to 20 June 2014. Available at: <http://alba-tcp.org/contenido/propuestas-para-la-implementacion-del-plan-de-accion-de-politicas-publicas-en-materia-social>.

Other Latin American and Caribbean States	Country	Number of patients operated	Country	Number of patients operated
	Argentina	47,571	Haiti	62,509
	Bahamas	401	Honduras	57,463
	Barbados	373	Jamaica	10,913
	Belize	2,812	Mexico	11,010
	Brazil	58,650	Panama	49,715
	Chile	1,962	Paraguay	23,715
	Colombia	7,660	Peru	38,953
	Costa Rica	2,483	Dominican Rep.	1,678
	El Salvador	17,393	St. Kitts and Nevis	705
	Grenada	1,646	Suriname	5,975
	Guatemala	100,040	Trinidad & Tobago	3
	Guyana	11,557	Uruguay	50,319
	Total operations			565,506

Source: Web page of ALBA-TCP

At the I Meeting of Ministers of Health of the ALBA-TCP, a decision was made to strengthen the organization and coordination of the Miracle Mission, by creating an ALBA-TCP Coordination Network for the application and follow up of the activities and achievements of the Mission. Likewise, it was decided to approve the execution roadmap proposed by Venezuela, whose main objective is to strengthen and consolidate, by the year 2014, the application of the Miracle Mission among Alliance countries, so as to provide medical care for low-income patients who have not received treatment and suffer visual health problems.

The University of Health Sciences. Within the framework of the II Extraordinary Summit of the ALBA and PETROCARIBE, held on 17 December 2013, the creation of this centre for higher studies was approved. Its purpose is "to train professionals, technicians and specialists in the various health disciplines, in order to strengthen the universalization process of the right to public, high-quality health care, and to generate humanistic, scientific and technological solutions that will contribute to social development and to the union of the Latin American region".⁴⁹

University of Health Sciences Salvador Allende: The ALBA University of Health Sciences will operate as an articulated network of universities in all Alliance member countries in which the sub-sites of the University are established. However, the headquarters will be in the Latin American School of Medicine "Dr Salvador Allende" (ELAM), founded in Venezuela in 2007. Cuba and Nicaragua have designated the Latin American School of Medicine (ELAM-Cuba) and the Autonomous University of Nicaragua, respectively, as regional extensions of the University.

⁴⁹ Héctor Rodríguez. Interview with the Minister of Education and Vice-Minister for the Social Area of Venezuela, on Radio Mundial. Available at: <http://www.radiomundial.com.ve/article/h%C3%A9ctor-rodr%C3%ADguez-universidad-del-alba-petmitir%C3%A1-unirnos-con-mayor-amor-audio>.

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Culture – *Grandnational ALBA Culture Project*. Approved in 2008, this programme aims to contribute to the creation, promotion and dissemination of values and cultural assets of the region. It covers five (5) strategic axes: impact events; training; legitimation; organization; production, distribution and promotion.⁵⁰

This project is complementary to the *ALBA Cultural Fund*, a grandnational company created in 2007 and based in Caracas, which manages its activities vis-à-vis institutions such as the Bank of ALBA, financial entity of the programme. It has carried out more than 64 cultural projects, including the following: the ALBA Prize Award to Literature and to Arts, Cinema and Storytelling; scholarships in cultural research; the virtual museum of Latin America and the Caribbean; and the Cultural ALBA Houses.⁵¹

Telecommunications - *Grandnational Telecommunications Company (ALBATEL, S.A.)*. It was created on 29 May 2007, during the V ALBA Summit, and was formally constituted on 3 June 2010. It is of a multilateral nature, given its shareholding structure, comprising ENTEL, S.A. of Bolivia, NETEL, S.A. of Cuba and TELECOM Venezuela, C.A. In addition, TELCOR of Nicaragua and CNT of Ecuador participate as permanent invitees.

ALBATEL began commercial operations in May 2012, with the following objectives:

1. "Promote the integral and sustainable development of the Alliance (...), based on an efficient and effective organization that will provide, in accordance with that established in the Law and other norms in effect in each country, among other aspects, industrial capacities, technical assistance, operation and maintenance of telecommunications networks through subsidiary networks, as well as the training of personnel, exchange of experiences, engineering, research, technological development and innovation and networks with a high level of reliability, security and invulnerability" and,
2. The services and products generated should be destined primarily to satisfy the needs of the population or the industry of the Intra-ALBA market, to create a fair trade zone.⁵²
 - a. In this area, the following developments should be highlighted:⁵³
 - Tests with the Simon Bolivar Satellite on the "Ka" band: Develop the transportation and interconnection network of the socialist company "Pedro Camejo" S.A. as support for the Multiservices Platform of the client-server type, as an integral solution for the control and administration of the maintenance of all machinery, tractors, agricultural tools and vehicles of the socialist company "Pedro Camejo".
 - Smart city. Efficient Government in the State of Nueva Esparta: by means of a dispatch and video surveillance centre, mobile land radiocommunications networks shared by the various governmental agencies, law enforcement and emergency authorities, transportation logistics and State resources and the community in general; all this geo-referenced by means of a Geographical Information System (GIS) and integrated with a call centre and coordination of emergencies.

⁵⁰ Official Web page of ALBA Cultura. <http://www.albacultural.org/que-es-alba-cultural>

⁵¹ See *Management Report 2004-2014*, ALBA-TCP, pages 18-19. Available online.

⁵² Statutory Charter of the Grand National Telecommunications Company of ALBA (ALBATEL), S.A.

http://www.mp.gob.ve/c/document_library/get_file?p_l_id=29950&folderId=52387&name=DLFE-1731.pdf

⁵³ Information provided by the Executive Secretariat of the Bolivarian Alliance for the Peoples of Our America – Peoples' Trade Agreement (ALBAT-TCP).

- Contracts for professional services with CANTV: Three (3) new contracts are currently being negotiated:
 - Satellite deployment (SD CANTV)
 - Professional Support Services for Management and Coordination of Regional Operational Management.
 - Professional Support Services for Management of Public Institutions.
- b. Projects under study for the ALBA region (pre-investment)⁵⁴
 - Regional NAP: Development of a Network Access Point for the ALBA region, where the networks of the various organizations that provide Internet services, known as Internet Service Providers or ISP, come together; additionally, they will consider many services, such as web hosting, data storage, security and network management.
 - Network dedicated to ALBA countries: Design of a network that will ensure communications among the governmental institutions that participate in the ALBA programmes, with a high degree of reliability, confidentiality, integrity and availability, and that in turn will protect the technological independence needed for communications.
 - Centre for Community Telecommunications (CETELCO), initially designed to promote the political, economic, social, cultural and productive development of marginal and rural areas through the provision of telecommunications services and community broadcasting.⁵⁵
 - Satellite Earth Station in Bolivia: For the use of the Ku-South band of the Simon Bolivar Satellite.
 - Launching of the Cuba-Jamaica-Venezuela Optical Fibre Submarine Cable.
 - Installation of the Ground Station for use of the Ku-South Band and use of the Simon Bolivar Satellite.
 - ALBA TV, Radio del Sur and TELESUR are currently operating.

2. Social programmes

In the social field, the Alliance has made the following achievements since 2004:

<p>Education</p> <p><i>Literacy.</i> Over 3 million 800 thousand people have been taught to read and write until 2014, and 1,174,312 persons have completed their basic education studies. Antigua and Barbuda, Cuba, Nicaragua, Bolivia and Venezuela are free of illiteracy, with the first two having achieved a higher level of literacy, 99% and 99.8%, respectively.</p> <p>Within the framework of the <i>International Scholarship Programme</i>, scholarships have been awarded to more than 4,000 students from 48 countries in 88 training programmes of 36 Venezuelan universities. Until 2014, more than 1,200 students have graduated, and 789 of them come from countries of the Alliance</p> <p>Until September 2013, 2,348 students registered with ELAM-Venezuela, while registration at ELAM-Cuba totalled 9,580 students. From the latter, at least 20,789 professionals from 123 countries have graduated, with 8,398 of them being nationals of the Member States of the Alliance.</p>
<p>Health</p> <p><i>International Miracle Mission (2004-2014):</i> 3,482,361 patients have been operated, allowing them to recover and improve their visual capability. From that amount, 2,871,043 correspond to</p>

⁵⁴ Ibid.

⁵⁵ Official Web page of ALBATEL S.A., section *Proyectos*.
<http://www.telecomunicacionesalba.com/index.php/proyectos/cetelco>

patients from the Alliance.
Reduction in infant mortality rate of children under 5 years by 5.1%
<i>Programme Genetic, Psychosocial and Clinical Study of Persons with Disabilities.</i> From 2009 to 2011, 3,841,797 households were visited in Bolivia, Cuba, Ecuador, Nicaragua, St. Vincent and the Grenadines and Venezuela. Until June 2014, 1,285,089 persons with physical and neurological disabilities received medical care in more than 2 million consultations. More than 864,678 technical aids – prosthetics and orthotics – have been delivered.
Since 2006, more than 8,000 operations have been performed on children from Latin America and Africa at the Latin American Children's Cardiology Hospital Dr Gilberto Rodríguez Ochoa.
Sports
Celebration of four (4) editions of the ALBA Sports Games, with the participation of 10,532 athletes from 36 countries, in 45 disciplines. A total of 3,066 medals have been awarded.
Economy and finance
Within the framework of the ALBA-Caribe Fund, 88 social and socio-productive projects have been carried out (46 concluded). These have been added to the effort of the States to address the following areas: <ul style="list-style-type: none"> – education, health, culture, sports, social assistance, social security, humanitarian assistance and participation (32%); – household services, housing and habitat (31%); – urban services (14%); – productive sectors (13%); – nutrition (6%); – ecology and environment (4%).

Sources: *Management Report (2004-2014)*, *Web page of ALBA-TCP*

IV. THE ALBA/TCP-MERCOSUR-CARICOM-PETROCARIBE REGIONAL COMPLEMENTARY ECONOMIC ZONE

Within the framework of the XXVIII Summit of Heads of State of MERCOSUR, held in Caracas on 29 July 2014, participants agreed to promote the establishment of a Complementary Economic Zone among the Member States of ALBA-TCP, CARICOM, MERCOSUR and PETROCARIBE, with the aim of strengthening relations among these integration processes and creating a space for productive integration, in a cooperative and fair manner, based on the better use of complementarities and already existing regional integration mechanisms. This Complementary Economic Zone would be made up of 27 countries and around 350 million people.

The guiding aspects⁵⁶ of this proposal include:

- i. An increase in trade of originating goods.
- ii. An assessment of the trade agreements and legislations subscribed in order to identify matches as regards the regulatory regimes of trade disciplines, commercial potentials and economic complementarity among them.
- iii. The definition of joint cooperation programmes in order to identify and develop projects for economic complementarity.
- iv. The design of mechanisms to ensure greater balance in trade exchanges, taking into account the need to reduce economic asymmetries among the parties.

⁵⁶ Joint Declaration for the creation of a Complementary Economic Zone (2014), Caracas.

- v. Coordination among public and private sector enterprises of the Member States involved in regional processes, through productive integration projects, so as to promote an improvement in productivity and economic complementarity.
- vi. Promoting joint projects, alliances and strategic partnerships for the development of science and technologies applied to innovation in productive processes.
- vii. Promoting the development of micro, small and medium-sized enterprises (SMEs), cooperatives and other enterprises in the Member States involved in the regional processes.
- viii. Encouraging regional exchanges, particularly of products with higher benefit.
- ix. Organizing trade fairs, business missions and exhibitions, in addition to complementary activities to broaden trade relations among the respective productive sectors in the Member States involved in the regional processes.
- x. Developing actions aimed at building capacities to generate and absorb new knowledge in the areas of greater technological dynamism in the region.
- xi. The dissemination of technical cooperation and assistance programmes implemented by the Member States involved in regional processes that serve to promote the generation of jobs and improve the living standards of people.

Subsequently, in November 2014, the creation of this Complementary Economic Zone was formally agreed, within the framework of the I Meeting of Foreign Ministers of the Pacific Alliance and MERCOSUR, held in Cartagena de Indias, Colombia. Since then, studies are being carried out towards the practical realization of this decision.

It should be noted that cooperation between PETROCARIBE and ALBA-TCP has been broad and constant since its inception through the implementation of many programmes and projects. Proof of this are a shared membership, two joint Meetings of Heads of State and Government, the company PDV Caribe, the ALBA-Caribe Fund, the ALBA-Alimentos Fund, the Hugo Chávez Action Plan for the Eradication of Hunger and Poverty, and the proposal for a Complementary Economic Zone among ALBA-TCP, CARICOM, MERCOSUR and PETROCARIBE. PETROCARIBE has recognized that it represents an expression of the correct policy of ALBA-TCP for the autonomous management of energy resources.⁵⁷

In this connection, it should be recalled that at the II Extraordinary Summit between ALBA-TCP and PETROCARIBE, held in Caracas in 2013, a target was set of consolidating convergence between the two mechanisms to develop "policies that meet the needs of peoples, with projects based on the principles of solidarity, cooperation, complementarity and respect for sovereignty."

At this meeting, the Heads of State and Government expressed their commitment to the confluence of the ALBA-TCP Economic Forum (ECOALBA) and the PETROCARIBE Economic Zone of shared, intertwined, sovereign and supportive development, set to consolidate and expand a new model of economic relationship to strengthen and diversify the productive apparatus and trade, as well as to lay the foundations for multilateral instruments to be executed by Member States in this regard.⁵⁸

In particular, commitments undertaken at this II Summit focused on the objective of establishing the Complementary Economic Zone with other Latin American and Caribbean mechanisms, such as MERCOSUR and CARICOM, making special emphasis on the identification of potentials for productive linkage.

⁵⁷ Declaration by Heads of State and Government of PETROCARIBE, III Summit, Caracas, 2007.

⁵⁸ Declaration of the Heads of State and Government of ALBA and PETROCARIBE Member States, Caracas, 2013.

CONCLUSIONS

The strengthening of ALBA-TCP as a novel cooperation and integration experience, which has focused on Latin American and Caribbean cooperation and integration for more than ten years, has been consolidated by its economic, commercial and social projects, which are described in a summarized way in this document.

Such broad and heterogeneous membership of the Alliance, made up of States that, in turn, participate, bilaterally or as a whole, in practically all regional and subregional integration schemes in Latin America and the Caribbean, allows for establishing points of convergence that would facilitate the coordination and cooperation of the Alliance, as a whole, with other cooperation and integration mechanisms in the region, on the basis of interests, objectives and experiences of each of its members in those scenarios.

In addition, the potential for a progressive complementarity and convergence of the Alliance with the other existing integration processes in the region should also rely on the diversity of mechanisms and procedures in which the members of the Alliance participate as full partners.

Nevertheless, a process of complementarity and convergence of the Alliance with other integration and trade preference processes pre-existing in the region would have to start with the recognition and in-depth analysis of the various mechanisms in which the members of the Alliance themselves participate as full partners, namely:

1. The Association of Caribbean States (ACS): Antigua and Barbuda, Cuba, Dominica, St. Vincent and the Grenadines, Nicaragua and Venezuela.
2. The Latin American Integration Association (ALADI): Bolivia, Cuba, Ecuador, Nicaragua and Venezuela.
3. The Andean Community (ACN): Bolivia and Ecuador.
4. The Caribbean Community (CARICOM): Antigua and Barbuda, Dominica, and St. Vincent and the Grenadines.
5. The Organization of Eastern Caribbean States (OECS): Antigua and Barbuda, Dominica, and St. Vincent and the Grenadines.
6. The Union of South American Nations (UNASUR): Bolivia, Ecuador and Venezuela.
7. The Southern Cone Common Market (MERCOSUR): Bolivia⁵⁹ and Venezuela.

In this regard, it would be advisable to establish certain initial concrete actions that could be taken to determine the possibilities for expanding, intensifying and diversifying the system represented by the ALBA-TCP, such as:

- Conduct an in-depth analysis of the principles and commitments of the Alliance and of each of the other integration systems in which its members participate. This would help finding the convergence points to determine advances achieved and to identify those areas in which it would be possible to work jointly so as to develop complementary productive and industrial development projects, under the premises of social equality and inclusion advocated by the ALBA-TCP and by Latin American and Caribbean countries in general.
- Study the existing financial instruments (Bank of ALBA, SUCRE, Bank of the South, Caribbean Development Bank, CAF–development bank of Latin America), which would help to

⁵⁹ Bolivia is in the process of joining MERCOSUR.

determine those areas where joint projects could be established or to develop coordinated financial sources.

- Identify the limitations imposed on each of the member countries of the Alliance due to their participation in other integration processes. This could contribute to discovering the existing commitments and their impact on the depth of the Alliance itself and its possible relationship with other processes.
- Cooperate in matters related to the implementation of social policies with the other integration processes, having as a basis the broad and successful experience of the Alliance in this important area.

Studies carried out by the Permanent Secretariat of SELA in 2014-2015⁶⁰ on the possibilities of strengthening intra-regional trade and on the essential elements for a future convergence of the integration process of Latin America and the Caribbean, have evidenced the need to take, at least, the following actions:

- a. Grant priority to preferential trade and economic integration agreements that exist among the LAC countries, as a means to broadening and diversifying trade exchanges and attracting investments. The above-mentioned decision of the MERCOSUR Member States to support the Venezuelan proposal to create a Complementary Economic Zone between the ALBA-TCP/PETROCARIBE, CARICOM and MERCOSUR points in that direction.
- b. Maintain a minimum of macroeconomic coordination in the face of monetary and exchange adjustments derived from balance of payment difficulties in one or several of the countries involved.
- c. Improve and digitally standardize administrative processes for cross-border trade, which would facilitate integration and reinforce competitiveness.
- d. Increase sea transport connectivity as a key factor for any strategy aimed at converting the ALBA-TCP countries into an important trade partner on regional and international markets. This is consistent with one of the five areas that the Complementary Zone plans to develop, i.e. "to promote the area of Transportation and Communications for the purpose of rescuing the importance of intraregional connectivity, by assessing and implementing air and sea connection projects".
- e. Increase investment in infrastructure, a need that requires a regional approach given the economic and financial magnitudes involved.
- f. Take advantage of opportunities in the field of services and in that of information and communications technologies. This is another key area that can be addressed.
- g. Lastly, profound reforms will be required in the educational system, particularly as its quality is concerned. Education is a powerful tool to reduce poverty and improve the distribution of income.

⁶⁰ These studies refer to the possibilities of expanding intra-regional trade exchanges and to the topic of convergence of the integration process in Latin America and the Caribbean.

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